

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of : DOCKET NO. 000828-TP

PETITION OF SPRINT COMMUNICATIONS :  
 COMPANY LIMITED PARTNERSHIP FOR :  
 ARBITRATION OF CERTAIN UNRESOLVED :  
 TERMS AND CONDITIONS OF A PROPOSED :  
 RENEWAL OF CURRENT INTERCONNECTION :  
 AGREEMENT WITH BELLSOUTH :  
 TELECOMMUNICATIONS, INC. :

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VOLUME 1

Pages 1 through 183

PROCEEDINGS: HEARING

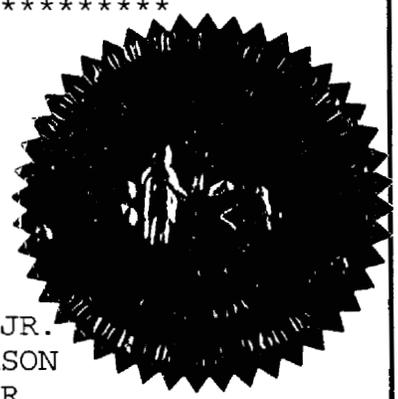
BEFORE: CHAIRMAN E. LEON JACOBS, JR.  
 COMMISSIONER J. TERRY DEASON  
 COMMISSIONER LILA A. JABER  
 COMMISSIONER BRAULIO L. BAEZ  
 COMMISSIONER MICHAEL A. PALECKI

DATE: Wednesday, January 10, 2001

TIME: Commenced at 9:30 a.m.

PLACE: Betty Easley Conference Center  
 Room 148  
 4075 Esplanade Way  
 Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR  
 FPSC Division of Records & Reporting  
 Chief, Bureau of Reporting



1 **APPEARANCES:**

2                   JEFFRY WAHLEN, Ausley & McMullen, Post  
3 Office Box 391, Tallahassee, Florida 32302; and  
4 SUSAN S. MASTERTON, P. O. Box 2214, Tallahassee,  
5 Florida 32316; and WILLIAM R. ATKINSON, 3100  
6 Cumberland Circle, Atlanta, Georgia 30339, appearing  
7 on behalf of Sprint Communications Company Limited  
8 Partnership.

9                   KIP EDENFIELD and JAMES MEZA, III, c/o  
10 Nancy Sims, 150 South Monroe Street, Suite 400,  
11 Tallahassee, Florida 32301 on behalf of BellSouth  
12 Telecommunications, Inc., appearing telephonically.

13                   TIM VACCARO and WAYNE KNIGHT, FPSC Legal  
14 Division, 2540 Shumard Oak Boulevard, Tallahassee,  
15 Florida 32399-0850, appearing on behalf of the  
16 Commission Staff.

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I N D E X

WITNESSES

NAME:

PAGE NO.

MELISSA L. CLOSZ

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**EXHIBITS**

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## P R O C E E D I N G S

1  
2 CHAIRMAN JACOBS: Call the hearing to order.  
3 Counsel, read the notice.

4 MR. VACCARO: Pursuant to notice this time and  
5 place have been designated for a hearing in Docket Number  
6 000828-TP for the purpose set forth in the notice.

7 CHAIRMAN JACOBS: We will take appearances.

8 MR. EDENFIELD: For BellSouth, Kip Edenfield  
9 from Atlanta, Georgia. With me I have Mr. Jim Meza from  
10 our Miami office.

11 MR. WAHLEN: Good morning, Commissioners. I am  
12 Jeff Wahlen of the Ausley & McMullen Law Firm in  
13 Tallahassee. Appearing with me today is Susan Masterton,  
14 P.O. Box 2214, Tallahassee, Florida, and William R.L.  
15 Atkinson, 3100 Cumberland Circle, Atlanta, Georgia, all of  
16 us on behalf of Sprint Communication Company, Limited  
17 Partnership.

18 MR. VACCARO: Tim Vaccaro and Wayne Knight on  
19 behalf of Commission staff.

20 CHAIRMAN JACOBS: Very well. Are there  
21 preliminary matters?

22 MR. VACCARO: Just a few preliminary matters,  
23 Mr. Chairman. Staff has prepared the official recognition  
24 list, which is identified as Staff's Stip 1. I have  
25 talked to both parties, and there are no objections to

1 having this entered into the record.

2 CHAIRMAN JACOBS: Very well. Without objection,  
3 we will mark this as Exhibit 1, and with no objection it  
4 is moved into the record.

5 (Exhibit Number 1 marked for identification and  
6 admitted into the record.)

7 MR. VACCARO: And then in addition to that, the  
8 parties have settled certain issues in this case and they  
9 would like to discuss that.

10 CHAIRMAN JACOBS: Who will take the lead on  
11 that?

12 MR. WAHLEN: I will, Commissioner Jacobs.

13 CHAIRMAN JACOBS: Mr. Wahlen.

14 MR. WAHLEN: Commissioners, we started this  
15 proceeding with 35 issues. By the time the prehearing  
16 conference had been held we had resolved or deferred 18.  
17 Since then, we have taken care of seven more. So we have  
18 left for litigation and decision only ten issues out of  
19 the 35 that we started with.

20 The issues that have been resolved since the  
21 prehearing conference are Issues 10, 11, 12, 18, 21, 34,  
22 and 35. The remaining issues --

23 CHAIRMAN JACOBS: That was 18, 31 --

24 MR. WAHLEN: Let me see if I can do this again.  
25 10, 11, 12, 18, 21, 34, and 35.

1 CHAIRMAN JACOBS: Got it.

2 MR. WAHLEN: If it would be helpful, I could  
3 list the issues that are remaining for you, as well.

4 CHAIRMAN JACOBS: Let's do that.

5 MR. WAHLEN: Okay. The issues that are  
6 remaining to be decided are 3, 4, 6, 7, 8, 9, 22, 28A and  
7 B, 29, and 32.

8 CHAIRMAN JACOBS: Very well.

9 MR. WAHLEN: Now, for purposes of the testimony  
10 that has been prefiled, Sprint has handed out to the staff  
11 and the Commissioners and BellSouth a list showing the  
12 portions of the testimony relating to these issues that is  
13 no longer needed to be entered into the record. And so  
14 what we propose to do is as witnesses come up, ask them in  
15 the beginning of their testimony which portions come out.

16 The list you have there is provided for your  
17 convenience and for the convenience of the court reporter,  
18 but we will go ahead and read into the record the portions  
19 of the testimony that don't need to be entered into the  
20 record and we will only enter into the record the portions  
21 of the testimony relating to the issues that remain.

22 CHAIRMAN JACOBS: Very well. That sounds like a  
23 good plan, workable thing.

24 MR. EDENFIELD: Just procedurally, Commissioner  
25 Jacobs, let me make one clarification. Issues 11 and 12

1 have been by stipulation of the parties. With my  
2 understanding with agreement of staff, those issues will  
3 be moved to the generic docket that will take those up,  
4 those issues are tandem, the tandem switching issue, and  
5 the IP telephony issue. And I guess procedurally I just  
6 want to make sure that -- I would assume we would need the  
7 Commission's blessing on that to move it out of this  
8 proceeding into the generic and we would ask for that  
9 blessing.

10 MR. WAHLEN: That's correct. We have agreed on  
11 language for a stipulation. The stipulation on those  
12 issues is being typed up and we will get that executed.  
13 It will be between the parties, but we do need to get  
14 those two issues moved into the generic docket.

15 CHAIRMAN JACOBS: That doesn't change the status  
16 for this hearing, but that helps with the clarification of  
17 that understanding.

18 MR. WAHLEN: Right.

19 COMMISSIONER JABER: Chairman Jacobs, I think I  
20 am the prehearing officer on the generic reciprocal  
21 compensation docket. And where we left that was that  
22 staff was to conduct another issue ID conference. And if  
23 you would like, we could work on that during the issue ID  
24 conference.

25 CHAIRMAN JACOBS: I think that sounds like a

1 workable thing. I note that there are several other  
2 issues that have been deferred to other dockets, as well,  
3 and several of those having to do with the operation  
4 support, and so I assume that the same process will be  
5 followed in that regard, as well.

6 MR. EDENFIELD: That is correct.

7 MR. VACCARO: Correct.

8 CHAIRMAN JACOBS: Very good.

9 MR. WAHLEN: Consistent with all of this  
10 activity, Sprint has one witness that will not even be  
11 appearing today and that is Witness David Rearden. His  
12 testimony addressed Issue Number 10. And so for purposes  
13 of planning we will not be offering his testimony into the  
14 record. And my guess is that Witness Fogleman's testimony  
15 will not need to go into the record.

16 CHAIRMAN JACOBS: I'm sorry, which witness?

17 MR. VACCARO: That is Staff's witness, and that  
18 is correct.

19 MR. WAHLEN: And Mr. Edenfield can correct me if  
20 I'm wrong, but I believe Ms. Caldwell's testimony relates  
21 solely to Issue 35, which has been resolved. So my guess  
22 is they won't be inviting her to testify today.

23 MR. EDENFIELD: That is correct. Ms. Caldwell  
24 will not be here as her one issue was resolved. Also I'm  
25 not sure, again, as a matter of procedure, we had

1 BellSouth Witness Dave Coon was the witness for the  
2 performance measurement issues that have been deferred to  
3 the generic docket. I don't know as a matter of formality  
4 whether we need to withdraw that testimony from this  
5 proceeding, as well. But to the extent you would like for  
6 us to do that, we will withdraw his testimony from this  
7 proceeding.

8 CHAIRMAN JACOBS: It sounds like that has been  
9 the preferred route, so we will go ahead and withdraw  
10 Witness Coon.

11 MR. EDENFIELD: Yes, sir. And I think Sprint  
12 also had a performance measurements witness, but for the  
13 life of me I can't remember who that is.

14 MR. WAHLEN: That was Lenihan, and he is not  
15 reflected in the prehearing order.

16 CHAIRMAN JACOBS: Is Coon here?

17 MR. EDENFIELD: He is not. But what we did is  
18 at the prehearing conference we had agreed to move all of  
19 those issues. But I don't know that we agreed to remove  
20 the testimony from the proceeding. To the extent we need  
21 to, I'm just telling you I am happy to do that. It has  
22 already been done, that's fine.

23 CHAIRMAN JACOBS: Okay. So let the record  
24 reflect that the prefiled -- I assume there was prefiled  
25 testimony for both of those witnesses, is to be withdrawn

1 from the record.

2 Are there any other matters that we need to take  
3 up preliminarily?

4 MR. WAHLEN: Sprint has no more preliminary  
5 matters.

6 MR. EDENFIELD: None from BellSouth.

7 MR. VACCARO: None from staff.

8 CHAIRMAN JACOBS: Now, staff, you had concurred  
9 in the withdrawal of Mr. Fogleman's testimony, is that  
10 correct?

11 MR. VACCARO: Yes, sir.

12 CHAIRMAN JACOBS: Okay. If there are no other  
13 preliminary matters, then we need to swear the witnesses  
14 that will testify.

15 Will you stand and raise your right hand.

16 (Witnesses sworn.)

17 CHAIRMAN JACOBS: You may call your first  
18 witness, Sprint.

19 MS. MASTERTON: Sprint calls Melissa Closz.

20

- - - - -

21

MELISSA CLOSZ

22 was called as a witness on behalf of Sprint Communications  
23 Company Limited Partnership and, having been duly sworn,  
24 testified as follows:

25

DIRECT EXAMINATION

1 BY MS. MASTERTON:

2 Q Ms. Closz, will you state your full name,  
3 please?

4 A Yes. My name is Melissa Closz.

5 Q And by whom are you employed and in what  
6 capacity?

7 A I am employed by Sprint as Director, Local  
8 Market Development.

9 Q And could you please give us your business  
10 address?

11 A Yes. My business address is 7560 Courtney  
12 Campbell Causeway, Tampa, Florida.

13 Q Ms. Closz, did you cause to be filed 28 pages of  
14 direct testimony in this docket on November 1st, 2000?

15 A Yes, I did.

16 Q Do you have any changes or corrections to that  
17 testimony?

18 A Yes, I do.

19 Q Could you please read them for the record?

20 A Yes. And stating changes to direct testimony  
21 first?

22 Q Yes, please.

23 A Okay. To my direct testimony on Page 3, Lines  
24 17 through Line 24, strike those lines and insert the  
25 following issues: "Issue 8, designation of network point

1 of interconnection; Issue 22, payment in advance for  
2 make-ready work performed by BellSouth; and, Issue 32,  
3 justification for space reservation."

4 On Page 4, Line 3, strike 7, 11, and 12, and  
5 insert, "and 7." On Page 4, Lines 5 through 10, strike  
6 everything after the semi-colon on Line 5. On Page 7,  
7 Line 11, through Page 12, Line 19, strike all those lines.  
8 On Page 20, Line 13, through Page 28, Line 14, strike all  
9 those lines.

10 Q Thank you. And, Ms. Closz, a written copy of  
11 this has been provided to the court reporter, has it not?

12 A Yes, it has.

13 Q Ms. Closz, did you cause to be filed 27 pages of  
14 rebuttal testimony in this case on December 1st, 2000?

15 A Yes, I did.

16 Q Do you have any changes or corrections to that  
17 testimony?

18 A Yes, I do. Changes to the rebuttal testimony  
19 are as follows: On Page 1, Line 23, beginning with Issue  
20 16, strike through the semi-colon on Line 25. On Page 2,  
21 Line 2, beginning with Issue 33, strike up to the period  
22 on Line 5. On Page 2, Line 9, strike 7, 11, and 12, and  
23 insert, "and 7." On Page 2, Line 10, beginning with James  
24 Lenihan, strike through the period on Line 12. On Page 9,  
25 Line 20, through Page 12, Line 23, strike all of those

1 lines. On Page 21, Line 8, through Page 26, Line 24,  
2 strike all of those lines.

3 Q Thank you. With the changes you have just  
4 described to your direct and rebuttal testimony, if I were  
5 to ask you the same questions as they appear in your  
6 direct and rebuttal testimony today, would your answers be  
7 the same?

8 A Yes, they would.

9 MS. MASTERTON: Sprint moves that Ms. Closz'  
10 direct and rebuttal testimony as amended be inserted into  
11 the record as though read.

12 CHAIRMAN JACOBS: Without objection show her  
13 testimony admitted into the record.

14

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1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **DIRECT TESTIMONY**

3   **OF**

4   **MELISSA L. CLOSZ**

5  
6  
7   **Q. Please state your name and business address.**

8  
9   A. My name is Melissa L. Closz. My business address is 7650 Courtney Campbell  
10 Causeway, Suite 1100, Tampa, Florida.

11  
12   **Q. By whom are you employed and in what capacity?**

13  
14   A. I am employed by Sprint as Director-Local Market Development.

15  
16   **Q. Please describe your educational background and work experience.**

17  
18   A. I have a Master of Business Administration degree from Georgia State University in  
19 Atlanta, Georgia and a Bachelor of Business Administration degree from Texas  
20 Christian University in Fort Worth, Texas. I have been employed by Sprint for over  
21 nine years and have been in my current position since February, 1997. I began my  
22 telecommunications career in 1983 when I joined AT&T Long Lines progressing  
23 through various sales and sales management positions. In 1989, I joined Sprint's  
24 Long Distance Division as Group Manager, Market Management and Customer

1 Support in Sprint's Intermediaries Marketing Group. In this capacity, I was  
2 responsible for optimizing revenue growth from products and promotions targeting  
3 association member benefit programs, sales agents and resellers. I owned and  
4 operated a consumer marketing franchise in 1991 and 1992 before accepting the  
5 General Manager position for Sprint's Florida unit of United Telephone Long  
6 Distance (UTLD). In this role, I directed marketing and sales, operational support  
7 and customer service for this long distance resale operation. In Sprint's Local  
8 Telecommunications Division, in 1993, I was charged with establishing the Sales  
9 and Technical Support organization for Carrier and Enhanced Service Markets. My  
10 team interfaced with interexchange carriers, wireless companies and competitive  
11 access providers. After leading the business plan development for Sprint  
12 Metropolitan Networks, Inc. (SMNI, now a part of Sprint Communications  
13 Company Limited Partnership), I became General Manager in 1995. In this capacity,  
14 I directed the business deployment effort for Sprint's first alternative local exchange  
15 company (ALEC) operation, including its network infrastructure, marketing and  
16 product plans, sales management and all aspects of operational and customer  
17 support.

18  
19 **Q. What are your present responsibilities?**

20  
21 **A.** My present responsibilities include leading Sprint's interconnection negotiations  
22 with BellSouth Telecommunications, Inc. (BellSouth). In addition, I am responsible  
23 for coordinating Sprint's entry into the local markets within BellSouth states. I also

1 interface with the BellSouth account team supporting Sprint to communicate service  
2 and operational issues and requirements.

3

4 **Q. Have you testified previously before state regulatory Commissions?**

5

6 A. Yes, I have testified before state regulatory Commissions in Alabama, Florida,  
7 Georgia, Kentucky, Louisiana, Mississippi, New York, North Carolina, South  
8 Carolina and Tennessee.

9

10 **Q. What is the purpose of your testimony in this proceeding?**

11

12 A. The purpose of my testimony is to provide input and background information to the  
13 Florida Public Service Commission (FPSC) regarding Sprint's Petition for Arbitration  
14 of certain issues that Sprint and BellSouth Telecommunications, Inc. (BellSouth)  
15 discussed during the course of negotiating a renewal of their Interconnection  
16 Agreement, but were unable to resolve. Specifically, my testimony will deal with the  
17 following issues: Issue 8- Designation of the Network Point of Interconnection; ~~Issue~~  
18 ~~16- Time Interval for the Provision of Space Availability Reports, Issue 18-~~  
19 ~~Negotiation of Alternative Demarcation Point(s), Issue 21- Conversion in Place From~~  
20 ~~Virtual to Physical Collocation, Issue 22- Payment in Advance for make-Ready Work~~  
21 ~~Performed by BellSouth; Issue 32- Justification for Space Reservation; ~~Issue 32- Cost~~~~  
22 ~~for Removal of Obsolete Unused Equipment, Issue 34- Provision of Full Sized,~~  
23 ~~Engineering Floor Plans and Engineering Forecasts Upon Denial of a Physical~~  
24 ~~Collocation Request; and Issue 35- Rates for Collocation Space Preparation.~~

1

2 Sprint witnesses will address the other arbitration issues in this proceeding as follows:

3 Mark Felton will address various issues identified as 1, 3, 5, 7, ~~11 and 12~~, Michael

4 Hunsucker will address unbundled network element combinations issues 4 and 6;

5 Angela Oliver will address interconnection issues 9, 28 (a) and 28 (b); ~~Jim Lenihan~~

6 ~~will address performance measurements issues 23, 24, 25, 26 and 27, and David~~

7 ~~Rearden will address reciprocal compensation payments for ISP traffic as delineated~~

8 ~~in issue 10.~~

9

10 **Issue 8: Should BellSouth be able to designate the network Point of**  
11 **Interconnection (POI) for delivery of BellSouth's local traffic?**

12

13 **Q. Please describe the issue for which Sprint seeks arbitration by this Commission.**

14

15 A. The issue is whether BellSouth should be able to determine the network Point of  
16 Interconnection (POI) for delivery of its originated local traffic.

17

18 **Q. Should BellSouth be able to determine the network Point of Interconnection for**  
19 **delivery of its originated local traffic?**

20

21 A. No. As a Competing Local Provider, Sprint has the right to designate the Point of  
22 Interconnection for both the receipt and delivery of local traffic at any technically

1 feasible location within BellSouth's network. This includes the right to designate the  
 2 POI in connection with traffic originating on BellSouth's network.

3

4 **Q. What is BellSouth's position on this issue?**

5

6 A. BellSouth's position is that it should have the ability to designate the POI(s) for the  
 7 delivery of its local traffic to Sprint.

8

9 **Q. Does the FCC address the rights and obligations of ILECs and requesting**  
 10 **carriers with respect to the designation of the network POI?**

11

12 A. Yes. In its Local Competition Order<sup>1</sup>, the FCC clearly stated that the specific  
 13 obligation of ILECs to interconnect with local market entrants pursuant to Section  
 14 251(c)(2) the Act<sup>2</sup> engenders the local entrant's right to designate the point or points  
 15 of interconnection at any technically feasible point within the Local Exchange  
 16 Carrier's network:

17

The interconnection obligation of section 251(c)(2) allows

18

competing carriers to choose the most efficient points at which

---

<sup>1</sup> See *First Report and Order*, CC Docket No. 96-98 (issued August 8, 1996) (hereinafter "Local Competition Order").

<sup>2</sup> Section 251(c)(2) provides as follows: "Interconnection. The duty to provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the local exchange carrier's network -

- (A) for the transmission and routing of telephone exchange service and exchange access;
- (B) at any technically feasible point within the carrier's network;
- (C) that is at least equal in quality to that provided by the local exchange carrier to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection; and
- (D) on rates, terms and conditions that are just, reasonable, and nondiscriminatory, in accordance with the terms and conditions of the agreement and the requirements of this section and section 252 of this title."

1 to *exchange* (emphasis added) traffic with incumbent LECs,  
2 thereby lowering the competing carriers' cost of, among other  
3 things, transport and termination of traffic.

4  
5 ... Of course, requesting carriers have the right to select  
6 points of interconnection at which to *exchange* (emphasis  
7 added) traffic with an incumbent LEC under Section 251(c)(2).

8  
9 Local Competition Order, at Paragraphs 172, 220, fnte. 464. In other words,  
10 Congress and the FCC intended to give ALECs the flexibility to designate the POI for  
11 the receipt and delivery of local traffic in order that the ALEC may minimize entry  
12 costs and achieve the most efficient network design. No such right is given to the  
13 incumbent carrier, only to new entrants. Sprint's right to designate the point of  
14 interconnection so as to lower its costs, including its cost of transport and termination  
15 of traffic, includes the right to designate the point of interconnection associated with  
16 traffic that originates on BellSouth's network, which Sprint must terminate.

17  
18 **Q. Why is the designation by BellSouth of a POI (or POIs) for the delivery of its**  
19 **local traffic a concern to Sprint?**

20  
21  
22 **A. BellSouth may wish to designate its end offices as the points of interconnection for**  
23 **traffic it originates. Such a designation would force Sprint to build facilities to each**

1 BellSouth end office or to pay to transport BellSouth traffic to Sprint's network. This  
2 position would be inconsistent with the FCC's Local Competition Order and the Act.  
3 Sprint is not required to extend its facilities to each BellSouth end office or to any  
4 other point designated by BellSouth. Instead, BellSouth is obligated to provide  
5 interconnection for Sprint facilities at points within BellSouth's network designated  
6 by Sprint. It is neither appropriate nor consistent with the Act and associated FCC  
7 Orders for the monopolist incumbent to increase entrant's costs and potentially  
8 decrease the entrant's network efficiencies by arbitrarily designating where in the  
9 LATA it chooses to hand its traffic off to Sprint and other local market entrants.

10  
11 ~~Issue 18: Should Sprint and BellSouth have the ability to negotiate a demarcation~~  
12 ~~point different from Sprint's collocation space, up to and including the~~  
13 ~~conventional distribution frame?~~

14  
15 ~~Q. What is Sprint's position on this issue?~~

16  
17 ~~A. Sprint believes that the parties should have the ability to negotiate a demarcation~~  
18 ~~point different from the perimeter of Sprint's collocation space, up to and including~~  
19 ~~the conventional distribution frame.~~

20  
21 ~~Q. What is Sprint's understanding of BellSouth's position on this issue?~~

22

1 A. Sprint's understanding is that BellSouth wants the parties to negotiate a demarcation  
2 point "designation" that will apply to all of its collocations in all BellSouth premises  
3 for the three-year term of the parties' interconnection agreement. If a different  
4 demarcation point were to be considered for a particular collocation site, BellSouth  
5 would have sole discretion whether to consider an alternate demarcation point for a  
6 particular collocation site, and if BellSouth determined that an alternate demarcation  
7 site was appropriate, BellSouth would have final discretion as to the location of that  
8 demarcation point.

9  
10 **Q. What is a demarcation point?**

11  
12 A. A demarcation point is essentially the point at which the ALEC and ILEC facilities  
13 meet. The demarcation point serves as the point for which maintenance and  
14 provisioning responsibilities are split with each party assuming accountability on its  
15 side of the demarcation point.

16  
17 **Q. Does Sprint wish to comply with the Commission's decision in its Generic**  
18 **Collocation Docket No. 981834-TP and 990321-TP regarding the designation of**  
19 **the demarcation point?**

20  
21 A. Yes.

22

1 **Q. What did the Commission decide regarding the appropriate demarcation point?**

2

3 A. The Commission determined:

4 The appropriate demarcation point is an ILEC designated location at the  
5 perimeter of an ALEC's collocation space; however, parties may negotiate  
6 another demarcation point up to the conventional distribution frame  
7 (CDF).

8

9 **Q. Does the Commission's decision provide for the parties to negotiate a different  
10 demarcation point for a particular collocation space?**

11

12 A. Yes. As reflected above, the Commission determined that in general, the appropriate  
13 demarcation point is at the perimeter of a collocation space. However, the  
14 Commission's decision provides for the parties to negotiate a different demarcation  
15 point where warranted.

16

17 **Q. Does BellSouth's position comply with the Commission's decision?**

18

19 A. No. The Commission's decision provides for negotiation of an alternative  
20 demarcation point. BellSouth, however, has interpreted the Commission's decision to  
21 mean that an alternative demarcation point may be "negotiated", but that the alternate  
22 site must be used for all collocations in all locations over the course of the next three  
23 years. A demarcation point different from the "negotiated" demarcation point could

1 be implemented, but it would be in BellSouth's sole discretion whether an alternative  
2 demarcation point would be considered and where it would be. This is entirely  
3 inconsistent with the spirit and the letter of the Commission's determination to allow  
4 for negotiation of different demarcation points. Moreover, since all potential  
5 BellSouth collocation sites are different, it is naïve to assume that a single  
6 demarcation point designation will work for all collocations at all sites over the  
7 course of a three-year agreement.

8  
9 **Q. Does this mean that Sprint wants to negotiate a different demarcation point for**  
10 **every single collocation that it implements?**

11  
12 A. No. Sprint supports the Commission's determination that the demarcation point  
13 should be at a BellSouth-designated location at the perimeter of Sprint's collocation  
14 space. However, there may be space constraints or central office configuration  
15 limitations that necessitate the selection of another site for the demarcation point. In  
16 those situations, the parties should negotiate in good faith to select that alternate site.

17  
18 **Q. Why would BellSouth's "one solution fits all" approach be problematic?**

19  
20 A. Each collocation site is unique. As a result, a demarcation point designation that  
21 works well at one location may not work at all at another. There is simply no clear-  
22 cut way to define these differences in the up-front negotiations process.

1 Sprint is simply requesting that the parties negotiate in good faith to select an  
2 alternate demarcation point should the physical characteristics of a particular site  
3 suggest that a different engineering design would be more appropriate.  
4

5 **Q. What action does Sprint request that the Commission take on this issue?**  
6

7 A. Sprint requests that the Commission order BellSouth to comply with its decision  
8 regarding demarcation points that was rendered in its Generic Collocation docket.  
9 Specifically, the Commission should order BellSouth to provide for negotiation of a  
10 demarcation point different from Sprint's collocation space up to and including the  
11 conventional distribution frame, as provided for in the following contract language:  
12

13 BellSouth will designate the point of demarcation at the perimeter of  
14 Sprint's collocation space. BellSouth will use best efforts to identify the  
15 closest demarcation point to Sprint's equipment that is available. Each  
16 party will be responsible for maintenance and operation of all  
17 equipment/facilities on its side of the demarcation point. Sprint or its  
18 agent must perform all required maintenance to equipment/facilities on its  
19 side of the demarcation point, and may self-provision cross-connects that  
20 may be required within the collocation space to activate service requests.

21 At Sprint's expense, a Point of Termination (POT) bay, frame or digital  
22 cross-connect at the demarcation location designated by BellSouth, may  
23 serve as the demarcation point. If Sprint elects not to provide a POT

1 frame, BellSouth will agree to hand off the interconnection cables to  
2 Sprint at Sprint's equipment or at the designated demarcation point.  
3 When Sprint elects to install its own POT frame/cabinet, BellSouth must  
4 still provide and install the required DC power panel.  
5

6 **Issue 21: Under what conditions, if any, should Sprint be permitted to convert**  
7 **in place when transitioning from a virtual collocation arrangement to a cageless**  
8 **physical collocation arrangement?**  
9

10 **Q. The Commission recently ruled on this issue in its Generic Collocation Docket**  
11 **No. 981834-TP and 990321-TP. What terms and conditions does Sprint expect**  
12 **to incorporate into its interconnection agreement with BellSouth on this topic?**  
13

14 **A. Sprint will abide by the Commission's determinations with respect to the conversion**  
15 **of virtual collocation arrangements to cageless physical collocation arrangements.**  
16 **Since the parties have not yet had the chance to discuss conforming contract**  
17 **language, Sprint reserves the right to submit supplemental testimony on this issue if**  
18 **the parties are unable to agree on contract language that conforms to the**  
19 **Commission's Orders.**  
20

21 **Issue 22: Should Sprint be required to pay the entire cost of make-ready work**  
22 **prior to BellSouth's satisfactory completion of the work?**  
23

1 **Q. Please describe this issue regarding payment in advance for Make-Ready**  
2 **Work performed by BellSouth.**

3

4 A. Attachment 8 of the proposed interconnection agreement between Sprint and  
5 BellSouth sets forth the terms and conditions under which BellSouth will afford  
6 Sprint access to its poles, ducts, conduits and rights-of-way. The issue at hand is  
7 whether Sprint should be required to pay the entire cost of Make-Ready Work prior  
8 to BellSouth's satisfactory completion of such work.

9

10 **Q. WHAT IS "MAKE-READY WORK"?**

11

12 A. "Make-Ready Work" is defined in the draft interconnection Agreement between  
13 the parties as,

14 ...all work performed or to be performed to prepare BellSouth's  
15 Conduit Systems, Poles or Anchors and related Facilities for the  
16 requested Occupancy or attachment of Sprint's Facilities. Make-Ready  
17 Work includes, but is not limited to, clearing obstructions (e.g., by  
18 rodding Ducts to ensure clear passage), the rearrangement, transfer,  
19 replacement, and removal of existing Facilities on a Pole or in a  
20 Conduit System where such work is required solely to accommodate  
21 Sprint's Facilities and not to meet BellSouth's business needs or  
22 convenience...

23

1 **Q. What is Sprint's position on this issue?**

2

3 A. Sprint should pay for half of the charges for Make-Ready Work performed by  
4 BellSouth prior to the performance of any such work, and half of the charges upon  
5 satisfactory completion of the work.

6

7 **Q. What payment arrangement does BellSouth contend that Sprint is required to  
8 follow?**

9

10 A. BellSouth requires that one hundred percent (100%) of the charges be paid in  
11 advance of work performance. In addition, BellSouth will not schedule  
12 performance of the work until payment is received.

13

14 **Q. Why does Sprint advocate payment of half of the charges up front and half  
15 upon completion is appropriate?**

16

17 A. It is reasonable and customary in situations involving contracted work to provide a  
18 portion of payment in advance and the remainder of the payment upon satisfactory  
19 completion of the work. If Sprint is required to pay for all of the work in advance,  
20 Sprint will have no leverage with BellSouth to insure that the work being done is  
21 fully completed and is satisfactory. Indeed, BellSouth will already have been fully  
22 compensated and will have no financial incentive to complete the job in a timely  
23 and accurate fashion.

1

2 **Q. Are there other areas of BellSouth's business where partial up-front payments**  
3 **have been standard BellSouth practice?**

4

5 A. Yes. BellSouth's historical practice regarding the provisioning of collocation space  
6 provided for the requesting collocator to pay fifty percent (50%) of the estimated  
7 cost for space preparation up front with the remainder being paid by the collocator  
8 upon satisfactory completion of the work. Sprint understands that BellSouth is now  
9 moving further away from substantial up-front payments and is advocating monthly  
10 recurring charges to pay for collocation space preparation. Sprint believes there is  
11 no reason why BellSouth should not apply an "up-front/upon completion" payment  
12 methodology to the performance of Make-Ready Work in conjunction with its  
13 conduit systems, poles or anchors.

14

15 **Q. What is BellSouth's rationale for requiring payments up front?**

16

17 A. To the best of Sprint's knowledge, BellSouth requires this payment method  
18 because this is the way they have traditionally handled such payments and it is  
19 what BellSouth has required other requesting carriers to do.

20

21 **Q. What is the practical impact of BellSouth's policy on requesting carriers?**

22

1 A. ALECs such as Sprint seeking to utilize BellSouth's conduit systems, poles and  
2 anchors in their infrastructure deployment efforts will have to accept the work  
3 completed by BellSouth without financial recourse. If such work is unsatisfactory,  
4 personal appeals to BellSouth management will be the only available course of  
5 action to remedy the situation. Such escalations require a lot of time and effort on  
6 the part of both BellSouth and the ALEC. In contrast, receipt by BellSouth of final  
7 payment upon work completion provides an effective incentive for timely and  
8 satisfactory completion of such work.

9

10 **Q. What action is Sprint requesting that the Commission take on this issue?**

11

12 A. The Commission should order BellSouth to provide for payment by Sprint of fifty  
13 percent (50%) of Make-Ready Work charges in advance and payment of fifty  
14 percent of such charges upon satisfactory completion of such work. Specifically,  
15 Sprint requests that the Commission adopt Sprint's proposed language as follows:

16

17 Fifty percent (50%) of all charges for Make-Ready Work  
18 performed by BellSouth are payable in advance, with the amount of any  
19 such advance payment to be due within sixty (60) calendar days after  
20 receipt of an invoice from BellSouth. BellSouth will begin Make-Ready  
21 Work required to accommodate Sprint after receipt of Sprint's initial  
22 make-ready payment. Sprint will pay the remaining fifty percent (50%) of  
23 charges for Make-Ready Work upon completion of Make-Ready Work.

1

2 **Issue 32: Upon denial of a Sprint request for physical collocation, what**  
3 **justification, if any, should BellSouth be required to provide to Sprint for space that**  
4 **BellSouth has reserved for itself or its affiliates at the requested premises?**

5

6 **Q. What is Sprint's position on this issue?**

7

8 A. Upon denial of a Sprint request for physical collocation, BellSouth should provide  
9 justification for the reserved space based on a demand and facility forecast which  
10 includes, but is not limited to, three to five years of historical data and forecasted  
11 growth, in twelve month increments, by functional type of equipment (e.g., switching,  
12 transmission, power, etc.). BellSouth should provide this justification to Sprint in  
13 conjunction with its denial of Sprint's request for physical collocation. Such  
14 information would be subject to appropriate proprietary protections.

15

16 **Q. What justification for its reserved space is BellSouth proposing to provide?**

17

18 A. BellSouth does not offer to provide any justification for its reserved space to Sprint.  
19 Rather, BellSouth proposes only to provide justification for the reserved space to the  
20 Commission based on whatever the Commission currently requires.

21

1 **Q. What is Sprint's understanding of what the Commission currently requires**  
2 **BellSouth to provide in conjunction with a denial of physical collocation space to**  
3 **an ALEC?**

4  
5 A. In the Commission's Proposed Agency Action (PAA) issued in conjunction with the  
6 consolidated Dockets 981834-TP and 990321-TP, the Commission required that the  
7 ILEC provide both the Commission and the requesting carrier with detailed floor  
8 plans or diagrams of the premises where space was denied.

9  
10 **Q. Does a detailed floor plan or diagram of the premises provide sufficient**  
11 **information for Sprint to evaluate BellSouth's claim of space exhaustion?**

12  
13 A. No. The floor plan or diagram provides only a visual representation of the contents of  
14 the premises in question. It provides no basis to assess the reasonableness of  
15 BellSouth's space reservation designations. The only way to conduct such an  
16 evaluation is to review demand and facility forecasts, as described above, to  
17 extrapolate such forecasts to future years, and translate such calculations to the space  
18 and the square footage that BellSouth claims it will need to accommodate its future  
19 requirements. With such tools, Sprint can conduct a meaningful walk-through of the  
20 premises in question and prepare a fact-based assessment of BellSouth's space  
21 exhaustion claim.

22

1 **Q. Do the Commission's current guidelines require that demand and facility**  
2 **forecasts be provided to the Commission in conjunction with the Petition for**  
3 **Waiver?**

4

5 A. No. The Commission's PAA requirement includes the submission of information  
6 regarding the premises, its floor plan, and space reserved for future use (including the  
7 intended purpose of the area and forecasted year of use), but there is no requirement  
8 for the submission of demand and facility forecasts based upon historical data as is  
9 being requested by Sprint. Without such forecasts, there is no basis for determining  
10 whether the space that is simply designated on premises floor plans as "reserved for  
11 future use" is sized in accord with historical demands for space in that particular  
12 premises.

13

14 **Q. What action does Sprint request that the Commission take on this issue?**

15

16 A. Sprint requests that the Commission adopt Sprint's proposed language for  
17 justification of reserved space as follows:

18

19           Upon denial of a Sprint request for physical collocation, BellSouth  
20 shall provide justification for the reserved space to Sprint based on a  
21 demand and facility forecast which includes, but is not limited to, three to  
22 five years of historical data and forecasted growth, in twelve month  
23 increments, by functional type of equipment (e.g., switching, transmission,

1 power, etc.). In estimating the space requirement for growth, BellSouth  
2 shall use the most recent access line growth rate and use the space  
3 requirement data applicable to any planned changes that reflect forward  
4 looking technology as it relates to switching, power, MDF and DCS.  
5 BellSouth shall not reserve active space that is supported by existing  
6 telecommunications infrastructure without growth forecasts to support  
7 such reservation. BellSouth shall disclose to Sprint the space it reserves  
8 for its own future growth and for its interLATA, advanced services, and  
9 other affiliates upon request and in conjunction with a denial of Sprint's  
10 request for physical collocation, subject to appropriate proprietary  
11 protections.

12  
13 **Issue 33: In the event that obsolete unused equipment is removed from a BellSouth**  
14 **premise, who should bear the cost of such removal?**

15  
16 **Q. What is Sprint's position on this issue?**

17  
18 A. Any obsolete unused equipment that is removed from a BellSouth premise should be  
19 removed at BellSouth's cost.

20  
21 **Q. What does BellSouth propose with respect to payment for the removal of**  
22 **obsolete unused equipment from its premise?**

1 ~~A. BellSouth proposes to assume the cost of removal of obsolete unused equipment from~~  
2 ~~its premises but only on the "scheduled date" for such removal. BellSouth agrees that~~  
3 ~~it will remove obsolete unused equipment from its premises upon request from Sprint,~~  
4 ~~but if such removal is prior to what BellSouth's schedule calls for, Sprint must pay~~  
5 ~~for a share of the equipment removal costs proportionate to Sprint's share of the space~~  
6 ~~that is made available by the removal of equipment.~~

7  
8 ~~**Q. Has the FCC provided guidance on the removal of obsolete unused equipment**~~  
9 ~~**from ILEC premises?**~~

10  
11 ~~A. Yes. In the FCC's Collocation Order, paragraph 60, *CC Docket No. 98-147, First*~~  
12 ~~*Report and Order and Further Notice of Proposed Rulemaking FCC 99-48*, the FCC~~  
13 ~~states:~~

14 ~~Finally, we conclude that in order to increase the amount of space~~  
15 ~~available for collocation, incumbent LECs must remove obsolete unused~~  
16 ~~equipment from their premises upon reasonable request by a competitor or~~  
17 ~~upon order of the state commission. There is no legitimate reason for an~~  
18 ~~incumbent LEC to utilize space for obsolete or retired equipment that the~~  
19 ~~incumbent LEC is no longer using when such space could be used by~~  
20 ~~competitors for collocation. The record reflects that some incumbent~~  
21 ~~LECs already remove obsolete equipment to increase collocation space.~~

22

1 **Q. Does the FCC provide for ALECs to assist in funding the removal of obsolete**  
2 **unused equipment based on the ILEC's schedule for removal?**

3  
4 A. No, it does not. Accordingly, it is inappropriate for BellSouth to seek to extract fees  
5 for the removal of its own equipment from ALECs in order to free up space for  
6 collocation.

7  
8 **Q. Are there other reasons why BellSouth's cost assessment proposal is**  
9 **problematic?**

10  
11 A. Yes. First, BellSouth's proposal to charge ALECs for expedited removal costs is  
12 unworkable in situations where the Commission requests BellSouth to remove  
13 obsolete unused equipment in order to free up space. Clearly, BellSouth would not  
14 charge the Commission if it ordered BellSouth to remove obsolete equipment.

15  
16 Secondly, such charges would be unilaterally imposed and controlled by BellSouth  
17 since BellSouth sets the equipment removal schedule. ALECs don't know nor should  
18 they have cause to care about what BellSouth's schedule is to remove obsolete  
19 unused equipment. Such an arbitrary designation would serve only to generate  
20 additional disputes regarding the appropriateness of both the timing of BellSouth's  
21 equipment removal and the equipment removal costs levied on ALECs.

22

1 As the FCC pointed out in its discussion on obsolete unused equipment, many ILECs  
2 are already removing such equipment without being asked. Certainly these ILECs are  
3 not looking to recover the costs of such removal from individual ALECs based,  
4 perhaps, on the timing of receipt of a collocation request and how that coincides with  
5 the ILEC's equipment removal schedule.

6  
7 There simply is no reasonable basis for BellSouth's proposed "expedite charge"  
8 assessment. BellSouth should assume the cost of removing obsolete unused  
9 equipment from its premises regardless of the equipment removal schedule that it  
10 establishes.

11  
12 **Q. What action does Sprint request that the Commission take on this issue?**

13  
14 **A.** Sprint requests that the Commission adopt its proposed language for inclusion in the  
15 parties' interconnection agreement as follows:

16  
17 In order to increase the amount of space available for collocation,  
18 BellSouth will remove obsolete unused equipment, at its cost, from its  
19 Premises to meet a request for collocation from Sprint.

20  
21 **Issue 34: Upon denial of a Sprint request for physical collocation, and prior to the**  
22 **walkthrough, should BellSouth be required to provide full-sized (e.g. 24 inch X 36**  
23 **inch) engineering floor plans and engineering forecasts for the premises in question?**

1  
2 **Q. What is Sprint's position on this issue?**

3  
4 A. Upon denial of a Sprint request for physical collocation, and prior to the premises  
5 walk-through to evaluate BellSouth's "no space" designation, BellSouth should be  
6 required to provide full-sized (e.g. 24 inch X 36 inch) engineering floor plans and  
7 engineering forecasts for the premises in question.

8  
9 **Q. What is BellSouth's position regarding the provision of full-sized engineering  
10 floor plans?**

11  
12 A. BellSouth's position is that it will provide to Sprint whatever it has been required to  
13 provide to the Commission. BellSouth states that it has been asked by the  
14 Commission to provide 8 ½ x 11 inch floor plans and therefore will not provide  
15 Sprint with full-sized (e.g., 24 inch X 36 inch) floor plans.

16  
17 **Q. Why is the provision of floor plans a significant issue to Sprint?**

18  
19 A. LECs must allow ALECs a meaningful opportunity to thoroughly review the  
20 information that is critical to the "no space" determination. This includes the  
21 provision of floor plans to the ALEC at least forty-eight hours prior to the tour. This  
22 time enables the ALEC to familiarize itself with the layout and equipment placement  
23 within the premises and to prepare any questions it may have regarding space

utilization. Having the floor plan in its possession in advance of the tour also allows  
2 the ALEC to prepare floor space calculations as part of its evaluation of whether or  
3 not there is space available for collocation. Furthermore, Sprint is unaware of any  
4 Commission Rule that less-than full-sized floor plans are to be provided.

5  
6 **Q. Why is it important to Sprint to receive the larger-sized floor plans?**

7  
8 A. Because of the intricate detail included in these floor plans, the availability of  
9 smaller-sized, nearly impossible to read floor plans is of little practical value to Sprint  
10 personnel. The information documented on the floor plan is critical to Sprint's  
11 ability to conduct a meaningful analysis of the premises in question and as such, only  
12 plans that are large enough to read fulfill this requirement. Sprint notes that it has  
13 agreed to review such plans subject to appropriate confidentiality agreements and to  
14 pay BellSouth for the full-sized plans. Accordingly, Sprint knows of no legitimate  
15 reason for BellSouth to refuse to provide the full-sized plans.

16  
17 **Q. What is BellSouth's position regarding the provision of engineering forecasts  
18 prior to Sprint's tour of a premise where it has been denied space?**

19  
20 A. As stated in the discussion regarding Issue 32, BellSouth refuses to provide  
21 engineering forecasts to Sprint. BellSouth's position is that it will provide only what  
22 the Commission has required it to provide in conjunction with its Petition for Waiver.  
23 Since the question of the provision of engineering forecasts was discussed at length as

1 part of Issue 32, Sprint refers the Commission to that testimony for further  
2 information regarding the parties, respective positions.

3  
4 **Q. What action does Sprint request that the Commission take on this issue?**

5  
6 A. Sprint requests that the Commission adopt Sprint's proposed language, as follows:

7  
8 Prior to the tour, BellSouth shall provide Sprint with full-sized,  
9 detailed engineering floor plans and engineering forecasts for the premise  
10 in question.

11  
12 **Issue 35: What rates(s) should BellSouth be allowed to charge for collocation space  
13 preparation?**

14  
15 **Q. What is Sprint's position on this issue?**

16  
17 A. BellSouth has recently proposed "standardized" rates for collocation space  
18 preparation. Sprint is willing to accept these rates for the parties' "renewal"  
19 interconnection agreement, subject to true-up based upon a Commission cost docket  
20 review. In the alternative, the provision in the parties' current interconnection  
21 agreement for space preparation fees to be charged on an Individual Case Basis (ICB)  
22 should be adopted.

23

1 **Q. What does Sprint understand BellSouth's position to be on this issue?**

2  
3 A. BellSouth's position is that the new standardized space preparation rates will be  
4 available to Sprint but will not be subject to true-up. BellSouth has stated that these  
5 rates have already undergone Commission review because they were filed in  
6 conjunction with BellSouth's collocation tariff in Florida and are currently in effect in  
7 connection with that tariff.

8  
9 **Q. Does Sprint believe that rates filed in conjunction with BellSouth's Florida**  
10 **collocation tariff are relevant to the parties' consideration of rates for their**  
11 **renewal interconnection agreement?**

12 A. No. Sprint does not intend to buy physical collocation from BellSouth's tariff.  
13 Rather, the rates, terms and conditions in the parties' interconnection agreement will  
14 apply. Accordingly, tariffed collocation rates are not relevant to the parties'  
15 interconnection agreement.

16  
17 **Q. BellSouth claims that rates for power are part of its space preparation rates and**  
18 **therefore the new rates for power that BellSouth has proposed must also be**  
19 **accepted in order to take advantage of the standardized space preparation rates.**  
20 **Does Sprint agree?**

21  
22 A. Sprint is willing to accept the BellSouth proposed rates for A.C. power, subject to  
23 true-up, since there are no Commission approved rates in the parties' current

1 interconnect agreement. However, for D.C. power, Sprint and BellSouth have  
2 Commission-approved rates for power in the current interconnection agreement.  
3 These rates should be carried forward to the parties' renewal interconnection  
4 agreement.

5  
6 **Q. What action does Sprint request that the Commission take on this issue?**

7  
8 A. Sprint proposes that the Commission order BellSouth to provide the standardized  
9 space preparation rates and the rates for A.C. power that they have proposed to Sprint  
10 subject to true-up. The Commission should further order that the rates for D.C.  
11 power in the parties' current interconnection agreement be carried forward to the  
12 renewal agreement. In the alternative, the provision in the parties' current  
13 interconnection agreement for space preparation fees to be charged on an Individual  
14 ~~Case Basis (ICB) should be adopted.~~

15 **Q. Does this conclude your Direct Testimony?**

16  
17 A. Yes, it does.

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**2                                   **REBUTTAL TESTIMONY**3   **OF**4   **MELISSA L. CLOSZ**

5

6   **Q.    Please state your name and business address.**7   A.    My name is Melissa L. Closz. My business address is 7650 Courtney  
8        Campbell Causeway, Suite 1100, Tampa, Florida.

9

10 **Q.    By whom are you employed and in what capacity?**

11 A.    I am employed by Sprint as Director-Local Market Development.

12

13 **Q.    Are you the same Melissa L. Closz that filed Direct Testimony in this**  
14 **docket?**

15 A.    Yes.

16

17 **Q.    What is the purpose of your Rebuttal Testimony in this proceeding?**18 A.    The purpose of my testimony is to provide rebuttal to BellSouth witnesses D.  
19        Daonne Caldwell, W. Keith Milner and John A. Ruscilli for the issues that I  
20        addressed in my Direct Testimony as well as Issue 29 - BellSouth's proposed  
21        Virtual Point of Interconnection. Specifically, I will provide rebuttal for the  
22        following other issues: Issue 8- Designation of the Network Point of  
23        Interconnection; ~~Issue 10 - Time Interval for the Provision of Space Availability~~  
24        ~~Reports; Issue 10 - Negotiation of Alternative Demarcation Point(s); Issue 27 -~~  
25        ~~Conversion in Place From Virtual to Physical Collocation; Issue 29 - Payment~~

1 in Advance for Make-Ready Work Performed by BellSouth; Issue 32 -  
2 Justification for Space Reservation; ~~Issue 33 - Cost for Removal of Obsolete~~  
3 ~~Unused Equipment; Issue 34 - Provision of Full-Sized Engineering Floor Plans~~  
4 ~~and Engineering Forecasts Upon Denial of a Physical Collocation Request;~~  
5 ~~and Issue 35 - Rates for Collocation Space Preparation.~~

6  
7 Sprint witnesses will provide rebuttal for the other arbitration issues in this  
8 proceeding as follows: Mark Felton will address various issues identified as 1,  
9 3, 5, 7, ~~11 and 12~~, Angela Oliver will address interconnection issues 9, 28 (a)  
10 and 28 (b); ~~James Lenihan will address performance measurements issues~~  
11 ~~23, 24, 25, 26 and 27; and Dr. David Roarden will address reciprocal~~  
12 ~~compensation payments for ISF traffic as delineated in issue 19.~~

13  
14 **Issue 8: Should BellSouth be able to designate the network Point of**  
15 **Interconnection (POI) for delivery of BellSouth's local traffic?**

16  
17 **Q. In the Joint Issues List developed by Sprint and BellSouth in this**  
18 **proceeding, Issue 8, designation of the network Point of Interconnection**  
19 **(POI) is identified as a distinct and separate issue from Issue 29, which**  
20 **deals with BellSouth's proposed "Virtual Point of Interconnection". Does**  
21 **Sprint see these as distinct and separate issues?**

22 **A. Yes.** BellSouth's witness Mr. Ruscilli responds to both of these issues in the  
23 same section of his testimony and seems to be implying that they are somehow  
24 the same issue. They are not. Issue 9, designation of the network POI, has to  
25 do with whether BellSouth has unilateral rights to establish network POIs for

1 BellSouth-originated traffic. Issue 29 deals with the appropriateness of an  
2 interconnection architecture that BellSouth has developed called its "Virtual  
3 Point of Interconnection". These are distinct and separate issues and Sprint  
4 will address them as such.

5  
6 **Q. Does Mr. Ruscilli's testimony address Issue 9, which is whether**  
7 **BellSouth should be able to designate the network Point of**  
8 **Interconnection ('POI') for delivery of its local traffic?**

9 A. No, it does not. The only reference to the establishment by BellSouth of a  
10 network POI is on page 40, lines 9-10, where he states, "The VPOI is the Point  
11 of Interconnection specified by BellSouth for delivery of BellSouth-originated  
12 traffic to Sprint." The statement simply asserts that BellSouth will make such a  
13 POI designation but does not address whether BellSouth has the right to do  
14 so.

15  
16 **Q. What is Sprint's position on this issue?**

17 A. As stated in my direct testimony, page 4, lines 21-22, and page 5, lines 1-2,  
18 Sprint, as an Alternative Local Exchange Carrier ("ALEC"), has the right to  
19 designate the Point of Interconnection ("POI") for both the receipt and delivery  
20 of local traffic at any technically feasible location within BellSouth's network.  
21 This includes the right to designate the POI in connection with traffic  
22 originating on BellSouth's network.

23  
24 **Q. On page 38, lines 19-25 and page 39, lines 1-6, Mr. Ruscilli quotes**  
25 **paragraph 209 of the Local Competition Order (CC Docket No. 96-98,**

1           **issued August 8, 1996) which references that competing carriers may**  
2           **select the points in an incumbent LEC's network at which they wish to**  
3           **deliver traffic. Does this paragraph indicate that BellSouth may**  
4           **designate POIs for its originated traffic?**

5    A.    No. Paragraph 209 states:

6  
7           We conclude that we should identify a minimum list of  
8           technically feasible points of interconnection that are critical to  
9           facilitating entry by competing local service providers. Section  
10          251 (c) (2) gives competing carriers the right to deliver traffic  
11          terminating on an incumbent LEC's network at any technically  
12          feasible point on that network, rather than obligating such  
13          carriers to transport traffic to less convenient or efficient  
14          interconnection points. Section 251 (c) (2) lowers barriers to  
15          competitive entry for carriers that have not deployed ubiquitous  
16          networks by permitting them to select the points in an incumbent  
17          LEC's network at which they wish to deliver traffic. Moreover,  
18          because competing carriers must usually compensate  
19          incumbent LECs for the additional costs incurred by providing  
20          interconnection, competitors have an incentive to make  
21          economically efficient decisions about where to interconnect.

22

23          Clearly, there is no statement in this paragraph that the ILEC may designate  
24          POIs for its originated traffic. Paragraph 209 does, however, discuss the  
25          importance of allowing new entrants to deliver traffic to the incumbent at any

1           technically feasible point on the ILEC's network such that network efficiency  
2           and cost considerations may be honored and barriers to competitive entry may  
3           remain low.

4

5   **Q.    Are there other portions of the Local Competition Order that directly**  
6   **address new entrants' ability to designate POIs?**

7   A.    Yes. As stated in my direct testimony, page 5, lines 9-18, and page 6, lines 1-  
8       16, the Local Competition Order, paragraphs 172 and 220, n.464 state:

9

10           ...The interconnection obligation of section 251 (c) (2) allows  
11           competing carriers to choose the most efficient points at which  
12           to *exchange* (emphasis added) traffic with incumbent LECs,  
13           thereby lowering the competing carriers' cost of, among other  
14           things, transport and termination of traffic.

15

16           ...Of course, requesting carriers have the right to select points  
17           of interconnection at which to *exchange* (emphasis added)  
18           traffic with an incumbent LEC under Section 251 (c) (2).

19

20           In other words, Congress and the FCC intended to give ALECs the flexibility to  
21           designate the POI for the receipt and delivery of local traffic in order that the  
22           ALEC may minimize entry costs and achieve the most efficient network  
23           design.

24

25   **Q.    Did the FCC in its Local Competition Order extend "the right to select**

1 **points of interconnection at which to exchange traffic..." to incumbent**  
2 **LECs?**

3 A. No, it did not.

4

5 **Q. BellSouth's position on this issue is that it has the right to designate the**  
6 **network POI for its originated traffic. It appears from BellSouth's**  
7 **position that BellSouth disagrees with Congress and the FCC regarding**  
8 **their determination that competing carriers may choose point(s) of**  
9 **interconnection for the exchange of traffic with incumbent LECs. Is an**  
10 **arbitration proceeding the proper forum to attempt to change Congress**  
11 **and the FCC's directives?**

12 A. No, it is not. If BellSouth wishes to disagree with and/or change this  
13 determination, the proper venue would be to petition those bodies for change  
14 or reconsideration.

15

16 **Q. Mr. Ruscilli focuses specifically on the issue of BellSouth network costs**  
17 **in much of his testimony. Did Congress and the FCC take cost**  
18 **considerations into account when the interconnection obligations and**  
19 **rights of ILECs and ALECs were determined?**

20 A. Given the multiple references in the Local Competition Order to cost  
21 considerations with respect to interconnection for new entrants, it seems  
22 eminently clear that such factors were of importance to the establishment of  
23 ILEC and ALEC interconnection rights and obligations.

24

25 **Q. If BellSouth were allowed to designate POIs for delivery of its originated**

1           **traffic, what would the network design and cost impacts be to Sprint?**

2    A.    Designation by BellSouth of POIs for BellSouth-originated traffic would  
3           effectively strip Sprint of its ability to control the design and cost of its network.  
4           Although BellSouth's testimony emphasizes BellSouth cost considerations, far  
5           more significant impacts fall upon Sprint since Sprint would be required to alter  
6           its network design and to pay for the transport of BellSouth-originated traffic to  
7           Sprint's network. In essence, Sprint would bear the cost of leasing or building  
8           facilities to BellSouth-designated POIs, or paying for such transport on a  
9           minute of use basis, in order to "pick up" BellSouth-originated traffic. This flies  
10          in the face of the FCC's intent that new entrants be able to minimize market  
11          entry costs associated with deployment of their networks.

12

13   **Q.    Are there other network design impacts associated with BellSouth's**  
14          **desire to designate POIs for its originated traffic?**

15    A.    Yes. As an example, let's assume that Sprint has determined that it wants to  
16           use 2-way trunking to enter a particular market because this will be the most  
17           efficient and cost-effective network design given the low traffic volumes  
18           expected in the early stages of market entry. For this two-way trunking,  
19           BellSouth's position is that the POI must be at a "mutually agreed-upon"  
20           location. From a practical standpoint, this means that BellSouth selects the  
21           POI, since BellSouth's position is that if the parties can't "mutually agree" on  
22           the POI, then the network design defaults to the provision of one-way trunking  
23           by each party and the associated selection by each party of the POI(s) for the  
24           delivery of originated traffic.

25

1           Although this topic of use and utilization of 2-way trunks is discussed more  
2           fully by Sprint witness Angela Oliver in conjunction with her testimony on Issue  
3           28, it is inextricably linked to the Commission's consideration of POIs. The  
4           reason this is the case is that granting BellSouth the ability to designate POIs,  
5           as demonstrated in the example above, will give BellSouth the ability to dictate  
6           Sprint's interconnection network design and the network design options  
7           ultimately available to Sprint. In turn, Sprint's ability to cost-effectively deploy  
8           its network will be correspondingly impacted.

9

10           Simply put, ALECs must have the ability to select POIs for the exchange of  
11           traffic in order to control their network designs and costs.

12

13       **Q. Mr. Ruscilli devotes a great deal of his testimony to BellSouth's desire to**  
14       **establish what BellSouth calls "Virtual Points of Interconnection"**  
15       **("VPOIs") in various local calling areas. Has BellSouth made any**  
16       **commitments with respect to the establishment of POIs or VPOIs for**  
17       **delivery of its originated traffic within the local calling areas where Sprint**  
18       **has established a POI or located a switch?**

19       **A.** No, and this is where BellSouth's true intentions with respect to the  
20       designation of POIs become crystal clear. BellSouth wants the right to require  
21       Sprint to build or lease facilities to pick up BellSouth's originated traffic  
22       regardless of where that traffic originates. That means that even within the  
23       local calling area(s) where Sprint has established POIs or located a switch  
24       BellSouth may choose to designate a POI or POIs for delivery of its originated  
25       traffic at any or all of its tandems or its end offices. BellSouth may claim that it

1 would not establish POIs at all of these locations, but the right to do so is  
2 exactly what BellSouth is asking this Commission to endorse.

3 At the heart of BellSouth's position is the financial optimization of BellSouth's  
4 own network without regard for the resulting cost impacts on ALECs. This  
5 simply flies in the face of the Act and the FCC's Orders which seek to embrace  
6 and enable the rights of competitors to minimize the network costs associated  
7 with market entry.

8

9 The designation of POIs by BellSouth will without question add cost to Sprint's  
10 network deployment by forcing Sprint to build or lease facilities from Sprint's  
11 switch location to POIs designated by BellSouth, or to pay to transport such  
12 BellSouth-originated calls to Sprint on a minute of use basis.

13

14 **Q. What action does Sprint request that the Commission take on this issue?**

15 A. Sprint requests that the Commission adopt Sprint's position that Sprint has the  
16 right to designate the Point of Interconnection for both the receipt and delivery  
17 of local traffic with BellSouth at any technically feasible location within  
18 BellSouth's network.

19

20 ~~Issue 18. Should Sprint and BellSouth have the ability to negotiate a~~  
21 ~~demarcation point different from Sprint's collocation space, up to and~~  
22 ~~including the conventional distribution frame?~~

23

24 **Q. ~~Since Direct Testimony was filed in this docket, has Sprint's~~**  
25 **~~understanding of BellSouth's position on this issue changed?~~**

1 A. Yes. At the time Direct Testimony was filed, Sprint's understanding was that  
2 BellSouth was willing to negotiate a different demarcation point for a given  
3 collocation arrangement, but that BellSouth would decide whether it would  
4 engage in such a negotiation or not. Since that time, BellSouth has modified  
5 its proposed demarcation contract language several times. Sprint now  
6 believes that BellSouth is willing to negotiate a demarcation point different  
7 from the ALEC collocation site, but the alternate designation would have to  
8 apply for all Sprint collocation arrangements that are implemented during the  
9 three-year term of the parties' interconnection agreement. The same principle  
10 would apply to the designation of a POT bay for demarcation. Sprint could  
11 elect to use a POT bay, but Sprint would be restricted to use of a POT bay for  
12 all collocation arrangements implemented for the duration of the agreement.

13  
14 **Q. Does Sprint agree with BellSouth's approach?**

15 A. No. As stated in my Direct Testimony, pages 10 and 11, a "one solution fits  
16 all" approach is problematic. Each collocation site is unique. As a result, a  
17 demarcation point designation that works well at one location may not work at  
18 all at another. There may be space constraints or central office configuration  
19 limitations that necessitate the selection of another site for the demarcation  
20 point. In those situations, the parties should negotiate in good faith to select  
21 an alternate site.

22  
23 **Q. Mr. Milner's testimony, p. 6, line 21, states that BellSouth will comply**  
24 **with the Commission's May order regarding the demarcation point.**  
25 **Sprint's Direct Testimony, p. 8, indicates that Sprint's intent is to also to**

1 **comply with the Commission's decision regarding the designation of the**  
2 **demarcation point. What, then, is the basis for the parties' continuing**  
3 **dispute?**

4 A. The dispute is essentially the interpretation of the Commission's statement  
5 that ILECs and ALECs may negotiate other demarcation points up to the CDF.  
6 BellSouth's interpretation of this statement is that an alternative demarcation  
7 point may be negotiated for purposes of Sprint's renewal interconnection  
8 agreement with BellSouth, but such alternate site must be utilized for all  
9 Sprint collocations implemented during the term of the agreement. As stated  
10 above, BellSouth believes this same principle would apply to Sprint's desire to  
11 utilize a POT bay. Sprint's understanding of the Commission's order is that an  
12 alternate demarcation point could be negotiated for individual collocation  
13 arrangements, and that determination of an alternate demarcation point for an  
14 individual collocation should not be binding on all Sprint collocations.

15  
16 **Q. Why does Sprint believe this is reasonable and appropriate?**

17 A. As stated above, collocation sites are unique. A "one solution fits all"  
18 approach simply is not practical. There is no clear-cut way to anticipate the  
19 myriad of circumstances and configurations that may affect collocation designs  
20 in each and every BellSouth premise.

21  
22 **Q. What exactly is Sprint requesting with respect to demarcation point**  
23 **designation?**

24 A. As stated in my Direct Testimony, p. 11, Sprint is simply requesting that the  
25 parties negotiate in good faith to select an alternate demarcation point should

1 the physical characteristics of a particular site suggest that a different  
2 engineering design would be more appropriate.

3  
4 **Q. Sprint's Direct Testimony contained proposed language for the parties'**  
5 **interconnection agreement. Would that language need to be**  
6 **supplemented to accommodate the alternative demarcation point**  
7 **negotiation that Sprint is requesting?**

8 A. Yes, the language will need to be supplemented to reflect the Commission's  
9 decision on this issue.

10

11 **Issue 21: Under what conditions, if any, should Sprint be permitted to**  
12 **convert in place when transitioning from a virtual collocation arrangement**  
13 **to a cageless physical collocation arrangement?**

14

15 **Q. Mr. Milner's Direct Testimony, p. 7 states, "BellSouth believes this matter**  
16 **has been decided by the Commission in the Generic Collocation Docket."**  
17 **Does Sprint agree?**

18 A. Sprint believes that the issue itself has been decided in the Commission's  
19 Generic Collocation Docket and in its recent Order on Reconsideration.  
20 However, since BellSouth has not yet presented conforming contract language,  
21 Sprint continues to reserve the right to submit supplemental testimony on this  
22 issue if the parties are unable to agree on contract language that conforms to  
23 the Commission's Order.

24

25 **Issue 22: Should Sprint be required to pay the entire cost of make-ready**

1       **work prior to BellSouth's satisfactory completion of the work?**

2

3       **Q.     On p. 10 of Mr. Milner's testimony, he states, "Sprint should be required**  
4       **to pay in advance for any such work Sprint requests BellSouth to**  
5       **perform as do other ALECs that have signed BellSouth's Standard**  
6       **License Agreement for Rights of Way (ROW), Conduits, and Pole**  
7       **Attachments." Does Sprint agree?**

8       **A.     No. Mr. Milner's statement confirms my Direct Testimony, page 15, lines 15-**  
9       **19, where I note, "...BellSouth requires this payment method because this is**  
10       **the way they have traditionally handled such payments and it is what**  
11       **BellSouth has required other requesting carriers to do."**

12

13       **Q.     Does it make sense that Sprint should be required to adopt BellSouth's**  
14       **policy requiring 100% of make-ready charges to be paid in advance**  
15       **simply because that is what they have required other carriers to do?**

16       **A.     No. This position is illogical. Surely BellSouth is not suggesting that all**  
17       **interconnection arrangements with requesting carriers must be uniform. If**  
18       **such were true, then negotiated local interconnection Agreements would be**  
19       **largely unnecessary, and there would be no reason whatsoever for the "Most**  
20       **Favored Nations" provision in Section 252(I) of the Act since each carrier**  
21       **would have the same, identical arrangements with BellSouth. Of course the**  
22       **more reasonable view is that parties have every right to negotiate rates terms**  
23       **and conditions for access to poles, ducts, conduits and rights-of-way which**  
24       **differ (or which do not differ) from the rates, terms and conditions negotiated**  
25       **by other parties. It is simply not constructive to suggest that Sprint should fall**

1 in line” with what other carriers have agreed to, for such reasoning would  
2 eliminate the need for the negotiated agreement, which is a cornerstone of the  
3 Act.

4 **Q. On p. 10, lines 23-25, Mr. Milner states, “Sprint, and other ALECs, have**  
5 **effective means of recourse should they believe a work request was not**  
6 **completed in a satisfactory manner.” Does Sprint agree?**

7 A. No. As stated on pages 15 and 16 of my Direct Testimony, requiring payment  
8 in advance for make-ready work will mean that Sprint will have to accept the  
9 work completed by BellSouth without financial recourse. If such work is  
10 unsatisfactory, personal appeals and escalations to BellSouth management  
11 will be the only available course of action to remedy the situation. Such  
12 escalations are time and resource intensive. In contrast, making final  
13 payments upon work completion provides an appropriate incentive to ensure  
14 that the work is completed in a timely and satisfactory manner.

15

16 **Q. On p. 10 of Mr. Milner’s testimony, he suggests that adoption of Sprint’s**  
17 **proposal would translate to problems with other ALECs due to 252 (I)**  
18 **adoptions of Sprint’s agreement. Is that an appropriate reason to deny**  
19 **Sprint’s proposal?**

20 A. No. If BellSouth has concerns regarding the ability of other ALECs to make  
21 payments or their payment histories, Sprint would be more than willing to  
22 adopt language to insure that creditworthiness is a factor in whether an ALEC  
23 could take advantage of a provision which allowed for up front/upon  
24 completion payments. It is simply inappropriate to deny Sprint’s requests  
25 based upon BellSouth’s concerns about other ALECs.

1

2 **Q. Mr. Milner also states on p. 10, line 7, "BellSouth should not be required**  
3 **to finance Sprint's business plan." Is that what Sprint is asking**  
4 **BellSouth to do?**

5 A. Absolutely not. Surely BellSouth is not suggesting that it pays all of its  
6 employees or contractors in advance for make-ready work. To do so,  
7 particularly for contractors, would be to deny BellSouth of its primary recourse  
8 - to withhold payment - should the contractor fail to satisfactorily complete the  
9 work.

10

11 **Issue 29: Should BellSouth be allowed to designate a virtual point of**  
12 **interconnection in a BellSouth local calling area to which Sprint has**  
13 **assigned a Sprint NPA/NXX? If so, who pays for the transport and**  
14 **multiplexing, if any, between BellSouth's virtual point of**  
15 **interconnection and Sprint's point of interconnection?**

16

17 **Q. On page 29 of Mr. Ruscilli's Direct Testimony, lines 4-16, Mr.**  
18 **Ruscilli offers a definition of Point of Interconnection as the**  
19 **physical linking of two networks for the mutual exchange of traffic.**  
20 **Are there also compensation implications associated with the**  
21 **Point of Interconnection?**

22 A. Yes. In fact, the definition of Point of Interconnection that Sprint and BellSouth  
23 have agreed to for inclusion in Attachment 3 of the parties' interconnection  
24 agreement is as follows:

25

1 A Point of Interconnection is the physical telecommunications interface  
2 between BellSouth and Sprint's interconnection functions. It establishes the  
3 technical interface and point of operational responsibility and defines the point  
4 at which call transport and termination reciprocal compensation responsibility  
5 begins. The primary function of the Point of Interconnection is to serve as the  
6 termination point for the interconnection service.

7

8 **Q. Does BellSouth's Virtual Point of Interconnection ("VPOI") proposal**  
9 **obligate Sprint to assume additional transport costs for BellSouth-**  
10 **originated traffic?**

11 A. Yes, it does. Although BellSouth has agreed that the POI "defines the point at  
12 which call transport and termination reciprocal compensation responsibility  
13 begins", it proposes to shift that "point" to a location other than the POI, thus  
14 obligating Sprint to pay for the transport between the VPOI and the POI. It  
15 appears, then, that BellSouth's "VPOI" is intended to function as a POI, even  
16 though it will be located at a point where Sprint has no network facilities.

17

18 **Q. Does BellSouth have the right to designate POIs for its originated traffic?**

19 A. No. As discussed thoroughly in my testimony on Issue 8, competing carriers,  
20 i.e., ALECs, have the right to establish network POIs for the exchange of traffic  
21 with the ILEC. The same rights are not extended to ILECs for the delivery of  
22 their local traffic to competing carriers. BellSouth does not have the right to  
23 designate POIs, or as BellSouth may call them, VPOIs, for delivery of their  
24 local traffic to Sprint.

25

1 **Q. Mr. Ruscilli's testimony spends a great deal of time discussing how**  
2 **Sprint should pay to transport BellSouth's originated calls to the POI**  
3 **between Sprint and BellSouth's networks. Is BellSouth permitted under**  
4 **FCC rules to force Sprint to pay BellSouth in order to transport**  
5 **BellSouth-originated calls?**

6 A. Absolutely not. FCC Rule 51.703(b) clearly states that "A LEC may not  
7 assess charges on any other telecommunications carrier for local  
8 telecommunications traffic that originates on the LEC's network."  
9

10 **Q. Is Sprint attempting to shift costs to BellSouth as Mr. Ruscilli claims?**  
11

12 A. No. In an interconnection architecture, each party, as an originating party,  
13 bears the cost of delivering its traffic to the other party. BellSouth, in reality, is  
14 attempting to shift costs to Sprint by proposing that Sprint pay to transport  
15 BellSouth-originated calls to the POI.  
16

17 **Q. Does the Local Competition Order require that competing carriers**  
18 **establish network POIs, or VPOIs, in order to minimize ILEC network**  
19 **costs?**

20 A. No. As discussed in my Direct Testimony, pages 5-6, paragraphs 172, 220  
21 and footnote 464 provide for "...competing carriers to choose the most efficient  
22 points at which to exchange traffic with incumbent LECs, thereby *lowering the*  
23 *competing carriers' cost* (emphasis added) of, among other things, transport  
24 and termination of traffic." Clearly, the emphasis in the FCC's Order is on  
25 minimizing ALEC entry costs such that ALECs may achieve the most efficient

1 network design. This is logical since emerging ALEC networks would by  
2 design be impossibly challenged to achieve the same cost advantages and  
3 efficiencies enjoyed by ILECs due to the ILEC's transport volumes and  
4 ubiquity. BellSouth seems to imply that Sprint is unreasonably attempting to  
5 minimize its own network costs when in fact, BellSouth is trying to lower its  
6 costs at Sprint's expense.

7

8 **Q. Does BellSouth's VPOI proposal give any consideration to ALEC**  
9 **network costs?**

10 A. No. BellSouth's proposal is focused entirely on what is cheapest for  
11 BellSouth. In fact, the designation of such VPOIs according to BellSouth's  
12 proposal is entirely in BellSouth's discretion. The VPOIs BellSouth intends to  
13 choose could be at the most costly location for the ALEC involved. BellSouth  
14 may claim that it would not make such a costly VPOI designation, but the right  
15 to do so is exactly what BellSouth is asking this Commission to authorize.  
16 ALEC costs, and even simple participation in the determination of the network  
17 design, are simply not a consideration of BellSouth's VPOI plan.

18

19 **Q. Does BellSouth reference any provision of the Act, the FCC's Local**  
20 **Competition Order or the FCC's regulations that provides for the type of**  
21 **"Virtual Point of Interconnection" architecture that it has proposed?**

22 A. No, it does not.

23

24 **Q. What action does Sprint request that the Commission take on this issue?**

1 A. Sprint requests that the Commission reject the "Virtual Point of  
2 Interconnection" plan developed and proposed by BellSouth.

3

4 **Issue 32: Upon denial of a Sprint request for physical collocation, what**  
5 **justification, if any, should BellSouth be required to provide to Sprint for**  
6 **space that BellSouth has reserved for itself or its affiliates at the requested**  
7 **premises?**

8

9 **Q. On p. 11 of Mr. Milner's testimony, he states that BellSouth believes that**  
10 **this issue has already been determined by the Commission. Do you**  
11 **agree?**

12 A. No. While the Commission's Proposed Agency Action (PAA) issued in  
13 conjunction with Docket Nos. 981834-TP and 990321-TP require that  
14 BellSouth provide documentation regarding space reserved for future use,  
15 there is no requirement that BellSouth provide justification for the space that it  
16 has reserved. There is a significant difference. The documentation currently  
17 required only identifies the reserved space and there is a general requirement  
18 for a description of its intended use. Sprint is seeking justification for the  
19 space reservation. In other words, BellSouth has shown us what space it has  
20 reserved. Now, we need to know why BellSouth needs it, and how its demand  
21 and facility forecasts support that proposed use.

22

23 **Q. Why does Sprint believe that this additional requirement to provide**  
24 **justification for reserved space is important?**

25 A. Sprint has gained invaluable knowledge and experience over the past year

1 through the tour and evaluation of ILEC premises where Sprint had been  
2 denied space for physical collocation. In its experience conducting such tours,  
3 Sprint has found that floor plans or diagrams only provide a visual  
4 representation of the contents of the premises in question. They provide no  
5 basis to address the critical question of whether the space reserved for future  
6 use is overstated, and as such, whether there might be space that could be  
7 made available for collocation.

8

9 **Q. How could such an assessment of the appropriateness of reserved**  
10 **space be made?**

11 A. In order to make such an assessment, Sprint engineers need to see demand  
12 and facilities forecasts which include, but are not limited to, three to five years  
13 of historical data and forecasted growth, in twelve month increments, by  
14 functional type of equipment. The engineers then take this data and  
15 determine what the facilities growth rate has been in the past. They then  
16 extrapolate this historical data to give a reasonable approximation of what  
17 could be expected in future years. The objective is to determine whether the  
18 amount of space reserved for future use is consistent with projected utilization  
19 for that particular premise. This data, along with the other premise-specific  
20 information that the Commission has required ILECs to provide, allows the  
21 ALEC to prepare a fact-based assessment of BellSouth's space exhaustion  
22 claim.

23

24 In short, as stated on p. 19 of my Direct Testimony, without this data, there is  
25 simply no basis to assess the reasonableness of BellSouth's reserved

1 space.

2

3 **Q. What action does Sprint request that the Commission take on this issue?**

4 A. Sprint requests that the Commission adopt Sprint's proposed language for  
5 justification of reserved space as documented on pages 19 and 20 of my  
6 Direct Testimony.

7

8 **Issue 33: In the event that obsolete unused equipment is removed from a**  
9 **BellSouth premise, who should bear the cost of such removal?**

10

11 **Q. Mr. Milner's Direct Testimony, p. 13, lines 16-18 states, "If, at an ALEC's**  
12 **request, BellSouth is required to remove unused obsolete equipment**  
13 **ahead of its scheduled removal, BellSouth will comply with such a**  
14 **request at the expense of the ALEC." Does Sprint agree?**

15 A. No. As stated in my Direct Testimony, pages 20-22, any obsolete unused  
16 equipment that is removed from a BellSouth premise should be removed at  
17 BellSouth's cost. There is simply no basis for BellSouth's proposal to extract  
18 fees from ALECs for the removal of its own equipment in order to free up  
19 space for collocation.

20

21 **Q. Does Mr. Milner's testimony cite any FCC rule or order in support of**  
22 **BellSouth's contention that ALECs should have to pay for obsolete**  
23 **unused equipment removal when it is requested ahead of BellSouth's**  
24 **removal schedule?**

25 A. No, it does not.

1  
2 **Q. Has the FCC provided guidance on the removal of obsolete unused**  
3 **equipment from ILEC premises?**

4 A. Yes. As stated in my Direct Testimony, p. 21, paragraph 60 of the FCC's  
5 Collocation Order requires ILECs to remove obsolete unused equipment from  
6 their premises upon reasonable request by a competitor or upon order of the  
7 state commission. It does not, however, provide for ALECs to fund the  
8 removal of obsolete equipment. BellSouth's plan to charge ALECs for such  
9 removal simply because it is not requested in accordance with BellSouth's  
10 equipment removal plans is arbitrary and unwarranted. The Commission  
11 should reject BellSouth's proposal and order that BellSouth bear the costs  
12 associated with obsolete unused equipment removal regardless of the timing  
13 of such removal.

14  
15 **Issue 34: Upon denial of a Sprint request for physical collocation, and prior**  
16 **to the walkthrough, should BellSouth be required to provide full-sized (e.g.**  
17 **24 inch X 36 inch) engineering floor plans and engineering forecasts for the**  
18 **premises in question?**

19  
20 **Q. On p. 15, lines 4-6, Mr. Milner's testimony states, "The engineering**  
21 **drawings BellSouth furnishes are a standard 36-inch width, but the**  
22 **length may vary depending upon the size of the building." What is**  
23 **Sprint's response to this statement?**

24 A. Mr. Milner appears to state that BellSouth provides exactly what it has refused  
25 to provide in the context of its interconnection negotiations with Sprint As

1 stated in my Direct Testimony, p. 24, BellSouth has stated to Sprint that it has  
2 been asked by the Commission to provide 8 ½ inch X 11 inch floor plans and  
3 therefore will not provide Sprint with full-sized (e.g. 24 inch X 36 inch) floor  
4 plans. Sprint has received no information from BellSouth's contract  
5 negotiators that it has changed its position, but will pursue such information.  
6

7 **Q. Mr. Milner states further on p. 15, lines 6-9, "Any further specificity in an**  
8 **interconnection agreement with regard to the details of what will be**  
9 **furnished would unnecessarily add to the administrative complexity of**  
10 **the process." Please respond.**

11 **A.** Specificity within the interconnection agreement is the only way that the  
12 parties can insure that their respective expectations are met and the ONLY  
13 way to avoid disputes once the interconnection agreement rates, terms and  
14 conditions are finalized. If BellSouth is willing to provide full-sized drawings, it  
15 should be memorialized in the parties' agreement to insure that there is no  
16 misunderstanding regarding BellSouth's willingness to do so.  
17

18 **Q. Has Sprint requested that language regarding specific dimensions of the**  
19 **floor plans be included in the parties' agreement?**

20 **A.** No. As stated in my Direct Testimony, p. 26, Sprint has proposed the  
21 following language:  
22

23 Prior to the tour, BellSouth shall provide Sprint with full-sized  
24 detailed engineering floor plans and engineering forecasts for  
25 the premise in question.

1  
2 Sprint requests that the Commission adopt Sprint's proposed language to  
3 resolve this issue.  
4

5 **Issue 35: What rates(s) should BellSouth be allowed to charge for**  
6 **collocation space preparation?**  
7

8 **Q. BellSouth witness Daonne Caldwell has submitted cost study data to the**  
9 **Commission in conjunction with this docket for various collocation rate**  
10 **elements. Was it Sprint's understanding and expectation that the**  
11 **Commission would be required to review these costs in conjunction with**  
12 **this arbitration proceeding?**

13 **A. No.** As stated on page 26 of my Direct Testimony, Sprint is willing to accept  
14 BellSouth's proposed space preparation rates for the parties' "renewal"  
15 interconnection agreement, subject to true-up based upon a Commission cost  
16 docket review. Sprint's expectation is, and always has been, that that review  
17 would take place in conjunction with the Commission's Generic Collocation  
18 Docket, Docket Nos. 981834-TP/990321-TP.  
19

20 **Q. Was BellSouth made aware of Sprint's expectations that costing review**  
21 **of its proposed space preparation rates should be handled in**  
22 **conjunction with the Commission's Generic Collocation Docket?**

23 **A. Yes, absolutely.** In fact, the only dispute that the parties have ever had with  
24 respect to these rates has been whether they should be subject to true-up  
25 once the Commission reviewed and established rates in conjunction with the

1 generic docket. Sprint believes that they should be subject to true-up.  
2 BellSouth has insisted that they should not be trued up. Sprint was surprised  
3 that BellSouth chose to file its cost data with the Commission in this docket.  
4

5 **Q. What was Sprint's understanding of why BellSouth opposed a true-up**  
6 **for these rates?**

7 A. As stated in my Direct Testimony, page 27, lines 1-7, BellSouth stated that  
8 these rates had already undergone Commission review because they were  
9 filed in conjunction with BellSouth's collocation tariff in Florida and are  
10 currently in effect in connection with that tariff. BellSouth stated that because  
11 they had "already undergone Commission review", there was no need for them  
12 to be subject to true-up.  
13

14 **Q. Does Sprint believe that rates filed in conjunction with BellSouth's**  
15 **Florida collocation tariff are relevant to the parties' consideration of**  
16 **rates for their renewal interconnection agreement?**

17 A. No. As stated in my Direct Testimony, Sprint does not intend to buy physical  
18 collocation from BellSouth's tariff. Rather, the rates, terms and conditions in  
19 the parties' interconnection agreement will apply. Accordingly, tariffed  
20 collocation rates are not relevant to the parties' interconnection agreement.  
21

22 **Q. Your Direct Testimony, page 27 lines 17-23 also addressed concerns**  
23 **regarding BellSouth claims that rates for power are part of its space**  
24 **preparation rates and therefore the new rates for power that BellSouth**  
25 **has proposed must also be accepted in order to take advantage of the**

1 **standardized space preparation rates. What is Sprint's position**  
2 **regarding these rates?**

3 A. Sprint is willing to accept the BellSouth proposed rates for A.C. power subject  
4 to true-up, since there are no Commission approved rates in the parties'  
5 current interconnection Agreement. However, for D.C. power, Sprint and  
6 BellSouth have Commission-approved rates for power in the current  
7 interconnection agreement. These rates should be carried forward to the  
8 parties' renewal interconnection agreement.

9  
10 **Q. Does Sprint believe that it is appropriate to evaluate BellSouth's**  
11 **proposed space preparation rates in conjunction with this arbitration**  
12 **proceeding?**

13 A. No. These rates are most appropriately addressed in a generic proceeding  
14 where all interested parties have an opportunity to participate.

15  
16 **Q. What action does Sprint request that the Commission take on this issue?**

17 A. Sprint proposes that the Commission order BellSouth to provide the  
18 standardized space preparation rates and the rates for A.C. power that they  
19 have proposed to Sprint subject to true-up. The Commission should further  
20 order that the rates for D.C. power in the parties' current interconnection  
21 agreement be carried forward to the renewal agreement. In the alternative,  
22 the provision in the parties' current interconnection agreement for space  
23 preparation fees to be charged on an Individual Case Basis (ICB) should be  
24 adopted.

25

1 **Q. Does this conclude your Rebuttal Testimony?**

2 **A. Yes, it does.**

3

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1 BY MS. MASTERTON:

2 Q And, Ms. Closz, have you prepared a summary of  
3 your testimony?

4 A Yes, I have.

5 Q Would you please give your summary at this time?

6 A Yes. Good morning. Sprint very much  
7 appreciates the opportunity to appear before the  
8 Commission today.

9 My name is Melissa Closz, and I am Director of  
10 Local Market Development for Sprint. I have  
11 responsibility for negotiating Sprint's ALEC contracts  
12 with BellSouth in all nine states within which BellSouth  
13 operates as an incumbent local exchange company.

14 Since originally filing Sprint's petition for  
15 arbitration, BellSouth and Sprint have continued to work  
16 diligently to reach agreement on outstanding issues.  
17 Thirty-five issues were originally identified for  
18 arbitration, and I am pleased to report that the parties  
19 have resolved twenty-five of those issues. Accordingly,  
20 Sprint brings to the Commission today ten unresolved  
21 issues which are criteria to Sprint's ability to compete  
22 effectively as an alternative local exchange company in  
23 Florida.

24 Sprint is sponsoring four witnesses in this  
25 proceeding. As Sprint's first witness, my testimony will

1 address four issues: Issue 8, which deals with the  
2 designation of network points of interconnection, also  
3 known as POIs. Issue 22, regarding the payment provisions  
4 for make-ready work completed by BellSouth. Issue 29,  
5 which involves whether BellSouth should be able to  
6 implement its proposed virtual point of interconnection  
7 plan. And, Issue 32, which addresses the justification  
8 that should be provided for space that BellSouth has  
9 reserved for future use in locations where BellSouth has  
10 denied Sprint's request for collocation.

11           Next, Sprint's Witness Angela Oliver will  
12 sponsor testimony for Issue 9 which addresses how to  
13 handle local calls that are carried over facilities that  
14 have traditionally been used for Sprint's long distance  
15 business. And Issue 28A and B, which deal with  
16 BellSouth's provision and use of two-way trunks.

17           Following Angela Oliver will be Mark Felton.  
18 Mark's testimony address Issue 3, regarding the resale on  
19 a stand-alone basis of custom calling features, and Issue  
20 7, which addresses the rates that BellSouth should charge  
21 for unbundled switching in top 50 MSA markets when  
22 customers with three or fewer lines want to add lines to  
23 their service.

24           Finally, Sprint Witness Mike Hunsucker will  
25 present testimony regarding Issues 4 and 6 dealing with

1 BellSouth's obligation to provide to Sprint at cost-based  
2 rates, combinations of unbundled network elements, or  
3 UNEs, and particular combination of unbundled network  
4 elements called the enhanced extended link, or EEL.

5           The first issue that I am presenting testimony  
6 on is Issue 8. Issue 8 deals with the designation of  
7 network points of interconnection, or POIs. A point of  
8 interconnection is the point at which the network  
9 facilities of two companies meet. The issue before the  
10 Commission is whether BellSouth should be able to  
11 designate the network point or points of interconnection  
12 for calls that originate on BellSouth's network and are  
13 sent to Sprint for termination on Sprint's network. Said  
14 another way, should BellSouth be able to decide the  
15 location or locations at which Sprint must pick up calls  
16 that are sent to Sprint by BellSouth.

17           BellSouth's position is that it should have the  
18 right to designate such points of interconnection for its  
19 originated traffic. Sprint's position is that BellSouth  
20 does not and should not have that right. The guidance  
21 provided by the Act and the FCC with respect to the  
22 resolution of this issue is quite clear. The FCC's local  
23 competition order states that competing carriers have the  
24 right to select points of interconnection at which to  
25 exchange traffic with an incumbent LEC.

1           In other words, Congress and the FCC intended to  
2 give ALECs the flexibility to designate the POI for both  
3 receipt and delivery of local traffic in order that the  
4 ALEC may minimize entry costs and achieve the most  
5 efficient network design. No such right is given to the  
6 incumbent provider.

7           Although BellSouth has devoted considerable  
8 testimony to its perceived cost concerns, the Act and the  
9 FCC's local competition order do not reference any  
10 exceptions to the guidelines that have been provided,  
11 which state that competing carriers have the right to  
12 choose the POIs not only for traffic that they originate,  
13 but for traffic originated by the ILEC. BellSouth's  
14 proposal would inappropriately increase Sprint's network  
15 costs by forcing Sprint to extend its network facilities  
16 to wherever BellSouth decides that it wants to hand off  
17 its traffic. Sprint requests that the Commission affirm  
18 the FCC's directives and deny BellSouth's request for  
19 authority to designate network POIs for its originated  
20 traffic.

21           Issue 22 addresses whether Sprint should be  
22 required to pay the entire cost of make-ready work prior  
23 to BellSouth's satisfactory completion of such work.  
24 Make-ready work is essentially work that is required to  
25 prepare BellSouth's conduit systems, poles, anchors, or

1 related facilities for the requested occupancy or  
2 attachment of Sprint's facilities. Sprint has requested  
3 that it be permitted to pay for half of such make-ready  
4 charges up front and half when the work has been  
5 satisfactorily completed.

6           BellSouth has taken the position that Sprint  
7 should be required to pay 100 percent of the charges up  
8 front since that is what BellSouth has required other  
9 carriers to do. Sprint believes that paying 50 percent up  
10 front and 50 percent upon completion is reasonable. It  
11 provides substantial initial funding to BellSouth while  
12 allowing Sprint to retain some degree of leverage to  
13 ensure satisfactory completion of the work. Sprint urges  
14 the Commission to adopt Sprint's proposed terms providing  
15 for the payment of 50 percent of make-ready work charge up  
16 front and 50 percent upon satisfactory completion of such  
17 work.

18           Issue 29 addresses BellSouth's proposed virtual  
19 point of interconnection, or VPOI architecture. Sprint's  
20 understanding of BellSouth's proposed VPOI architecture is  
21 that it provides for BellSouth to establish what it calls  
22 virtual points of interconnection throughout a LATA.  
23 These virtual points of interconnection would be points at  
24 which BellSouth would hand its originated traffic off to  
25 Sprint.

1           According to BellSouth's plan, Sprint would then  
2 pay BellSouth to transport BellSouth's originated traffic  
3 from the VPOIs to the POI established by Sprint. By  
4 proposing that BellSouth select these VPOIs, the BellSouth  
5 VPOI plan violates the Act and the FCC's orders which  
6 provide for competing carriers, not ILECs, to establish  
7 the points at which they will exchange traffic with ILECs.

8           Moreover, BellSouth's plan inappropriately  
9 attempts to shift costs for transport on BellSouth's side  
10 of the network POI to Sprint. This clearly violates FCC  
11 Rule 51.703(b), which states that a LEC may not assess  
12 charges on any other telecommunications carrier for local  
13 traffic that originates on the LEC's network.

14 Accordingly, Sprint urges the Commission to reject  
15 BellSouth's proposed VPOI architecture.

16           Finally, Issue 32 deals with situations where  
17 BellSouth has denied a Sprint request for physical  
18 collocation. The issue is what justification, if any,  
19 BellSouth should provide to Sprint for space that  
20 BellSouth has reserved for itself or for its affiliates at  
21 the requested premise. BellSouth has proposed to provide  
22 information consistent with current Commission directives.  
23 Sprint believes that additional information is needed to  
24 evaluate the appropriateness of BellSouth's reserved  
25 space.

1           Sprint has requested that BellSouth provide  
2 justification for reserved space based on a demand and  
3 facility forecast which includes historical data and  
4 forecasted growth by functional type of equipment. This  
5 data, coupled with the floor plans denoting reserved space  
6 already required by the Commission, allows ALEC engineers  
7 to evaluate whether historical data and the forecasts  
8 reasonably coincide with the amount of space that  
9 BellSouth has reserved for future use.

10           Sprint believes that the provision of  
11 justification for reserved space is critical to addressing  
12 the question of whether the space reserved for future use  
13 may be overstated, and as a result whether there might be  
14 space that could be made available for collocation.  
15 Sprint urges the Commission to require BellSouth to  
16 provide such justification for reserved space subject to  
17 appropriate proprietary protections.

18           Thank you. That concludes my summary.

19           MS. MASTERTON: Mr. Chairman, the witness is now  
20 available for cross-examination.

21           CHAIRMAN JACOBS: Very well. Mr. Edenfield.

22                           CROSS EXAMINATION

23 BY MR. EDENFIELD:

24           Q     Good morning, Ms. Closz.

25           A     Good morning.

1 Q Let me start with a comment you made in your  
2 summary before we get into the issues. That comment was  
3 that the ten issues that are left are necessary for Sprint  
4 to compete as an ALEC.

5 A Yes.

6 Q As an ALEC, do you consider that to be the  
7 company within Sprint that provides local competition in  
8 the residential and business markets in Florida?

9 A Well, I will say that Sprint really has adopted  
10 a one network approach to its business. Our products and  
11 services often cross the various lines of business that we  
12 have traditionally had, being local, competing local, long  
13 distance, wireless.

14 Q Is it Sprint's intention to stay in the local  
15 residential market in Florida?

16 A Yes, it is.

17 Q Let me hand you a copy of a letter. In fact, it  
18 is two letters. The first one is dated December 6th,  
19 2000. It is a letter from Sprint to the Georgia Public  
20 Service Commission, and attached to that is a draft of a  
21 letter that Sprint, I guess, is asking to send out to its  
22 local telephone service customers in the State of Georgia.

23 Do you see the letter? Do you have that?

24 A Yes, I am familiar with it.

25 MR. EDENFIELD: Chairman Jacobs, if I could have

1 this marked as BellSouth's Number 1 for identification.

2 CHAIRMAN JACOBS: That would actually be Exhibit  
3 2. We will make it BellSouth 1.

4 MR. EDENFIELD: I'm sorry, Exhibit 2.

5 (Exhibit Number 2 marked for identification.)

6 BY MR. EDENFIELD:

7 Q Now, looking at this letter, at least in the  
8 State of Georgia, Sprint has petitioned the Georgia  
9 Commission for permission to withdraw from the local  
10 market in Georgia, do I understand that to be the import  
11 of this letter?

12 A No, that is not correct. This pertains only to  
13 resale service for residential customers in Georgia, only  
14 to resale.

15 Q Okay. So Sprint, at least in the State of  
16 Georgia, is planning on withdrawing from the local resale  
17 residential market?

18 A That's correct.

19 Q No other market?

20 A That's correct.

21 Q Is Sprint planning on pulling out of Florida's  
22 local resale residential market?

23 A Well, we are not, because we are not providing  
24 service via resale to residential customers currently  
25 here.

1 Q Okay. I take it then since you are pulling out  
2 of it in Georgia and you are not providing it in Florida,  
3 do you have any intention to begin providing local  
4 residential resale service in Florida?

5 A I don't believe we have plans for resale service  
6 in Florida at this point in time. We do plan to introduce  
7 our Ion (phonetic) service offer, however, which is a  
8 service that is provided to both residential and business  
9 customers.

10 Q Okay. Let's start with Issue 22, which concerns  
11 make-ready work. Would you just tell us, just kind of  
12 briefly, what is make-ready work?

13 A Make-ready work has to do with preparing  
14 BellSouth's conduits, pole attachments, that sort of thing  
15 for attachment of Sprint's -- occupancy of or attachment  
16 of Sprint's facilities.

17 Q Okay. So, in other words, Sprint comes to  
18 BellSouth and says I would like to be able to put my  
19 facilities on your telephone pole or in your conduit, and  
20 there is a certain amount of work that BellSouth has to  
21 perform to get ready for Sprint to be able to come out and  
22 do that?

23 A That's correct.

24 Q Now, as I understand your testimony, you would  
25 agree with me that BellSouth does incur expenses in

1 performing make-ready work?

2 A Yes.

3 Q And it is Sprint's intention to, instead of  
4 paying BellSouth that amount in full up front, you would  
5 pay half in the beginning and then half upon what you are  
6 calling satisfactory completion of the work?

7 A That's correct.

8 Q Who gets to determine what is satisfactory?

9 A Well, Sprint, as the customer, having requested  
10 that the work be done, Sprint would make that  
11 determination.

12 Q Okay. And the basis for your position, at least  
13 from what I can tell from your testimony, and correct me  
14 if I'm wrong, appears to be three-fold. That, one, that  
15 Sprint will have no leverage to insure that work is fully  
16 completed and satisfactory; that BellSouth will have no  
17 financial incentive to complete the job in a timely and  
18 accurate fashion; and that the only recourse you will have  
19 is to BellSouth management, and those are the bad things  
20 that you think are going to happen if you pay all of it up  
21 front instead of half of it up front?

22 A No, I wouldn't characterize it that way. I  
23 don't think Sprint is saying that bad things are going to  
24 happen. I think Sprint is saying that our experience in  
25 dealing with contractors who do work for us is that it is

1 a very common arrangement to pay for part of the services  
2 up front and then part of the services, the remainder when  
3 the job has been satisfactorily completed. And that is  
4 simply what we are asking to do in this situation.

5 Q And satisfactorily will be in the opinion of  
6 Sprint?

7 A Yes. Sprint is the customer and Sprint is the  
8 one paying the bill; so, yes.

9 Q Are you aware that in the year 2000, that Sprint  
10 did not request one single solitary time for BellSouth to  
11 do make-ready work for it in Florida?

12 A That doesn't surprise me. And what we are  
13 dealing with here is an agreement that is going to be in  
14 effect for at least the next two years between Sprint and  
15 BellSouth, so it is important for Sprint to anticipate  
16 needs and requirements of its business that will extend  
17 well beyond its current business plan.

18 Q Will you agree with me that historically when  
19 Sprint has asked for make-ready work they have paid the  
20 full amount up front?

21 A I don't know what the current provisions are. I  
22 believe that may be the case. I don't know for sure. But  
23 that's why we go through the process of renegotiating  
24 certain terms and conditions when the current agreement  
25 expires.

1           Q     Assuming that, if you will, accepting subject to  
2 check that currently Sprint does pay BellSouth in full up  
3 front, can you tell me whether Sprint has had any  
4 problems, to your knowledge, with getting work completed  
5 in a timely and satisfactory manner?

6           A     To my knowledge I don't think that we have had  
7 very many requests, and I don't know of any problems that  
8 we have had. But the issue here is really what will  
9 govern how the parties will do business together on a  
10 go-forward basis. Really what we are asking for is just a  
11 business arrangement that is really the standard in terms  
12 of how Sprint works with contractors. We don't pay for  
13 everything up front, and we think that this is a very  
14 commercially common and very reasonable proposal.

15           CHAIRMAN JACOBS: Do you have arrangements with  
16 other carriers for interconnection?

17           THE WITNESS: Meaning outside of the BellSouth  
18 area?

19           CHAIRMAN JACOBS: Right.

20           THE WITNESS: Yes.

21           CHAIRMAN JACOBS: How are these provisions  
22 handled in those other areas?

23           THE WITNESS: I don't know the specifics of the  
24 provision, but my understanding is that there are a  
25 variety of other arrangements out there. There are other

1 companies that require full payment up front, but there  
2 are others that provide for more of a split payment  
3 arrangement.

4 CHAIRMAN JACOBS: Now, when you go into an  
5 office to determine what the -- we are still talking about  
6 make-ready work, right?

7 THE WITNESS: Yes.

8 CHAIRMAN JACOBS: Is there some agreement as to  
9 what that is? Do you come away, and both parties agree  
10 that this is a reasonable preparation that is called for?

11 THE WITNESS: Yes.

12 CHAIRMAN JACOBS: Okay. Thank you.

13 BY MR. EDENFIELD:

14 Q And on the final topic before we change issues,  
15 will you agree with me that not every ALEC operating in  
16 Florida is financially solvent?

17 A Yes, I am sure that is the case.

18 Q And your proposal, if it were to be put into an  
19 interconnection agreement, could be opted into by any  
20 carrier operating in the State of Florida, would you agree  
21 with that?

22 A I think that would probably be true. And I  
23 guess the issue we would have with that is that through  
24 the course of our negotiations with BellSouth we have  
25 offered to craft language that would include a provision

1 for evaluating creditworthiness and ensuring that if the  
2 language, in fact, were adopted by another provider that  
3 that would be part of the consideration. We have also  
4 offered BellSouth to provide a performance bond up front  
5 which says Sprint will be responsible for payment of this  
6 work, but that has not proven satisfactory to BellSouth to  
7 date.

8 Q So as I understand it, you are wanting BellSouth  
9 to move from a situation where -- let me back up before I  
10 ask you that. Are you aware that virtually all ALECs that  
11 have agreements with BellSouth have a provision that  
12 requires the payment of make-ready work, all of it in  
13 advance?

14 A I am not familiar with what BellSouth does with  
15 everyone else, but I have been told that that is something  
16 that BellSouth requests that requesting carriers adopt.

17 Q So, in essence, Sprint is asking the Commission  
18 to adopt a position that will put BellSouth in the  
19 position of instead of getting the money up front, it is  
20 going to have to, one, evaluate the creditworthiness of  
21 ALECs that want to do make-ready work, and, two, run the  
22 risk if those individuals or companies end up being  
23 financially insolvent, of eating at least half of the  
24 amount of work that they have done?

25 A Well, my expectation would be that if there are

1 concerns that BellSouth has related to creditworthiness  
2 that those would be dealt with up front so that any  
3 exposure there would be vastly reduced. And really what  
4 Sprint is asking is for BellSouth to negotiate this  
5 particular provision with Sprint and not require it to do  
6 what everyone else does just because that is what everyone  
7 else does.

8 Q Will you agree with me that from an  
9 administrative standpoint it is more administratively  
10 burdensome to keep up with two payments as opposed to one  
11 payment?

12 A I would agree that there is additional and  
13 administrative work associated with it. I would not agree  
14 that it is burdensome.

15 Q But you would agree that your proposal will then  
16 add at least some more administrative work to the current  
17 procedure?

18 A I think the administrative work with collecting  
19 an additional check is nominal. But, yes, it would exist.  
20 And I don't think that the costs or effort associated with  
21 that is substantial.

22 Q Let's turn to Issue 32 which, as I understand  
23 it, involves the situation where Sprint has made a  
24 collocation request?

25 COMMISSIONER PALECKI: Excuse me, could we -- I

1 would like to ask one question with regard to the  
2 make-ready work issue. Have you had any discussions with  
3 BellSouth to negotiate a figure between 50/50 and 100  
4 percent, let's say an 80/20 or a 90/10? I understand the  
5 desire of Sprint to have some leverage to make sure that  
6 the work is satisfactorily completed, but is it necessary  
7 that it be a full 50 percent?

8 THE WITNESS: I don't know if it needs to be a  
9 full 50 percent. We have proposed that as what appeared  
10 to be an equitable arrangement. BellSouth had not really  
11 given us a counter proposal to that offer.

12 COMMISSIONER PALECKI: Would Sprint be willing  
13 to negotiate a lesser amount; for example, 80 percent up  
14 front and 20 percent upon completion?

15 THE WITNESS: Yes. I don't know what the right  
16 percentage would be but, yes, that is something we would  
17 consider.

18 COMMISSIONER PALECKI: Thank you.

19 BY MR. EDENFIELD:

20 Q I guess that kind of gives my memory a little  
21 push there. There is one more question I wanted to ask  
22 you about that. In preparing for the hearing today, did  
23 you get a chance to read Mr. Milner's testimony on this  
24 issue?

25 A Yes.

1 Q Did you see in his testimony where he has  
2 indicated that in the year 2000, BellSouth in Florida had  
3 56 make-ready requests and that each of those was  
4 completed timely and in a satisfactory manner with no  
5 problems?

6 A I remember something similar to that. I don't  
7 remember the exact wording of that.

8 Q I'm sorry.

9 A No, I was through.

10 Q Do you have any reason to dispute those numbers?

11 A I don't. I don't have information about  
12 BellSouth's business.

13 Q Moving on to Issue 32. As I understand, this is  
14 a collocation issue that revolves around the situation  
15 where Sprint has come to BellSouth and has made a  
16 collocation request, BellSouth has then denied that  
17 request because of a lack of space, but BellSouth is  
18 reserving a certain amount of space in that central  
19 office, and the issue from that becomes what type of  
20 justification does BellSouth have to provide to Sprint for  
21 that reserved space. Did I kind of get that in a  
22 nutshell?

23 A Yes.

24 Q Okay. Are you aware that this Commission has  
25 over the last few years issued no less than three orders

1 on collocation?

2 A Yes.

3 Q In fact, the first of those is a PAA dated  
4 September 7, 1999, would you agree with that?

5 A I don't know the specific dates, but I am  
6 familiar that there was a PAA issued.

7 Q Though I don't think I have a whole lot of  
8 questions, let me get a copy of that for everyone so that  
9 we are all looking at the same thing. No tree was left  
10 unscathed for this hearing.

11 If you look at the PAA that is dated September  
12 7th, 1999, if you look on Page 12 of that order, will you  
13 agree with me that the Commission has set in place certain  
14 requirements that BellSouth must follow or comply with in  
15 the event that it seeks a petition for waiver for a  
16 collocation request from an ALEC?

17 A Yes.

18 Q Will you agree with me that as part of those  
19 requirements, if you look down at 4C, that one of the  
20 requirements that BellSouth must provide to the  
21 Commission, I guess information that it would have to  
22 provide is the space that does not currently house ILEC  
23 equipment or administrative offices, but is reserved by  
24 the ILEC for future use, including the intended purpose of  
25 each area and the forecasted year of use. That is

1 information that BellSouth is required to provide to the  
2 Commission?

3 A Yes.

4 Q And as I understand it, the requirements set  
5 forth by the Commission are, at least as far as what  
6 Sprint is looking for, is insufficient?

7 A Yes. What Sprint has said is that additional  
8 information beyond what the Commission has currently  
9 required is critical in terms of evaluating the space that  
10 BellSouth has reserved for its future use. It is really a  
11 matter of -- and what we have requested, as I stated in my  
12 summary, is forecast data and historical data which allows  
13 the engineers that are evaluating a space that has been --  
14 or a central office where space has been denied for  
15 collocation, allows them to evaluate whether the  
16 historical trends and the future use of that particular  
17 central office are -- lead consistently to the amount of  
18 space that BellSouth has reserved for its future use.

19 In other words, if the trend is at X, and if you  
20 extrapolate the data and yet the space required for future  
21 use that has been reserved is much, much greater, then the  
22 engineer has data that they can actually look at and  
23 evaluate to say perhaps there is more space reserved than  
24 there should be and perhaps there is space that is  
25 currently reserved for future use that could be freed-up

1 for collocators.

2 Q You will agree with me, Ms. Cloz, that what you  
3 are seeking in this docket goes beyond what the Commission  
4 has ordered is necessary for them to make an informed  
5 evaluation as to whether a waiver is appropriate?

6 A I agree that what Sprint has requested is beyond  
7 what is in this PAA. I would say that this request comes  
8 from Sprint's experiences in doing tours of ILEC central  
9 offices throughout the country and in BellSouth's region  
10 where we have come to appreciate that reserved space is a  
11 very large factor in terms of an ILEC actually denying  
12 space to a requesting collocator.

13 And that it is important when you go through the  
14 evaluation process of the effected central office to have  
15 all of the data that is necessary to make the appropriate  
16 assessment of whether the reserved space is of an  
17 appropriate size or not. We have learned that these  
18 forecasts and this historical data are important through  
19 our experiences and it was in the beginning of the  
20 process, I don't think something that most people had  
21 thought about.

22 Q Okay. You talk about the beginning of the  
23 process, but that is not the end of the story. In fact,  
24 subsequent to the issuance of the PAA, this Commission,  
25 full-blown Commission held a generic collocation docket at

1 which this issue of space reservation was again addressed,  
2 will you agree with that?

3 A Yes, I would. And I would also state that that  
4 was some time ago. And --

5 Q The order -- in fact, let me go ahead and give  
6 this out so everybody is looking at the same thing. The  
7 order to which I am referring is in the generic  
8 collocation docket issued on May 11th of the year 2000.  
9 And if you would -- I'm sorry.

10 A I have it.

11 Q If you would, Ms. Closz, will you take a look at  
12 Page 53 of that order and read the latter half of the  
13 first full paragraph?

14 A One moment. I've got a lot of paper here.

15 Q Take your time. It is too much paper.

16 A Page 53?

17 Q Yes, ma'am, 53.

18 A Could you direct me, again, please.

19 Q I'm sorry. It is the first full paragraph, the  
20 latter half of that where it starts, "Witness Hunsucker  
21 further states"?

22 A Okay.

23 Q Just read down to the end of that paragraph real  
24 quick, if you would?

25 A All right.

1           Q     Will you agree with me that in the context of  
2 the generic collocation docket that Sprint requested this  
3 Commission when denying collocation due to lack of space  
4 to require ILECs to provide demand and facility charts  
5 which include three to five years of historical data and  
6 forecasted growth, you requested that in the generic  
7 collocation docket?

8           A     I would agree that it is included in the Sprint  
9 witness' testimony. What I'm trying to ascertain is what  
10 issue this is related to and whether that is specifically  
11 what the Commission decided. I know that for reserving  
12 space for future use --

13          Q     Sure. Turn back to --

14          A     -- that the Commission addressed the time frame  
15 for which the parties would reserve space.

16          Q     Okay. If you will look back on Page 51, it is  
17 under the section parameters for reserving space for  
18 future use. And as part of the space justification for  
19 reserved space, Sprint had asked the Commission to require  
20 the information that you see there that I asked you to  
21 read, correct?

22          A     Right. And what I'm saying is as I am reading  
23 the issue on Page 51 it appears that perhaps the  
24 Commission had narrowed this issue to the consideration of  
25 the appropriate length of time that collocation space can

1 be reserved. That is on Page 51 listed as Roman numeral  
2 X, parameters for reserving space for future use.

3 Q Let me ask -- maybe I'm asking it poorly. Did  
4 Sprint in the generic collocation docket ask the  
5 Commission to require the same justification that you are  
6 asking for in this docket?

7 A You know, I am not sure specifically what we  
8 asked related to that. Clearly we presented testimony on  
9 that.

10 Q Okay. And will you agree with me that in  
11 rendering a decision on May 11th, 2000, the Commission did  
12 not include in its order what Sprint had requested them to  
13 include?

14 A Yes, I would agree that that was not included,  
15 and I think the suggestion that perhaps BellSouth is  
16 trying to make is that it is inappropriate for Sprint to  
17 request something additional and Sprint disagrees with  
18 that. We think that if there is additional information  
19 that is beneficial to the parties who are evaluating space  
20 denials, that it is entirely appropriate and within the  
21 Commission's jurisdiction to order that that additional  
22 information be provided.

23 We have certainly requested that the information  
24 be provided subject to proprietary restrictions, which I  
25 understand was a concern of BellSouth's, and really should

1 not be an issue. And, in fact, BellSouth has provided  
2 this kind of information to Sprint in other jurisdictions  
3 in conjunction with complaint proceedings. So it appears  
4 that it is available, and I can state that our engineers  
5 clearly believe that it is crucial in terms of being able  
6 to evaluate, crunch the numbers and see if the reserved  
7 space is appropriate.

8 Q All right. Well, let's move a little bit  
9 further in time on this same story. Will you agree with  
10 me that after the Commission issued its May 11th order, a  
11 number of parties, including Sprint, moved for  
12 reconsideration on some of the issues?

13 A Yes.

14 Q Will you agree with me that BellSouth and GTE  
15 asked for reconsideration of the issue that we were just  
16 discussing?

17 A I don't recall what BellSouth requested  
18 reconsideration on.

19 Q The one tree I didn't kill was the November  
20 17th, 2000 order on reconsideration issued in the  
21 collocation docket, and, again, that is on November 17th,  
22 2000, a little bit closer in time. Will you agree with  
23 me -- well, let me ask you this way. Will you accept,  
24 subject to check, that BellSouth and GTE asked for  
25 reconsideration of the Commission's decision on the issue

1 of space reservation?

2 A I will accept that subject to check.

3 Q Will you also agree with me, subject to check,  
4 that Sprint, even though it had asked for certain relief  
5 in the docket that ended up being part of the order from  
6 May 11th, did not seek reconsideration of the Commission's  
7 May 11th order on the issue of space reservation?

8 A Yes, that is correct. Because what the  
9 Commission ordered was specifically related to the time  
10 frame that the parties would use to reserve space.

11 Q In fact --

12 A And it was specifically related to the time  
13 frame and Sprint did not request reconsideration of that.

14 Q I'm sorry, I didn't mean to cut you off there.

15 A No, that's okay.

16 Q Will you agree with me that, in fact, Sprint on  
17 Page 19 of that order indicated that with regard to  
18 reservation of space, Sprint argues that neither  
19 GTE-Florida nor BellSouth identify any facts we overlooked  
20 or any mistake of law in our decision?

21 MS. MASTERTON: Mr. Chairman, we don't have a  
22 copy of that, and I don't think the witness is going to be  
23 able to respond to the question without a copy.

24 MR. EDENFIELD: I'm asking her will she accept  
25 it subject to check. I'm sorry I don't have a copy.

1 CHAIRMAN JACOBS: Would you let her review that,  
2 let the witness review that?

3 MR. EDENFIELD: May I approach?

4 CHAIRMAN JACOBS: Yes.

5 BY MR. EDENFIELD:

6 Q If you would take a look at that highlighted  
7 section, Ms. Closz, and then I will ask you whether you  
8 will accept what I had said about Sprint's position on  
9 reconsideration on that issue.

10 A Okay, one moment. And, I'm sorry, this is the  
11 order on reconsideration that I am looking at?

12 Q That is correct. I believe it is dated November  
13 17th, 2000.

14 A Okay. Yes, I understand what this is saying.  
15 And, again, I think this is very related -- it is  
16 specifically related to the decision that the Commission  
17 rendered regarding the time frame for reservation of space  
18 for future use. So, again, I guess the point here is that  
19 it is within Sprint's right to request this in the course  
20 of our renegotiation of our interconnection agreement with  
21 BellSouth. We believe this information is important to  
22 the evaluation of denial of space to Sprint, and we  
23 believe it is clearly within the Commission's jurisdiction  
24 to consider this issue.

25 Q Ms. Closz, in a nutshell, would you agree that

1 where we stand is as follows: Sprint, in a generic  
2 collocation docket, asked for the exact same relief that  
3 it is seeking here today, that the Commission considered  
4 that, that the Commission did not act on that, that Sprint  
5 did not seek reconsideration of that order or the  
6 Commission's failure to adopt Sprint's position. In fact,  
7 indicated that the record was perfectly clear and that the  
8 Commission did what it was supposed to have done. Now,  
9 suddenly, this has become an issue in an arbitration and  
10 it is just a way to bootstrap the collocation decision?

11 A No, I wouldn't agree with that characterization  
12 at all. Sprint clearly felt it was an issue a long time  
13 ago because we included it in the testimony. But it  
14 appears that it was not specifically identified as an  
15 issue upon which the Commission would issue a decision in  
16 that particular docket. So, I don't think it is accurate  
17 to say that now all of a sudden it is an issue. Clearly  
18 this is something that has been important to Sprint for  
19 some time.

20 I don't recall the specifics of the process to  
21 identify the issues, but, again, it appears that it was  
22 not identified specifically as an issue that the  
23 Commission would decide in that proceeding. So I don't  
24 think that it is inappropriate to raise this at this  
25 juncture at all.

1 Q Okay. Moving aside from the orders and let's  
2 talk about the practical effect of what you are asking.  
3 If I understand what you want this Commission to order  
4 BellSouth to do is if Sprint has made a collocation  
5 request and BellSouth has denied that request, but  
6 BellSouth has reserved space, even if BellSouth has  
7 provided to the Commission information sufficient for the  
8 Commission to grant that waiver, BellSouth needs to  
9 provide additional information to Sprint so that Sprint  
10 can then come in and challenge whether BellSouth's space  
11 reservation was justified and then ask the Commission to  
12 ask BellSouth to give up a portion of its, or all of its  
13 reserved space. I mean, is that kind of where we are?

14 A I'm not sure I followed the question. Could you  
15 break that down a little bit for me, please.

16 Q Sure. We are talking about a situation from a  
17 practical standpoint is as follows: Sprint comes to  
18 BellSouth and says we want to collocate at the Golden  
19 Glades central office. BellSouth says, Sprint, we're  
20 sorry, we are out of space. We then file -- are you with  
21 me to there?

22 A Yes.

23 Q All right. As part of BellSouth's  
24 responsibility for saying that we are out of space, the  
25 Commission rules require BellSouth to file a petition for

1 waiver.

2 A Correct.

3 Q As part of that petition for waiver, BellSouth  
4 has to identify its reserved space and provided some  
5 information as to the year forecasted use and kind of what  
6 it is far as part of that waiver process?

7 A Yes, that is correct. And that really is -- I'm  
8 sorry.

9 Q Okay. I will give you a chance to explain it, I  
10 just want to make sure we are getting through where we  
11 are.

12 A Okay.

13 Q That the Commission would then act on that  
14 petition for waiver. And even if the Commission granted  
15 the petition for waiver, Sprint is looking for additional  
16 information beyond what the Commission has ordered  
17 BellSouth to produce so that Sprint can then come in and  
18 challenge the reasonableness of BellSouth's having  
19 reserved space?

20 A No, not exactly. I think what you are  
21 suggesting is that after the Commission has completed its  
22 review and issued a decision that Sprint would somehow  
23 then try to come in and usurp that, and that is not the  
24 case. This information is provided to the Commission and  
25 to the ALEC who has been denied space at the same time.

1 So it would be really a parallel process, Sprint's review  
2 and the Commission's review. And, in fact, I think this  
3 information that we have requested would be very helpful  
4 to the Commission, as well.

5           What the Commission has currently asked for is  
6 simply schematics which show where the space that has been  
7 reserved is located. It really doesn't give any data  
8 behind what were the factors that caused BellSouth to  
9 reserve that space. And that is really where the point of  
10 additional information being required comes about. There  
11 is really no way to know if the trends and historical data  
12 in that particular central office support that much space  
13 being reserved without looking at the numbers. It has to  
14 be an empirical process to be as accurate as possible.

15           COMMISSIONER DEASON: Ms. Cloz, assume for a  
16 moment that you are given the ability to request that  
17 information and it is provided to you and you question the  
18 conclusion drawn by BellSouth based upon the information  
19 provided to you. What recourse do you have?

20           THE WITNESS: At that point we would, from a  
21 practical standpoint, probably set up a meeting with  
22 BellSouth and share that information and get their  
23 perspective on whether they concur with it. It is  
24 possible that they may. And they may say, well, we see  
25 your point and perhaps this particular floor plan hasn't

1 been updated, or what have you. And there may be space at  
2 that point identified for collocation.

3 In fact, in Georgia we had, I believe it was 11  
4 central offices where we were denied space and we went  
5 through a process of gathering information. And, in fact,  
6 that is what we did. We set up meetings with BellSouth,  
7 reviewed the data, and there were a number of those that  
8 based on even that initial meeting where they said, well,  
9 yes, we are going to review this again, and space was  
10 eventually freed-up.

11 COMMISSIONER DEASON: So has BellSouth denied  
12 you information that you have sought in that regard that  
13 now that you have got to actually have it placed in an  
14 interconnection agreement?

15 THE WITNESS: Well, the only reason we received  
16 it in Georgia, I believe, is that it was in conjunction  
17 with a complaint proceeding. And we had gone through the  
18 process of trying to review the floor plans and such, and  
19 then we requested the information, and it was, I guess  
20 after a great deal of effort, eventually provided.

21 But, the problem with that is that it further  
22 delays the process of actually obtaining the collocation  
23 space. So that is why in the course of the  
24 interconnection agreement we have said upon request please  
25 provide this information.

1           COMMISSIONER DEASON: I'm trying to understand  
2 if you have the information and you disagree with the  
3 conclusion from BellSouth, it is your intent then to try  
4 to meet with BellSouth to try to work out an  
5 accommodation?

6           THE WITNESS: That would probably be the first  
7 step.

8           COMMISSIONER DEASON: Okay. Now, what is the  
9 second step if that doesn't work?

10          THE WITNESS: Well, then, I guess beyond that it  
11 would be a complaint, perhaps.

12          COMMISSIONER DEASON: A complaint filed with  
13 this Commission?

14          THE WITNESS: Yes.

15          COMMISSIONER DEASON: Explain to me how you need  
16 this dual process in addition to what is available to you  
17 under the waiver request.

18          THE WITNESS: Well, this is, as part of the  
19 review as I understand it, ALECs have an opportunity to  
20 review the space, as well. And so it would be a matter of  
21 Sprint's engineers having the opportunity to actually, as  
22 I said, crunch the numbers and do the comparisons.

23          COMMISSIONER DEASON: So you are saying that the  
24 waiver process is not sufficient.

25          THE WITNESS: We are saying that this

1 information in conjunction with that would provide a more  
2 complete picture.

3 COMMISSIONER DEASON: Well, I interpret what you  
4 just said to say that the waiver process is not  
5 sufficient.

6 THE WITNESS: It could be more sufficient --

7 COMMISSIONER DEASON: You are twisting words  
8 around. Is the waiver process sufficient, yes or no?

9 THE WITNESS: It is not optimal from the  
10 standpoint of that one aspect of it.

11 COMMISSIONER DEASON: Okay.

12 THE WITNESS: I'm not here to provide a critique  
13 of that process. I'm just saying that additional  
14 information would be meaningful.

15 COMMISSIONER JABER: If I understand your  
16 testimony correctly, and certainly in response to  
17 Commissioner Deason's questions, you think the historical  
18 and forecasted data give you one more factor upon which  
19 you can go back and negotiate with BellSouth.

20 THE WITNESS: Yes.

21 COMMISSIONER JABER: I think you have  
22 established already that what you are requesting is  
23 outside what the PAA -- what the Commission has done in  
24 the PAA order and in the generic order.

25 THE WITNESS: Yes.

1           COMMISSIONER JABER: Is your request consistent  
2 with the FCC rules and collocation order?

3           THE WITNESS: Yes. I'm not familiar that there  
4 is anything specific either saying that it is required or  
5 it is not required.

6           COMMISSIONER JABER: Okay. And then Sprint in  
7 deciding its own collocation request, let's say KMC  
8 Telecom here in Tallahassee collocates with Sprint. Do  
9 you provide a KMC Telecom historical and forecasted data  
10 upon request?

11          THE WITNESS: Yes, it would be provided.

12          COMMISSIONER JABER: And is that in your own  
13 interconnection agreement?

14          THE WITNESS: You know, I don't know if it is in  
15 the agreement. I don't have responsibility for those, but  
16 I do know that it would be provided upon request.

17          COMMISSIONER JABER: Have you indeed provided it  
18 to someone who has requested it?

19          THE WITNESS: You know, I'm sorry, I don't know.

20          COMMISSIONER PALECKI: I just have a couple of  
21 questions about the procedure when BellSouth denies a  
22 request for physical collocation. It is my understanding  
23 that BellSouth then provides the Commission with  
24 justification. Does Sprint have any point of entry into  
25 that procedure? And, excuse me, I am very new to the

1 telecommunications industry, so I'm not familiar with a  
2 lot of this procedure.

3 THE WITNESS: Sure. And, I'm sorry, could you  
4 repeat the question? It was we related to the waiver  
5 process?

6 COMMISSIONER PALECKI: Yes. When BellSouth  
7 provides to the Commission its justification for denial of  
8 the collocation space, does Sprint have any point of entry  
9 into that procedure? My understanding is that BellSouth  
10 already does provide justification, they provide it to the  
11 Commission staff. And my question is is Sprint able to  
12 become part of the procedure at that point on whether or  
13 not the Commission staff approves the denial or not.

14 THE WITNESS: Well, you are testing my memory  
15 here a little bit. I'm trying to remember the exact  
16 provisions of the waiver requirement, the waiver  
17 procedure.

18 MR. VACCARO: Commissioner, I believe I can  
19 answer that. That would be a PAA.

20 COMMISSIONER PALECKI: So being a PAA there  
21 would be an ability for the company then to challenge the  
22 justification that has been provided?

23 MR. VACCARO: Correct.

24 CHAIRMAN JACOBS: And as a part of that process,  
25 as a part of the denial process, there is a walk-through

1 offered to the party that was denied collocation.

2 MR. VACCARO: Well, there is a walk-through that  
3 takes place with the parties prior to a recommendation  
4 even being filed.

5 CHAIRMAN JACOBS: And then both the ILEC and the  
6 requesting collocator provide responses to the  
7 walk-through, is that correct?

8 MR. VACCARO: I believe that is correct.

9 CHAIRMAN JACOBS: And let me ask you, Ms. Closz,  
10 what I hear you saying is that when you do the  
11 walk-through you are given a pretty broad explanation as  
12 to space simply as having been reserved for future use.  
13 And what you would suggest is that once you understand the  
14 purpose of that future use, you can scrutinize that more  
15 carefully?

16 THE WITNESS: Yes, that's correct.

17 CHAIRMAN JACOBS: Now, let's play tennis back to  
18 staff. The process that the Commission engages in, do we  
19 get information which pertains to the purpose of that  
20 future use?

21 MR. VACCARO: I'm sorry, would you repeat that?

22 CHAIRMAN JACOBS: When the ILEC files its  
23 justification for the denial prior to the walk-through, is  
24 that correct, is that the proper timing?

25 MR. VACCARO: Correct.

1           CHAIRMAN JACOBS: Okay. Does a designation of  
2 reservation for future use contain what the purpose of  
3 that future use is?

4           MR. VACCARO: It indicates what type of  
5 equipment will be set up in that space for future use.

6           CHAIRMAN JACOBS: Okay. Now, Ms. Closz, tell me  
7 why that is inadequate.

8           THE WITNESS: What that doesn't show is the  
9 demand and facility forecast. Just showing that this is  
10 where transmission equipment is going to go provides  
11 important information, but it doesn't tell you whether the  
12 physical amount of space that has been reserved is the  
13 right amount of space.

14          CHAIRMAN JACOBS: Thank you.

15          COMMISSIONER JABER: You want the ability to  
16 second-guess BellSouth's forecast.

17          THE WITNESS: I don't think second guess is the  
18 right --

19          COMMISSIONER JABER: Analyze.

20          THE WITNESS: Analyze, yes.

21          COMMISSIONER JABER: Why isn't the PAA process a  
22 sufficient opportunity for you to do that? Help me  
23 understand why -- what I hear you say, I think I  
24 understand your testimony, you want the ability to analyze  
25 the basis upon which BellSouth says there is no space.

1 THE WITNESS: Correct.

2 COMMISSIONER JABER: And you don't think looking  
3 at the actual plan gives you that. You want to look at  
4 their marketing, their analysis, their statistical  
5 analysis. Why can't you do that by protesting the PAA  
6 waiver?

7 MR. VACCARO: Commissioner, may I speak? I'm  
8 sorry, I have gone back and looked through the record. I  
9 have made a mistake. It is actually a final action.

10 COMMISSIONER JABER: The granting or denying a  
11 waiver is final? That is PAA, isn't it?

12 MR. VACCARO: I'm looking at what is adopted  
13 here. This is the Commission's decision on the ILEC's  
14 petition shall be issued as a final agency action. If the  
15 Commission grants a petition, the ILEC will not have to  
16 justify subsequent denials of space to other applicants.

17 The ILEC shall, however, advise the applicant  
18 carriers and the Commission when there are material  
19 changes in the central office premises that could affect a  
20 collocation request.

21 COMMISSIONER JABER: Okay. Now I am completely  
22 confused. Mr. Chairman, maybe we can take five minutes.  
23 Because to me that is a very important question. If there  
24 is a vehicle through the waiver process, I would like to  
25 hear testimony on that. If not, then I want to fully

1 understand the witness' testimony.

2 CHAIRMAN JACOBS: This probably would be an  
3 opportune time. Let's take ten minutes.

4 (Recess.)

5 CHAIRMAN JACOBS: Let's go back on the record.  
6 Are you prepared now?

7 MR. VACCARO: Mr. Chairman, I apologize for the  
8 slight derailment. I double-checked on this, and, yes,  
9 the answer is that it is a final action. And that is the  
10 whole reason why both parties are allowed to participate  
11 up front and to participate in the tour and providing the  
12 reports so that the Commission has all of that information  
13 prior to making its decision.

14 CHAIRMAN JACOBS: Okay. Commissioner Jaber, you  
15 had a question?

16 COMMISSIONER JABER: So then let me modify my  
17 question. Then your testimony is that as part of the tour  
18 and reporting requirements you want us to require a  
19 statistical analysis of forecast and historical data  
20 analysis?

21 THE WITNESS: The requirement that we requested  
22 is basically that the forecasts -- or I should say demand  
23 and facility forecast based on historical data be  
24 provided. So historical data and forecast data as inputs  
25 to the analysis. Does that help clarify?

1           COMMISSIONER BAEZ: Ms. Closz, help me  
2 understand how the 18-month -- and I refer you back to the  
3 order, I guess it was the May 12th order. How the  
4 18-month reservation period that this Commission  
5 established, how that plays into this, how that plays into  
6 this mix?

7           THE WITNESS: It really doesn't. That is, was  
8 part of what was order in that proceeding and the parties  
9 have agreed to that time frame for the interconnection  
10 agreement. So that piece of it really dealt with if you  
11 are going to reserve space, how much of your future  
12 requirements, how long into the future can you look in  
13 terms of deciding how much space that should be. And that  
14 is what the Commission essentially decided. They said 18  
15 months, look 18 months into the future and you can reserve  
16 that much space.

17           COMMISSIONER BAEZ: So in a case where Sprint or  
18 any competitive provider was denied collocation because,  
19 for instance, all the space that was left was within that  
20 18-month parameter, you would still have a waiver process?  
21 I mean, the 18 months doesn't provide any safe harbor,  
22 any, per se, reasonableness to a reservation? You still  
23 have to go -- your understanding of the process is that  
24 there would still be a waiver process that would have to  
25 be carried out?

1 THE WITNESS: Yes. If I understand your  
2 question, the question is even though that 18-month  
3 provision has already been set up, is there still a need  
4 to evaluate it through the waiver process, is that your  
5 question?

6 COMMISSIONER BAEZ: Yes.

7 THE WITNESS: And the answer is yes. That is,  
8 as I understand it, the purpose of the waiver process is  
9 to look at all aspects of why that central office is now  
10 full and why is there no more space available for carriers  
11 that may request collocation.

12 COMMISSIONER BAEZ: And just so that I can be  
13 clear, what you have just said is that even though, you  
14 know, a possible justification for a denial could be this  
15 is, you know, said space is reserved for the next 18  
16 months for BellSouth to grow into, that doesn't exactly  
17 establish -- you know, that doesn't end the discussion. I  
18 mean, you still have to justify an 18-month reservation.

19 THE WITNESS: Well, yes and no. Yes in terms  
20 of, yes, there would be an evaluation of the space. But I  
21 would clarify that the justification is not whether or not  
22 18 months is the right amount of time. That is already  
23 established. The question is there has been an amount of  
24 space reserved and is that the appropriate amount of space  
25 to be reserved.

1 COMMISSIONER BAEZ: Okay.

2 THE WITNESS: Did that clarify it?

3 COMMISSIONER BAEZ: Yes. Thank you.

4 COMMISSIONER PALECKI: Ms. Closz, how do we  
5 create a meaningful dialogue between Sprint and  
6 BellSouth's on issues like this? I tend to agree that it  
7 might be administratively burdensome to require BellSouth  
8 to provide this information on an across-the-board basis.  
9 But I would hope that on a case-by-case basis where there  
10 are difficulties between the two companies that it might  
11 be information that BellSouth would provide voluntarily in  
12 order to show Sprint that its denial is justified.

13 What can we do short of an across-the-board  
14 requirement that they always provide the information? I  
15 want to see a communication between the two companies and  
16 a resolution of these issues without Commission action  
17 most of the time.

18 THE WITNESS: Yes, I agree, and Sprint desires  
19 that very much, as well. I think the way we usually deal  
20 with that in the context of the interconnection agreement  
21 is certainly to provide an opportunity for the parties to  
22 have dialogue but then, perhaps, on an issue like this, we  
23 could narrow it to say upon request BellSouth will  
24 provide. And that would allow for the information to be  
25 provided only when required. There may be instances where

1 it is not and it would allow the parties to work this out.

2           The other vehicle that we do have available to  
3 us in the interconnection agreement are what we call  
4 dispute resolution procedures. Which says, basically, if  
5 there is a disagreement that the parties need to resolve,  
6 they meet together, there are provisions for escalation  
7 within both organizations, and all of that takes place  
8 prior to anyone ever considering any action before the  
9 Commission.

10           COMMISSIONER PALECKI: So you think that it may  
11 be a dispute resolution mechanism prior to the Commission  
12 waiver procedures, it might be a means of having the  
13 parties get together and try to resolve this without the  
14 Commission being required to decide?

15           THE WITNESS: For this particular issue it  
16 appears that the -- and I guess I should say no, I don't  
17 think that that works necessarily for what we are talking  
18 about specifically today. And the reason for that is that  
19 it appears that the Commission's PAA spells out the waiver  
20 process which specifically provides for immediate  
21 notification of the Commission by BellSouth if BellSouth  
22 denies a request for collocation space. So, it is putting  
23 it, I believe, if I am reading this correctly, immediately  
24 into the hands of the Commission to conduct a review.

25           COMMISSIONER PALECKI: Thank you.

1 CHAIRMAN JACOBS: Still in cross, Mr. Edenfield.  
2 Are you done?

3 MR. EDENFIELD: No, sir, we kind of got  
4 sidetracked.

5 CHAIRMAN JACOBS: Proceed.

6 BY MR. EDENFIELD:

7 Q Let's peel this onion back one more layer, Ms.  
8 Cloz. Look back at the PAA that I handed you a moment  
9 ago. That is the September 7th, 1999 PAA, and this is  
10 following up on something Commissioner Palecki was saying.  
11 You will agree with me that in the process of filing for  
12 the waiver that BellSouth is required to provide floor  
13 plans, including measurements to the Commission and we  
14 also provide that information to Sprint, do we not?

15 A I know that it is required to be provided to the  
16 Commission. And I am just reading back over this to  
17 validate if that requirement is also to provide that to  
18 Sprint.

19 Q Personally I don't know that it says one way or  
20 the other, but let me ask it this way then. Has Sprint  
21 made a collocation request that was denied for lack of  
22 space in Florida?

23 A Yes. In Florida?

24 Q If not in Florida, then tell me where. Probably  
25 in Georgia?

1           A     Yes.  I am sure in Georgia.  I believe in  
2 Florida, yes, but I am not certain.

3           Q     Will you agree with me that BellSouth provided  
4 to Sprint in the process of doing the waiver or whatever  
5 they call that in Georgia, information about what is in  
6 the central office, what is not, floor plans, and  
7 different information?  Is that a situation where  
8 BellSouth just said we are giving you nothing?  We did  
9 give you information, right?

10          A     Yes.  And the point that we brought up  
11 previously, or I brought up previously is that -- and in  
12 my testimony -- is that the information provided on the  
13 floor plans is simply a documentation of what is there and  
14 what is reserved.  It doesn't provide data to back that  
15 up.

16          Q     But you are, in fact, getting a floor plan that  
17 tells you -- that shows you the layout of the building and  
18 what the square footage is in the available areas?

19          A     Yes, that's correct.

20          Q     Okay.  And will you agree with me that, you  
21 know, for the most part the size of switching equipment is  
22 the same?  I mean, it is basically bays and switches and  
23 all of this generally take up about the same amount of  
24 room?

25          A     I don't know that I would agree with that, no.

1 Switching equipment evolves over time. And switching  
2 equipment that may be put into another central office, if  
3 it is new equipment it is probably a lot smaller than the  
4 generation prior to it.

5 Q Sure. So, in other words, Sprint has the floor  
6 plans, so you know how much square footage is available in  
7 a particular central office?

8 A That's correct.

9 Q And you generally know if you are going to be  
10 putting in a Nortel switch versus a Lucent switch, you  
11 generally know how much room those are going to take up?

12 A I'm not an engineer and I don't know the size of  
13 the equipment, so I can't really say definitively whether  
14 they are the same size or not.

15 Q But you would agree that you have engineering  
16 folks who would know that?

17 A Yes.

18 Q And those same engineering folks would also know  
19 the general size of the bay that you are wanting to put in  
20 there?

21 A Yes, they would know the size of bays. But  
22 switching equipment is typically modular, so there are  
23 going to be different numbers of bays or modules  
24 associated with each different central office.

25 Q And it is your position that we are giving you

1 floor plans and you have engineers that know the size of  
2 the equipment going in there, but that is not sufficient  
3 for you to determine whether there is adequate space in  
4 the central office?

5 A I'm not sure I understand your question.

6 Q You get floor plans from BellSouth?

7 A Yes.

8 Q And those have measurements of the area,  
9 50 by 50, presumably. I mean, I'm just making that up out  
10 of the air, the size, but they have dimensions on it. Do  
11 you agree with that?

12 A Yes.

13 Q And that your engineering people, they know the  
14 size of the equipment going in there. If they are trying  
15 to put three racks and a switch, whether the size of that  
16 equipment will fit in a 50 by 50 room?

17 A Well, I think we are going down a different path  
18 here than the issue that Sprint has presented.

19 Q Okay. Answer my question first and then tell me  
20 why we are on the wrong path.

21 A Okay. Yes, engineers would know the size of the  
22 equipment that you are seeking to put in a central office.  
23 What we are dealing with here is the situation where  
24 BellSouth has said there is no space available. And what  
25 we are asking to evaluate is the space that BellSouth has

1 reserved for future use.

2 Q Sure. And you have the dimensions of that space  
3 that we have reserved for future use through the floor  
4 plans.

5 A Yes, but that is not space that Sprint is  
6 evaluating for its own use. The purpose of this  
7 evaluation is to look at BellSouth's plans for future  
8 deployment to determine whether, in fact, that matches up  
9 with the amount of space that BellSouth has reserved.

10 Q Okay. Let's drop to Georgia for a second.  
11 Somebody had brought up the -- I guess you had brought up  
12 the Georgia proceeding. You will agree with me that in  
13 that proceeding you had asked for -- I guess both sides  
14 would agree is extremely sensitive information that would  
15 require a proprietary agreement to be provided?

16 A Yes, and a proprietary agreement was provided.

17 Q Sure. And you will agree with me that the  
18 Georgia Commission denied Sprint's request for that  
19 information saying it was not necessary and that is in an  
20 order?

21 A No, I wouldn't. I don't know what you are  
22 referring to.

23 Q Okay. We'll do that in the brief. Now, let's  
24 move one step beyond. You will agree with me that in the  
25 Commission's May 11th, 2000 collocation order that they

1 are requiring space reservation in central offices between  
2 ALEC and ILECs to be done on a nondiscriminatory basis.

3 Do you agree with that statement?

4 A Yes.

5 Q In other words, ALECs and ILECs can both reserve  
6 space within a BellSouth central office, you will agree  
7 with that?

8 A Yes.

9 Q And they can both reserve it for 18 months?

10 A Correct.

11 Q And the terms and conditions under which an ILEC  
12 reserves space for itself and which an ALEC reserves space  
13 for itself have to be the same?

14 A I don't know -- no. When you say terms and --  
15 and the reason I'm saying no is that when you says terms  
16 and conditions, that is pretty broad. What has been  
17 determined in the course of what you are referring to, I  
18 believe, is the time frame for which space can be  
19 reserved, which is 18 months. And I would agree that that  
20 applies both to ALECs and to ILECs.

21 Q Okay. Well, remember the order I handed you  
22 out, the May 11th, 2000 order? Take a look at Page 54 of  
23 that order, the very last paragraph that starts there.  
24 Let me know when you get there.

25 A I'm on Page 54.

1 Q Yes. Look at the very last paragraph that  
2 starts, "In order to comply, we believe the length of time  
3 an ILEC or requesting carrier can reserve collocation  
4 space must be the same." Now, that is what you were just  
5 talking about, the 18 months, correct?

6 A Okay.

7 Q And you will agree that it has to be -- the ILEC  
8 and the ALEC have to be allowed to reserve space both for  
9 18 months, or certainly the same amount of time?

10 A Yes.

11 Q Now, you had some issue with the terms and  
12 conditions, why don't you read the next sentence.  
13 "Moreover, we are persuaded that an ILEC or requesting  
14 carrier must be allowed to reserve collocation space  
15 subject to the same terms and conditions."

16 Now, you would agree with me, then, that ILECs  
17 and ALECs are to reserve space in the central office for  
18 the same amount of time under the same terms and  
19 conditions?

20 A Yes, that is what this says.

21 Q Okay. Will you agree with me, then -- well, let  
22 me back up just one step further. Let's use the scenario  
23 where Sprint has come in and asked for space in the  
24 central office. There is no room because space has been  
25 reserved. But instead of it being reserved for

1 BellSouth's future use, it is reserved for MCI's future  
2 use. An ALEC is in there and has reserved it.

3 Are you suggesting to this Commission, then,  
4 that MCI has to provide to Sprint the same information you  
5 are asking for BellSouth to justify -- so that MCI can  
6 justify to Sprint its reservation of its space?

7 A No, I'm not.

8 Q Well, how in the world then if you are going to  
9 ask it of BellSouth and you are not going to ask it of MCI  
10 is that having parity and nondiscriminatory treatment of  
11 BellSouth?

12 A Well, I can't speak for MCI, but I can speak for  
13 Sprint in that in the interconnection agreement that we  
14 have negotiated there are specific provisions for Sprint  
15 to give up space that it may have reserved if it doesn't  
16 use it within a particular period of time. And what we  
17 are dealing with here is where BellSouth has denied  
18 collocators the ability to get into a central office based  
19 on a reservation formula that they have.

20 Q Okay. Fine. Now answer my question. How is it  
21 not discriminatory to require BellSouth to provide you the  
22 information you are seeking and not provide -- require MCI  
23 to provide the exact same information when it is MCI's  
24 reserved space that is causing you not to be able to get  
25 into the central office?

1           A     I don't really know how to answer that question  
2 because I don't know how your --

3           Q     That makes me feel good. They teach you that in  
4 school.

5           A     I'm sorry, what did you say?

6           Q     They teach me that in school, how to ask the  
7 questions that nobody can answer.

8           A     Well, you did a good job. I don't know how you  
9 are defining terms and conditions for reserving space.  
10 BellSouth has certain requirements that they put into  
11 interconnection agreements with ALECs which require them  
12 to reserve space for their future use for particular  
13 periods of time and then to give up that space if they  
14 don't use it and can't provide documentation of here is  
15 exactly how we are going to use it within a particular  
16 time frame. Now that is not exactly the same as what we  
17 are requesting here, but the circumstances and the context  
18 are quite different. Hopefully that is responsive to your  
19 question.

20          Q     I'm not sure, but let me make it a little more  
21 personal. Suppose that Sprint is in BellSouth's central  
22 office and it is Sprint that has reserved space for 18  
23 months and MCI comes to us and says we want to get in the  
24 central office. We say sorry, folks, we are full up at  
25 the inn. There is no more room because Sprint has

1 reserved the last bit of space for itself. MCI says, I  
2 don't buy it. I don't think Sprint really needs that much  
3 space. I don't think their reservation of space is  
4 reasonable. Are you willing to give MCI the same  
5 information that you are demanding from BellSouth,  
6 sensitive competitive information?

7       A     No, I don't think we would be. And I think that  
8 the context here, again, is quite different. The waiver  
9 process and the evaluation of space denials in central  
10 offices is all couched around the idea that what we are  
11 trying to do is facilitate competition. And we are trying  
12 to prevent a situation where an ILEC may inappropriately  
13 try to keep people from competing by reserving more space,  
14 perhaps, than is required in a particular central office.  
15 So it is appropriate in that context to allow the  
16 Commission to conduct the review that it has required of  
17 the central office premises. I note that the Commission  
18 has not required the requesting ALECs to provide  
19 documentation for their reserved space.

20               COMMISSIONER JABER: I don't understand the  
21 distinction you are trying to make. Why is the scenario  
22 different from Mr. Edenfield's example? Sprint serves as  
23 an ILEC and an ALEC, is that correct?

24               THE WITNESS: That's correct.

25               COMMISSIONER JABER: So the allegation that

1 Sprint might make with respect to BellSouth preventing a  
2 competitor from entering the central office could also be  
3 made about Sprint in certain situations, correct?

4 THE WITNESS: Yes. Sprint, the ILEC, is that  
5 what you mean?

6 COMMISSIONER JABER: Uh-huh.

7 THE WITNESS: Yes.

8 COMMISSIONER JABER: In the example that Mr.  
9 Edenfield gives where MCI requests of Sprint that same  
10 information, would you give the historical and forecast  
11 data to an MCI?

12 THE WITNESS: I am going to answer to say no.  
13 And I am going to say no and caveat that also to say that  
14 this is really something that I don't think anyone with  
15 Sprint has ever considered. It has never been requested,  
16 to my knowledge. And I would say no because I don't know  
17 why a company like MCI would specifically request that of  
18 Sprint and not other providers within that central office.  
19 From a practical standpoint I think that would be  
20 nonproductive.

21 COMMISSIONER JABER: But from a practical  
22 standpoint is there anything that prevents them from  
23 requesting it of all of the carriers?

24 THE WITNESS: I'm sorry, that prevents MCI from  
25 requesting that?

1           COMMISSIONER JABER: Or any carrier that is  
2 trying to collocate.

3           THE WITNESS: You know, I don't know the answer  
4 to that question. I don't know of anything that would  
5 prevent or permit them to do that.

6           COMMISSIONER PALECKI: But in locations where  
7 Sprint is the ILEC, are you saying Sprint would be happy  
8 to provide this information to the ALECs at any time?

9           THE WITNESS: Yes. Upon request, Sprint, the  
10 ILEC, will provide the information.

11 BY MR. EDENFIELD:

12           Q     Ms. Closz, I thought you told me in the very  
13 beginning of your testimony, it may have been your  
14 summary, that Sprint is an integrated entity, there really  
15 is no Sprint ILEC, Sprint CLEC, you are all one big happy  
16 company.

17                     Are you now telling me that as an ILEC you will  
18 do one thing and as an ALEC you will do another?

19           A     First, let me answer the first part of your  
20 question. No, I don't believe that the characterization  
21 that you have just stated of there are no boundaries,  
22 Sprint is, you know, one big happy company. What I said  
23 is that we have integrated service offerings that span  
24 various parts of our business. Now, could you please  
25 restate the second part of your question.

1 Q The second part was, so you are willing to do  
2 something as an ILEC that you are not willing to do as an  
3 ALEC, unless I misunderstood what you were saying?

4 A I will answer to say, yes, I do not believe we  
5 would provide it as an ALEC, but I will also caveat that  
6 to say, again, that this is something that we as a company  
7 have not considered.

8 Q I'm sorry?

9 A I said that is something that we, as a company,  
10 have not considered.

11 MR. EDENFIELD: Okay. I was about to move on  
12 from this issue.

13 COMMISSIONER PALECKI: I just have one further  
14 question. Would Sprint be satisfied if as part of the  
15 justification provided to the Commission during the waiver  
16 process if this was information that the company would be  
17 required -- by the company, BellSouth, would be required  
18 to provide to the Commission staff?

19 THE WITNESS: Yes. If I understand what you are  
20 saying is if this information were required to be provided  
21 by ILECs as part of the waiver process that the Commission  
22 has established, would that satisfactorily address  
23 Sprint's concern?

24 COMMISSIONER PALECKI: Yes.

25 THE WITNESS: Yes.

1           COMMISSIONER PALECKI: So your position is more  
2 that this is just information you would say that Sprint  
3 needs or we can say that the Commission staff would need  
4 to make an educated decision on these issues?

5           THE WITNESS: Yes, sir, that is correct.

6           MR. EDENFIELD: I was going to move on to Issues  
7 29 and 8, which deal with the point of interconnection and  
8 virtual point of interconnection. And at least in my  
9 little pea brain they are kind of tied together. So I was  
10 just going to do them all at one time, just so you know  
11 where we are.

12 BY MR. EDENFIELD:

13           Q     Do you happen to have a copy of Mr. Ruscilli's  
14 testimony?

15           A     Not here, no, I don't.

16           Q     Let me give you -- and hopefully everyone does  
17 have it, because I don't have copies of these -- Exhibit  
18 JAR-1 to his testimony, which are a number of network  
19 diagrams which will kind of help us get through this  
20 discussion hopefully quickly.

21           CHAIRMAN JACOBS: Mr. Edenfield, you will defer  
22 identifying this until Mr. Ruscilli is on the stand?

23           MR. EDENFIELD: I will. Yes, sir. What I was  
24 planning on doing was instead of making this particular  
25 thing an exhibit, it will come in via his testimony.

1 CHAIRMAN JACOBS: Very well.

2 MR. EDENFIELD: What I will probably do is just  
3 mark it for identification for record clarity purposes, if  
4 that is okay, and then -- I'm not sure if that is going to  
5 help or hurt.

6 CHAIRMAN JACOBS: If it is part of his  
7 testimony, I don't have a problem deferring, just moving  
8 it with his testimony. We can do it that way.

9 MR. EDENFIELD: Okay.

10 BY MR. EDENFIELD:

11 Q Before we get into the specifics of the point of  
12 interconnection, Ms. Closz, let me ask you a couple of  
13 questions generically about Sprint's network. Does Sprint  
14 have a long distance network that is different from its  
15 local network?

16 A Yes.

17 Q Your long distance network, would it be fair to  
18 say that you have points of presence in most of the local  
19 calling areas in BellSouth territory in Florida, or do you  
20 all aggregate traffic similar to how you do it with local?

21 A I don't know the location of the points of  
22 presence. I know that there are numerous points of  
23 presence across Florida.

24 Q Okay. Would you agree that there are probably  
25 numerous points of -- again, I'm talking about the long

1 distance network. Would you agree that there are numerous  
2 points of presence within a LATA?

3 A Again, I am not here to testify for Sprint Long  
4 Distance's network. I don't know exactly where their  
5 points of presence are.

6 Q Would you think it -- I'm not sure how to phrase  
7 this. Does it seem unreasonable to you to think that  
8 BellSouth Long Distance would have multiple points of  
9 presence within its -- within a LATA for its long distance  
10 network?

11 A I think you meant Sprint Long Distance.

12 Q I'm sorry, what did I say?

13 A I think you said BellSouth Long Distance.

14 Q Oh, I'm sorry. Wishful thinking.

15 A Could you rephrase that, please.

16 Q Yes. Would it be unreasonable to assume that  
17 Sprint Long Distance has multiple points of presence  
18 within a LATA?

19 A You know, I'm sorry, I really don't know where  
20 their points of presence are.

21 Q All right. As I understand the point of  
22 interconnection issue, Sprint is basically seeking to have  
23 one point of presence, and I guess this is for the local  
24 side, one point of presence or one point of  
25 interconnection in each LATA in BellSouth territory?

1           A     No, I would not phrase the issue that way. I  
2 would phrase the issue, at least Issue 8 is whether or not  
3 BellSouth should be able to designate the network point of  
4 interconnection for the delivery of BellSouth's local  
5 traffic. That is the issue that has been presented for  
6 decision to the Commission.

7           Q     I understand. So the issue, at least the first  
8 part of that issue is who gets to choose. Who gets to  
9 pick where the point of interconnection is going to be for  
10 their originating traffic. And it is your contention, you  
11 being Sprint, your contention that Sprint gets to pick the  
12 point of interconnection, the point where the traffic is  
13 going to be handed off for both Sprint terminating traffic  
14 and Sprint originating traffic?

15          A     Yes, that's correct.

16          Q     Okay. And, again, peeling the onion back one  
17 more layer, at the gist of this argument is the question  
18 of who is going to have the financial burden or whether  
19 BellSouth has the financial burden of taking traffic from  
20 one local calling area to your point of interconnection,  
21 who is going to pay for that. I mean, that is kind of  
22 inherent in the question of who gets to pick?

23          A     No, I would disagree with that characterization.  
24 I know that is how BellSouth has characterized it in its  
25 testimony. At least, again, pointing to Issue 8, Sprint

1 believes the issue is who, according to the Act and the  
2 FCC's orders, has the right to designate the point of  
3 interconnection which is the point at which to exchange  
4 traffic, deliver and receive.

5 Q And that is Issue --

6 A 8.

7 Q -- 8. And we have an Issue 29 that deals with a  
8 virtual point of interconnection which is where if  
9 BellSouth gets to deem a point of interconnection in each  
10 of its local calling areas?

11 A Yes, BellSouth in Issue 29 has presented a  
12 proposal to establish, as you said, virtual points of  
13 interconnection which would entail BellSouth choosing  
14 where it is going to deliver its local traffic to Sprint.

15 Q Okay. Let's back up and kind of start from  
16 ground zero. Will you agree with me that there are a  
17 number of local calling areas within a LATA, generally?

18 A Yes.

19 Q And I, frankly, just don't know the answer to  
20 this. Is Sprint contending that when it sets up its local  
21 network it is going to have just one point of  
22 interconnection in a LATA or is it going to have multiple  
23 points of interconnection?

24 A Sprint may have one point of interconnection in  
25 a LATA, but it may also choose to deploy multiple points

1 within a LATA.

2 Q Well, let's talk about the situation where  
3 Sprint is going to deploy one point of interconnection in  
4 a LATA. And if you will take a look at that diagram I  
5 gave you, which is JAR-1, which is Attachment 1 to Mr.  
6 Ruscilli's direct testimony, let's kind of go through and  
7 let me ask you some questions about the effect of  
8 basically who gets to pick the interconnection point and  
9 what effect that is going to have on who has to pay.

10 All right. If you will assume that the piece of  
11 paper is the LATA. Will you agree with me that what we  
12 have here is in the oval on the left, you have got the  
13 Lake City local calling area and on the right you have got  
14 the Jacksonville local calling area?

15 A Okay.

16 Q Does that seem to be what is depicted there?

17 A Yes, that appears to be what is depicted.

18 Q Okay. And within the -- again, we are going to  
19 assume that Sprint is going to have a single point of  
20 interconnection in the LATA for purposes of these next  
21 questions. And that point of interconnection is at the  
22 BellSouth tandem in the Jacksonville local calling area,  
23 okay?

24 A Okay.

25 Q Sprint's switch is also located, as you can see

1 from the example, in that same local calling area.

2 A Okay.

3 Q There is a BellSouth end office switch in the  
4 Lake City local calling area and there is a BellSouth end  
5 office switch in the Jacksonville local calling area, do  
6 you see all of that?

7 A Yes.

8 Q And, of course, we have BellSouth's tandem in  
9 the Jacksonville local calling area, as well?

10 A Okay.

11 Q Does there seem to be anything unusual about  
12 that network configuration? That is fairly typical,  
13 wouldn't you agree?

14 A I believe so.

15 Q Okay. Now, we have also identified a BellSouth  
16 end user and a Sprint end user in each of the local  
17 calling areas that you see there, okay, do you see those?

18 A Uh-huh, yes.

19 Q All right. Let's talk about the flow of traffic  
20 for a moment, and that you have got a Sprint customer in  
21 the Jacksonville local calling area, which would be Sprint  
22 EUB, do you see that?

23 A Yes.

24 Q And that Sprint customer is calling a BellSouth  
25 customer in that same local calling area, and that would

1 be BST EU, which is for end user B. Do you see where both  
2 of those folks are?

3 A Yes.

4 Q All right. Let's just take you through some  
5 basic stuff here. The Sprint end user picks up his phone  
6 or her phone, gets dial tone from the switch that you see  
7 depicted there in the local calling area, right?

8 A I'm sorry, which Sprint end user was this?

9 Q This is the Sprint end user B. For this next  
10 hypothetical everything is within the Jacksonville local  
11 calling area.

12 A Okay.

13 Q The Sprint end user picks up the phone, gets his  
14 dial tone from the Sprint switch. He then dials the  
15 number of the BellSouth end user also in that same local  
16 calling area. The traffic would go from the Sprint end  
17 user through Sprint's switch to the BellSouth tandem where  
18 the point of interconnection is. At that point Sprint  
19 would hand the traffic off to BellSouth, BellSouth would  
20 send the traffic to its end office and then ultimately the  
21 phone would ring at the end user.

22 A Okay.

23 Q Is that pretty fair of how that would work with  
24 this network configuration and the Sprint end user called  
25 the BellSouth end user?

1 A Yes.

2 Q Okay. Would you agree with me that Sprint in  
3 that scenario is responsible for providing all of the  
4 facilities from the point of interconnection there in  
5 Jacksonville all the way back to the Sprint end user in  
6 Jacksonville? That that is Sprint's responsibility to  
7 have those facilities in place?

8 A Yes.

9 Q And after they hand off the traffic, that  
10 particular call to BellSouth, BellSouth then terminates  
11 that call, and at least in this scenario Sprint would then  
12 pay BellSouth reciprocal compensation for the tandem  
13 switching and the end office switching?

14 A Yes.

15 Q We have no dispute about that kind of traffic.  
16 There is no issue there?

17 A Okay.

18 Q And, I mean, I assume you didn't dispute that?

19 A No.

20 Q All right. Where we seem to have a disconnect  
21 and where who gets to pick the point of interconnection  
22 becomes critical is in the scenario when you look at the  
23 BellSouth end user in the Lake City local calling area is  
24 calling the Sprint end user also in the Lake City local  
25 calling area, okay. So in this scenario we are going to

1 have the BellSouth end user A, who is there in the little  
2 ellipsis or oval on the left, he is going to pick up his  
3 phone or her phone, and that call will be routed through  
4 the BellSouth end office to the BellSouth tandem in  
5 Jacksonville to where Sprint's point of interconnection  
6 is. Sprint will then take that call back to its switch  
7 and then on the long loop back to the end user, Sprint end  
8 user A. Does that sound like the -- the way I have it  
9 drawn up, that would be how that traffic flow would work,  
10 correct?

11 A Yes.

12 Q Okay. Now, assume for a moment that there are  
13 no facilities between the BellSouth end office in Lake  
14 City and the Sprint point of interconnection in  
15 Jacksonville. Just assume that there is nothing there.  
16 Who would be responsible for providing those facilities?

17 A Well, BellSouth would be responsible for  
18 providing the facilities. But let me say first that I  
19 think it is unrealistic to think that there would not be  
20 facilities in place there.

21 Q Okay.

22 A BellSouth connects all of its network to all of  
23 its network. I can't imagine a scenario where BellSouth  
24 would not have facilities already connecting those two  
25 areas.

1           Q     Okay.  But just humor me for a minute, assume it  
2 is not there and this kind of gets to why the point of  
3 interconnection, whether it is in the -- having one in  
4 each local calling area versus just having one for the  
5 LATA is important.  If that trunk group did not exist  
6 between the BellSouth end office in Lake City and Sprint's  
7 point of interconnection in Jacksonville, if that did not  
8 exist, BellSouth would have to put in trunking just to get  
9 the call from the BellSouth end user to the Sprint end  
10 user which is in that same local calling area?

11           A     Yes, that's correct.  But, again, I would say  
12 that I think that that is a very, very unrealistic  
13 scenario because BellSouth connects all of its areas to  
14 all of its areas.  And, again, I can't imagine a scenario  
15 where there would not be facilities already in place.  I  
16 know we are taking a hypothetical here, but we are  
17 reviewing a hypothetical that probably does not exist.

18           Q     Okay.  In my same hypothetical that may not  
19 exist, how would BellSouth recover the cost of putting in  
20 the trunks from the BellSouth end office there in Lake  
21 City to your point of interconnection in the Jacksonville  
22 local calling area?

23           A     Well, I don't know exactly how BellSouth would  
24 be compensated for that.  Again, I believe that the  
25 facilities would already be in place.  I don't believe

1 that new facilities are required. Again, BellSouth  
2 connects all of its areas to all of its areas. BellSouth  
3 receives revenue for its facilities from a number of  
4 sources, so I don't know exactly what that would be.

5 Q And looking at the same diagram, would you agree  
6 with me that if the BellSouth end user A in the Lake City  
7 local calling area picked up the phone and called the  
8 BellSouth end user B in the Jacksonville local calling  
9 area, that that would be a long distance call?

10 A It could if Sprint had determined that that was  
11 going to be a toll call according to its dialing plans.  
12 If it is a Sprint end user and the Sprint end user is  
13 making the call, then Sprint would make that  
14 determination.

15 Q This is a BellSouth end user to a BellSouth end  
16 user.

17 A Oh, I'm sorry, I misunderstood. I thought you  
18 said the Sprint end user.

19 Q Okay. Let me go through it one more time. The  
20 BellSouth end user A in Lake City calls the BellSouth end  
21 user B in Jacksonville. Would that be a long distance  
22 call?

23 A Yes. According to the way that BellSouth has  
24 set up its local calling areas, I believe that BellSouth  
25 would call that an intraLATA toll call.

1           Q     Is it Sprint's contention in this situation  
2 where you have a single point of interconnection in a LATA  
3 that in the diagram I have here that by virtue of being  
4 interconnected with BellSouth in the Jacksonville local  
5 calling area that you are also gaining access to the Lake  
6 City local calling area?

7           A     Could you clarify what you mean by "gaining  
8 access to"?

9           Q     That you are now considered to be interconnected  
10 in BellSouth's Lake City local calling area by virtue of  
11 having a point of interconnection in the Jacksonville  
12 local calling area?

13          A     Yes, if I am understanding what you are saying  
14 to be that there would be connectivity between those two  
15 points.

16          Q     So, if I understand, it would be your position  
17 that BellSouth is responsible for getting all of the  
18 traffic anywhere in the LATA to the point of  
19 interconnection designated by Sprint?

20          A     Yes, that's correct. As I have stated in my  
21 testimony, Sprint believes that the Act and the FCC's  
22 orders have given Sprint the ability to designate the  
23 point of interconnection for both delivery and receipt of  
24 traffic, and that we can do that. And actually our  
25 contract provisions do provide for Sprint to provide one

1 point of interconnection per LATA.

2 Q Certainly I understand that you can do that if  
3 that is what you want to do, that you have the right to  
4 put one point of interconnection. The question becomes in  
5 the situation where the BellSouth end user A is calling  
6 the Sprint end user A in the Lake City local calling area,  
7 for the transport from getting from the BellSouth end  
8 office in Lake City to Sprint's point of interconnection  
9 in the Jacksonville local calling area, that you want  
10 BellSouth to pay to haul that traffic out of the Lake City  
11 local calling area into the Jacksonville local calling  
12 area to your point of interconnection. I mean, is that  
13 basically what Sprint is asking BellSouth to do?

14 A Yes. And I think we could probably pursue  
15 further what is meant when you say BellSouth would pay for  
16 that transport. There has been nothing that I have seen  
17 in BellSouth's testimony that has suggested there are  
18 incremental facility costs connected with carrying that  
19 call. Each party is obligated to assume the costs for its  
20 network on its side of the point of interconnection.  
21 Sprint will bear the costs for its facilities on its side  
22 of the point of interconnection, and BellSouth should do  
23 the same.

24 Q Okay. Let's look out into the future, which I'm  
25 sure all our folks at BellSouth long distance would love

1 to see this future. There are no more LATA boundaries in  
2 the State of Florida. BellSouth has gone to the FCC and  
3 said, BellSouth, you have done what you need to do, you  
4 have 271 relief, you have no more LATA restrictions in the  
5 State of Florida.

6 A Okay.

7 Q Would it be your contention, then, that Sprint  
8 could pick a single point of interconnection for the  
9 entire state and that BellSouth would have to haul  
10 traffic, at least if you kept the Jacksonville point of  
11 interconnection as your sole point of interconnection for  
12 the state, that BellSouth would have to haul traffic from  
13 Miami, the Miami local calling area all the way to your  
14 point of interconnection in Jacksonville and that  
15 BellSouth would have to pay for that?

16 A I will answer the question no in an effort to  
17 give you a direct responsive answer. But I will also say  
18 that that is a scenario that we have not contemplated or  
19 considered. So I can't really say definitively what our  
20 position on that would be. It is not an issue in this  
21 proceeding.

22 Q You are not sure in that situation if you had a  
23 single point of interconnection for the state and the  
24 state was all one big LATA for all intents and purposes  
25 whether BellSouth would have to pay to haul its traffic

1 from its local calling area in Miami to your point of  
2 interconnection in Jacksonville?

3 A No, I'm not sure at all. Again, we have not  
4 contemplated that kind of scenario, and I don't know how  
5 that would be handled. It is, again, certainly not an  
6 issue in this proceeding.

7 Q Tell me in your mind the distinction between  
8 that scenario and the scenario we have here where you have  
9 one point of interconnection in a LATA?

10 A I don't know how the two are connected to be  
11 honest with you. The FCC has said, and our contract  
12 language says that we can establish one point of  
13 interconnection in the LATA. That is the issue that we  
14 are dealing with here today is who gets to choose where  
15 that point is.

16 Q Right. And what I'm trying to deal with is the  
17 ramifications of who gets to choose. I mean, it's not  
18 just as easy as -- I mean, you will agree with me that  
19 there are ramifications, financial ramifications as to who  
20 gets to choose the point of interconnection?

21 A Well, I would agree that there might be. But I  
22 would also say that we really don't know what those are,  
23 and BellSouth hasn't presented any specific information as  
24 to what those financial ramifications are. The testimony  
25 says there are some, it doesn't say what they are. And I

1 don't -- I think if BellSouth has concerns related to its  
2 costs, and this is certainly related to reciprocal  
3 compensation, perhaps the generic docket that is currently  
4 open here would be a good forum to consider that.

5           What we are dealing with here is who, pursuant  
6 to the Act and the FCC's orders, has the right to choose  
7 the point of interconnection. As stated in my testimony,  
8 that is the requesting carrier, the competing carrier gets  
9 to choose.

10           CHAIRMAN JACOBS: Ms. Closz, in your argument  
11 that you have that right, I assume that you are looking to  
12 use point of interconnections that would have -- well, let  
13 me just say it, that probably you as an IXC would have  
14 had, would that be reasonable?

15           THE WITNESS: Yes. They would probably be in  
16 very close proximity.

17           CHAIRMAN JACOBS: So they would have some --  
18 there would be some designed connection to the existing  
19 ILECs that --

20           THE WITNESS: There probably would be, yes.

21           CHAIRMAN JACOBS: So when you designated, you  
22 are probably going to be within some design criteria of  
23 the ILEC's network anyway, would that be a fair statement?

24           THE WITNESS: Yes, sir.

25           CHAIRMAN JACOBS: If that were the case, then

1 there would have been -- some thought would have been  
2 given to a minimization of the haul distance at any rate,  
3 because on the opposite end you have an expense that you  
4 are trying to minimize.

5 THE WITNESS: Yes, that's correct.

6 CHAIRMAN JACOBS: Okay. Thank you.

7 COMMISSIONER PALECKI: Following up on that, it  
8 is Sprint's position that they should have the right to  
9 request a point of interconnection if that is technically  
10 feasible to BellSouth. So you would agree that if  
11 BellSouth looks at your request, determines that it is  
12 inordinately expensive, that they could deny that request  
13 or respond that they would require payment by Sprint in  
14 order to make that, quote, technically feasible?

15 THE WITNESS: Yes. And I agree with that as it  
16 relates to that point of interconnection, yes.

17 COMMISSIONER PALECKI: So it seems to me that we  
18 are hung-up on the word designate. You are not absolutely  
19 saying that Sprint has the right to say this is going to  
20 be where the point of interconnection is going to be, you  
21 want to have the right to make the initial request and  
22 have BellSouth respond to you as to whether or not that is  
23 technically feasible or not, is that correct?

24 THE WITNESS: Yes, that is correct. Technical  
25 feasibility is always a consideration.

1           COMMISSIONER PALECKI: I'm not sure that we  
2 really have a disagreement here. It seems to me that we  
3 are arguing when there might not be any argument at all.

4           MR. EDENFIELD: Let me follow up with a question  
5 on that, Commissioner Palecki, and let me see if I can --  
6 there still may be a disconnect here.

7 BY MR. EDENFIELD:

8           Q Will you agree with me, Ms. Closz, that in the  
9 FCC's First Report and Order it said economic  
10 considerations are not a basis to claim technical  
11 infeasibility?

12          A I'm sorry, I drifted for just a moment there.  
13 Could you repeat that, please.

14          Q Yes. Will you agree with me that the FCC in its  
15 First Report and Order said that the ILEC cannot claim  
16 technical infeasibility based on economic considerations?  
17 In other words, you can't say it costs too much, therefore  
18 it is technically infeasible?

19          A Yes.

20          Q So in your question and answers with  
21 Commissioner Palecki, are you willing to agree that  
22 financial considerations should play a part in -- at least  
23 BellSouth's financial considerations should play a part in  
24 Sprint's ability to choose a point of interconnection?

25          A Let me respond by saying no, because I think we

1 are dealing with two different things here. If a point of  
2 interconnection is not technically feasible then it is  
3 technically infeasible and there is a reason for that.  
4 Now, was your question related to economic considerations  
5 for selection of the point of interconnection?

6 Q No. You will agree with me that the FCC has  
7 told the ILECs, Sprint comes to you and says I want to put  
8 a point of interconnection in Jacksonville, that the ILEC  
9 cannot claim that is going to be too expensive for me,  
10 therefore it is technically infeasible?

11 A Correct.

12 Q That BellSouth is not allowed under the law to  
13 say it is too expensive and therefore it is not  
14 technically feasible?

15 A Correct.

16 Q Okay. So, you don't care how much it costed  
17 BellSouth, because BellSouth can't even raise that as an  
18 issue in whether you are going to put your point of  
19 interconnection in Jacksonville or anywhere else?

20 A No. And I think we are mixing issues here.  
21 What you are referencing are costs associated with the  
22 establishment of a point of interconnection. What  
23 BellSouth is concerned about are transport costs.

24 Q Are you willing to agree then that if I have  
25 transport costs that I think are too high because you are

1 putting a point of interconnection in Jacksonville that I  
2 can come to you and say, oops, sorry, Sprint, you can't  
3 put your point of interconnection there because it is too  
4 expensive, therefore it is technically infeasible?

5 A No. Because the cost considerations are related  
6 to the establishment of the point of interconnection, not  
7 the transport costs. The point of interconnection and the  
8 whole discussion related to the costs of establishing that  
9 were really trying to prevent an ALEC from coming in and  
10 saying, "I want my point of interconnection 50 miles away  
11 from the ILEC central office. So, ILEC, I want you to  
12 build brand new facilities to come out and get me there."  
13 I'm out in the middle of a corn field or something. That  
14 is not what we are talking about here at all.

15 Q Well, isn't that precisely what we are talking  
16 about here, because --

17 A No.

18 Q -- I'm having to transport traffic from Lake  
19 City at my expense to your point of interconnection in  
20 Jacksonville, and the fact that it is costing me an arm  
21 and a leg to do that because that is where you choose to  
22 put your point of interconnection, I can't turn you down.

23 A No, that is not --

24 Q If you want to put your point of -- let me ask  
25 you, does BellSouth have a right to tell you you cannot

1 put a point of interconnection in a particular place  
2 because it is too expensive?

3 A No.

4 Q So you can put it anywhere you want to within  
5 the LATA, irrespective of whether it is going to cost me  
6 an arm and a leg?

7 A No.

8 Q What are the limitations, then, on when it  
9 becomes -- what financial interests do you have to violate  
10 of BellSouth -- and that is a terrible way to phrase that.

11 A Yes, it was.

12 Q What financial interests of BellSouth, at what  
13 point do those financial interests effect your ability to  
14 choose a point of interconnection?

15 A I think -- let me back up here a little bit  
16 because we are mixing two concepts entirely here.

17 Q I don't believe so.

18 A The establishment of the point of  
19 interconnection, if there -- and, you know, I'm sorry, I  
20 don't have the Act and the Report and Order in front of me  
21 to quote from, but what they say is -- okay. Well, Kip,  
22 if you have got the appropriate sections, you can quote  
23 them to us.

24 What you are referencing are facilities that --  
25 facilities costs that would be established for brand new

1 services taken to a point of interconnection that was  
2 selected by an ALEC. We are not talking about costs to  
3 transport calls to the point of interconnection, we are  
4 mixing these concepts here entirely. Sprint has the  
5 right, according to the FCC and the Act, to establish a  
6 point of interconnection for the exchange of traffic.

7 Q Anywhere it wants?

8 A Pardon me?

9 Q Anywhere it wants within the LATA?

10 A Yes.

11 COMMISSIONER DEASON: Let me ask a question at  
12 this point just for clarification. As I understand it,  
13 there are two considerations in establishing a point of  
14 interconnection. One is the actual cost of putting the  
15 interconnection in place, and then once the  
16 interconnection is in place there are costs of transport.

17 THE WITNESS: Yes.

18 COMMISSIONER DEASON: Okay. Who is  
19 responsible -- when you choose a point of interconnection,  
20 who is responsible for cost of establishing that point of  
21 interconnection, and then once it is established who is  
22 responsible for the cost of transport?

23 THE WITNESS: The cost of transport would be the  
24 facilities -- let's say we have got a point of  
25 interconnection established. Sprint would have

1 responsibility for the facilities on its side of the point  
2 of interconnection and the transport connected to that.  
3 And then when it hands off to BellSouth's network, Sprint  
4 would pay BellSouth reciprocal compensation for the calls  
5 that are carried to terminate on BellSouth's network.

6           The converse would be true. BellSouth would  
7 provide its own facilities up to the point of  
8 interconnection, and then would pay Sprint reciprocal  
9 compensation for the calls to terminate on Sprint's  
10 network on the other side.

11           COMMISSIONER DEASON: Now, it seems to me that  
12 there would be -- there should be some type of an  
13 incentive in place for both you, the ALEC, and BellSouth,  
14 the ILEC, to minimize everybody's costs. But apparently  
15 these are two competing things, and is there an incentive  
16 on your part to minimize your costs which has the effect  
17 of maximizing BellSouth's costs?

18           THE WITNESS: No.

19           COMMISSIONER DEASON: Okay. Explain to me the  
20 parameters we are working in here.

21           THE WITNESS: The Act does provide -- let me get  
22 to my testimony on Page 5 and 6, and this is in the local  
23 competition order. It says the interconnection --

24           COMMISSIONER DEASON: Is this your direct or  
25 your rebuttal?

1 THE WITNESS: I'm sorry, it is in my direct.  
2 The interconnection obligation of Section 251.(c)(2)  
3 allows competing carriers to choose the most efficient  
4 points at which to exchange traffic with incumbent LECs  
5 thereby lowering the competing carriers' costs of, among  
6 other things, transport and termination of traffic. And  
7 then, again, it says, of course, requesting carriers have  
8 the right to select points of interconnection at which to  
9 exchange traffic with an incumbent LEC under Section  
10 251(c)(2). I think this speaks to what you had said  
11 earlier about as a competing carrier there is absolutely  
12 an incentive to locate facilities at a point where the  
13 cost of interconnecting the networks are minimized.

14 Does that respond to your question?

15 COMMISSIONER DEASON: Yes, I think it does. And  
16 I'm glad that is your response, because I believe that  
17 there should be something in place to minimize costs. But  
18 what I'm concerned with is in your efforts to minimize  
19 costs does that have the effect of maximizing BellSouth's  
20 costs?

21 THE WITNESS: It shouldn't. And I think in  
22 considering these provisions I have to believe that the  
23 folks that put this stuff together understood that the  
24 competing carrier is challenged getting into the new  
25 market to try to minimize its costs so that it can have

1 the greatest opportunity to deploy and to advance  
2 competition. So I believe that is why this right was set  
3 up, to select that point at which to exchange.

4 Now the question is does that result in some  
5 incrementally higher costs for the ILEC on their side of  
6 the point of interconnection. I don't know, it might.  
7 But the ILEC has the advantage of having a network that  
8 has been growing over 100 years time. And we are talking  
9 about carrying traffic that was probably also carried  
10 prior to that new entrant coming into the market. So, you  
11 know, there is nothing to suggest there that this is  
12 incremental traffic volumes or that it would require brand  
13 new facilities for brand new traffic.

14 I guess what I'm saying is hopefully because of  
15 the ILEC's embedded network much of that infrastructure,  
16 if not all of it, is already in place. So it would not  
17 have the effect of imposing large costs on the ILEC.

18 BY MR. EDENFIELD:

19 Q Ms. Closz, are you suggesting to this Commission  
20 that when Sprint sits down to figure out its point of  
21 interconnection, it is taking into consideration in any  
22 form or fashion how it can save BellSouth cost?

23 A No, I'm not suggesting that. Just as I would  
24 not suggest that BellSouth in its VPOI proposal is  
25 attempting in any way to reduce Sprint's costs as a new

1 entrant to the market.

2 Q Well, let's talk about that for a second. At  
3 least under BellSouth's view of the world, the ILEC is  
4 entitled to drop its traffic in a local calling area, its  
5 originating traffic in a local calling area at a single  
6 point. It says I'm going to bring my originating traffic  
7 to this point in a local calling area. BellSouth in its  
8 view of the world could require you to put a point of  
9 interconnection in every single solitary local calling  
10 area in the LATA.

11 But instead we are saying you can have virtual  
12 points of interconnection. Instead of having to actually  
13 build facilities, we will bill you as if you do have  
14 facilities. In other words, you will have to pay for the  
15 transport to get out of the local calling area to your  
16 point of interconnection. And you don't think that is  
17 saving you money above requiring you to come in and build  
18 actual points of interconnection in each local calling  
19 area?

20 A No, I don't, because I don't think that  
21 BellSouth has the authority to order Sprint to establish  
22 points of interconnection in each local calling area.

23 Q I understand that is your position and  
24 BellSouth's obviously is the opposite. If BellSouth would  
25 prevail on that issue and could require you to put a point

1 of interconnection in each local calling area, will you  
2 agree with me that it would be cheaper for there to be a  
3 virtual point of interconnection, which is mainly just a  
4 financial point at which Sprint will pick up the transport  
5 and take it to its point of interconnection as opposed to  
6 making you come and actually put in points of  
7 interconnection?

8 A No, I don't. And the reason is this, is that in  
9 the current version, as I understand it, of BellSouth's  
10 VPOI plan, there is no provision as to where that VPOI  
11 would be located. It could be at any point within that  
12 local calling area, even the point at which would be most  
13 expensive for Sprint.

14 Q Ms. Closz, are you suggesting that BellSouth did  
15 not offer to Sprint the ability to choose the virtual  
16 point of interconnection in the local calling area?

17 A Yes.

18 Q If BellSouth gave you the option to choose the  
19 virtual point of interconnection in the local calling  
20 area, would that change your position?

21 A No.

22 COMMISSIONER DEASON: Let me ask a question at  
23 this point. I'm trying to understand, I guess, what  
24 brings this issue to us. And it seems to me that there is  
25 a threshold question here as to whether BellSouth has the

1 ability to require you, if they so chose, to require you  
2 to have a point of interconnection in each local calling  
3 area. You say no. By the questions I assume it is  
4 BellSouth's position that yes, they have that ability, and  
5 I'm assuming that there will be a witness that will  
6 address that. My question is why hasn't -- is there a FCC  
7 rule which addresses this?

8 THE WITNESS: Yes.

9 COMMISSIONER DEASON: It is one of these vague  
10 rules, again, that everybody has a different  
11 interpretation of?

12 THE WITNESS: No. And, I'm sorry, as far as an  
13 FCC rule that addresses whether the requesting carrier can  
14 select one point of interconnection per LATA or one point  
15 of interconnection in each local calling area?

16 COMMISSIONER DEASON: Each local calling area.

17 THE WITNESS: Yes, there is. And, in fact, I  
18 apologize because this reference may not be exactly  
19 correct. But my recollection is that in the FCC's 271  
20 order related to Texas that it did reaffirm that its  
21 orders and rules provided for a requesting carrier to  
22 select one point of interconnection per LATA.

23 COMMISSIONER DEASON: Not per local calling  
24 area.

25 THE WITNESS: Yes, that is correct. And I

1 believe -- I hate to quote on this, but I believe it was  
2 Paragraph 77 or 78.

3 COMMISSIONER DEASON: So let me ask this  
4 question. If we make a decision here and we interpret it  
5 one way or the other and then the FCC says no, that is  
6 wrong, it is something else, then we redo everything we  
7 have done in Florida, is that correct?

8 THE WITNESS: Yes, I believe we would.

9 COMMISSIONER DEASON: Why do we find ourselves  
10 in these situations time, after time, after time? Have  
11 you all attempted to have this clarified by the FCC one  
12 way or the other?

13 THE WITNESS: Not to my knowledge. I don't  
14 know, though, for sure.

15 COMMISSIONER PALECKI: I have a question,  
16 Ms. Closz. I'm trying to kind of resolve in my own mind  
17 how far apart the parties are on this issue. And I don't  
18 think that Sprint is saying that in all cases it wants to  
19 be able to designate every point of interconnection and  
20 direct BellSouth that these are where we are going to be  
21 interconnected. And I don't think BellSouth is saying  
22 that in every case it is going to say, okay, here is how  
23 we are going to play the game and this is where you are  
24 going to interconnect.

25 What I would envision is that we have perhaps

1 the initial request made by Sprint, and then a dialogue  
2 back and forth between Sprint and BellSouth. And if  
3 BellSouth sees that there are going to be undue expenses  
4 involved in a certain point of interconnection that there  
5 could be meaningful discussion and compromise. I guess  
6 that is the problem I'm having. I don't see a black and  
7 white issue where either party should have the right to  
8 designate this is where we are going to interconnect. And  
9 I'm trying to see if we can't reach some common ground and  
10 some common point here where we are not talking in these  
11 black and white terms.

12           You would acknowledge that BellSouth does have a  
13 voice in these decisions, would you not?

14           THE WITNESS: Yes, I would.

15           COMMISSIONER PALECKI: But you would also say  
16 that you would like to make at least the first request for  
17 where that interconnection would be, correct?

18           THE WITNESS: Yes. And as I mentioned  
19 previously, I think it explains it fairly well in the  
20 local competition order where it does say that requesting  
21 carriers -- well, let me get to this. It allows competing  
22 carriers -- this is, I'm sorry, the local competition  
23 order. I'm quoting from Page 5 of my direct testimony.  
24 Allows competing carriers to choose the most efficient  
25 points at which to exchange traffic, thereby lowering the

1 competing carrier's cost of, among other things, transport  
2 and termination of traffic.

3           There is clearly an incentive for a competing  
4 carrier to choose an efficient point at which to exchange  
5 traffic, which means that it would have to be in a point  
6 located in a very close proximity to the ILEC's  
7 facilities.

8           COMMISSIONER PALECKI: But it would also be  
9 possible for an ALEC to make an unreasonable request that  
10 would be very burdensome and expensive for the ILEC to  
11 comply with, do you not agree?

12           THE WITNESS: Yes.

13           COMMISSIONER PALECKI: And in that case don't  
14 you believe that the ILEC should have the ability to say,  
15 no, this is not reasonable and this should not be where  
16 the interconnection should be?

17           THE WITNESS: Yes. And I don't know the  
18 specific reference, but there is a clause which I believe  
19 is in the local competition order which references that  
20 the carrier, requesting carrier at that point would bear  
21 the burden of some of those excessive costs if that were  
22 the situation. And here, again, I might note that we are  
23 talking about the establishment of that physical  
24 connection of the two -- of the networks of the two  
25 companies which we are calling the POI, which is different

1 from the proposal that BellSouth has set forth with their  
2 virtual POI arrangement. That deals, as Sprint  
3 understands it, specifically with financial responsibility  
4 for transporting calls originated by BellSouth end users  
5 to that network POI. So that is how their -- it is a  
6 little bit different in terms of what they have proposed.

7 COMMISSIONER BAEZ: Ms. Closz, let me ask you --  
8 I'm sorry, Commissioner Palecki, are you done? I just had  
9 a question. I want to try and understand the concept of  
10 efficiency that you quoted in your testimony. First of  
11 all, the stupid question, efficiency for who, for the  
12 ALEC?

13 THE WITNESS: I think efficiency works both  
14 ways. Efficiency has to do with exchanging traffic, so it  
15 would be efficient for Sprint to deliver it and to receive  
16 it, which implies that there is a commonality in terms of  
17 location of network facilities.

18 COMMISSIONER BAEZ: Well, I'm not sure that I  
19 agree with you that -- I mean, at least by the tenor of  
20 Mr. Edenfield's questions they would more than likely  
21 prefer a point of interconnection at each local calling  
22 area, if I am understanding where he is coming from. So,  
23 I guess, and I understand that Sprint would be somewhere  
24 in the single POI range, just for arguments sake.

25 THE WITNESS: Yes.

1 COMMISSIONER BAEZ: You know, maybe one more  
2 than two.

3 THE WITNESS: Right.

4 COMMISSIONER BAEZ: When you consider  
5 efficiency, you consider it both on technical terms, you  
6 know, from a network design standpoint and also from a  
7 financial standpoint, as well?

8 THE WITNESS: Yes.

9 COMMISSIONER BAEZ: You mentioned that you had  
10 an incentive to create or designate a point of  
11 interconnection that was taking into consideration the  
12 costs that were involved. Now, those are two costs now  
13 that I understand you have identified, the cost of  
14 actually creating the point of interconnection and also  
15 the transport costs, or is that not a consideration that  
16 you have?

17 THE WITNESS: Well, let me answer by saying --  
18 and just to clarify what your question is, with respect to  
19 Issue 8 as it has been identified in this proceeding, this  
20 is confined to the designation of the point of  
21 interconnection. So the transport costs are more an  
22 issue, as I understand it, related to Issue 29 which  
23 BellSouth has identified as the VPOI proposal.

24 COMMISSIONER BAEZ: I understand that you have  
25 done your best to say that Issue 8 concerns only who has,

1 I guess, the authority or the right to designate a point  
2 of interconnection. But assuming we get beyond that,  
3 let's say for argument sake that it is Sprint and you get  
4 to designate your points of interconnection.

5 THE WITNESS: Okay.

6 COMMISSIONER BAEZ: Now, you still allude to, at  
7 least in your direct testimony, the potential or some  
8 costs, transport costs. And if you permit me a moment, I  
9 think I may have misunderstood you. Did you lump  
10 termination and transport together through reciprocal -- I  
11 mean, is that transportation and termination costs are  
12 both the same or one in the same?

13 THE WITNESS: No, they are not really one in the  
14 same, but if I am understanding your question you are  
15 talking about costs that would be incurred on the other  
16 side of the point of interconnection and that would be  
17 transporting and terminating calls to BellSouth users.  
18 Was that your question?

19 COMMISSIONER BAEZ: No. Actually I'm talking  
20 about the other way, actually transporting calls from, I  
21 guess, BellSouth users to your point of interconnection.  
22 And assuming the diagram here that you have designated one  
23 POI and it is in another calling area. So that to the  
24 naked eye, at least, it would look like a long distance  
25 call. And it is your contention that the transport from

1 one local calling area to another on its way to your point  
2 of interconnection is not your responsibility.

3 THE WITNESS: Yes, that is correct for a  
4 BellSouth originated call.

5 COMMISSIONER BAEZ: And your argument is that --  
6 your position is that the act -- that that will be  
7 contrary to the purpose of the act in trying to lower your  
8 costs of entry.

9 THE WITNESS: Yes.

10 COMMISSIONER BAEZ: Is it possible for a network  
11 design that included one point of interconnection and also  
12 included the burden for transport to be cost-efficient  
13 compared to some benchmark? Because, again, I'm not clear  
14 on what you are comparing it to so that you can come up  
15 with --

16 THE WITNESS: I think it depends also,  
17 unfortunately, on what you would determine to be  
18 cost-efficient. It would add cost to Sprint.

19 COMMISSIONER BAEZ: Well, yes, it would be -- it  
20 would cost somewhere upwards of zero.

21 THE WITNESS: Right.

22 COMMISSIONER BAEZ: Right, and it certainly  
23 would cost -- you know, logically it would cost more if  
24 you didn't have the burden of paying for transport.

25 THE WITNESS: Yes.

1           COMMISSIONER BAEZ: I can understand that. But  
2 I guess there is no upper limit or there is no benchmark  
3 that to my understanding is established so that you can  
4 say -- or at least I don't know that there is one so that  
5 you can say, yes, it is more cost-effective to have a  
6 single point of interconnection and not have a burden of  
7 transport, or to have a single point of interconnection  
8 and we could probably absorb the cost of transport. I  
9 mean, do you see what I'm saying?

10           THE WITNESS: Yes, I do.

11           COMMISSIONER BAEZ: And I guess I'm having  
12 trouble understanding how it is that the rules establish  
13 clearly whether the burden of transport is not a  
14 consideration or, you know, you can't all of a sudden say,  
15 well, yes, it would be cheaper. Paying for transport is  
16 cheaper than putting a point of interconnection at every  
17 calling area.

18           THE WITNESS: Yes.

19           COMMISSIONER BAEZ: And I guess I want you to  
20 help me understand how it is that you arrive at that  
21 conclusion.

22           THE WITNESS: Yes. If I understand what you are  
23 asking, I think part of the consideration has to do with  
24 traffic volumes. And as the business grows and there is  
25 a much greater volume of exchange of traffic from

1 particular areas, Sprint would probably choose to put  
2 points of interconnection in those local calling areas.

3 I am not an engineer, so I don't know exactly  
4 what the crossover points would be, but I think there  
5 would be traffic volume considerations and then also the  
6 cost of getting the facilities there, as well, that would  
7 be -- that would come into play.

8 COMMISSIONER BAEZ: But why would there be  
9 traffic volume considerations if everything, if all the  
10 costs of transporting to your point of interconnection,  
11 whether it is one, or two, or otherwise, is on the ILEC's  
12 dime? Why would it matter how much transport costs? All  
13 you would have to be worried about is when do I make a  
14 bigger, you know, get more capacity?

15 THE WITNESS: Because Sprint also has to deliver  
16 traffic out to those areas, so there may be benefit in  
17 terms of perhaps putting in two-way trunks to exchange  
18 traffic, that sort of thing. Again, I apologize, I don't  
19 know the engineering considerations that would go along  
20 with them.

21 COMMISSIONER BAEZ: I don't know, either. I'm  
22 just trying to figure out where your starting point is,  
23 where you say this is cheaper than this. This is more  
24 cost-efficient, you know, than another design, or why you  
25 would not factor in other costs other than creating your

1 point of interconnection. Thank you.

2 THE WITNESS: Right.

3 COMMISSIONER DEASON: Is it your testimony that  
4 the fact that you are responsible for your transport costs  
5 from your point of interconnection to your end use  
6 customer, that that gives you the incentive to efficiently  
7 design your network so as to not only the number of points  
8 of interconnection but where they are, as well?

9 THE WITNESS: Yes, I believe that is true.

10 COMMISSIONER DEASON: Mr. Edenfield.

11 BY MR. EDENFIELD:

12 Q I have about beat this thing to death, but I'm  
13 going to try it one more time to see if I can shed some  
14 light on what I think Commissioner Baez was asking. He  
15 made reference a minute ago to the First Report and Order  
16 and the provision that talks about an ALEC must bear the  
17 additional cost caused by the ALEC's chosen form of  
18 interconnection. And you agree that the FCC has said  
19 that?

20 A Yes.

21 Q All right. Let me take you back to this diagram  
22 one more time and see if I can make clear the additional  
23 cost that is being incurred by BellSouth as a result of  
24 your choice, your having to choose the point of  
25 interconnection, or you being able to choose for both

1 sides traffic.

2           Look at the Lake City local calling area. Will  
3 you agree with me that if both of the end users in that  
4 Lake City local calling area circle were BellSouth end  
5 users, that if the BellSouth end user A picked up the  
6 phone to call his next door neighbor, that all that would  
7 happen with that call is it would go from -- I would pick  
8 up the phone and you live next door to me in Lake City. I  
9 pick up the phone, I dial your number, the call is routed  
10 to the end office which is sitting there in the Lake City  
11 local calling area, and it goes directly from there to  
12 your house. Would you agree that that is how it would be  
13 routed the way the set-up is here?

14           A     Yes.

15           Q     Okay. And under that scenario, the call never  
16 leaves the Lake City local calling area?

17           A     Correct.

18           Q     Now, by virtue of you taking that customer for  
19 your own, that BellSouth no longer has both end users in  
20 the Lake City local calling area, now Sprint has end user  
21 A in the local calling area. By virtue of you being able  
22 to pick the point of interconnection and put one in the  
23 entire LATA, that call that yesterday never left the local  
24 calling area, BellSouth now has to incur transport charges  
25 to get that same call from the BellSouth end office in

1 Lake City all the way to the point of interconnection in  
2 Jacksonville, and that that is a cost that BellSouth now  
3 incurs that it did not incur yesterday when we had both  
4 customers. Will you agree with that?

5 A I would agree that that is how the call would be  
6 routed. Again, it is unclear through BellSouth's  
7 testimony exactly what incremental or additional costs  
8 that that would cause. The network is in place between  
9 Lake City and Jacksonville, I'm quite sure, and facilities  
10 are in place, as well.

11 Q You are not suggesting that transport is free,  
12 are you?

13 A No, I'm not.

14 Q You would agree that to transport, that there  
15 are costs, greater costs incurred in transporting a call  
16 five miles as opposed to 500 miles?

17 A Generally, yes.

18 Q Okay. And would you generally agree with the  
19 proposition that the longer the transport the greater the  
20 cost?

21 A Yes.

22 Q Okay. So you will agree with me, then, that  
23 BellSouth by the virtue of you having a single point of  
24 interconnection in the Jacksonville LATA, that the way the  
25 scenario is BellSouth is incurring additional transport

1 charges that it did not incur before you took the  
2 customer?

3 A I would agree that, again, there is --

4 Q Well, answer the question first.

5 A -- the call is being -- I don't know what those  
6 charges would be. BellSouth has not identified what those  
7 charges are in its testimony.

8 Q Maybe I'm just disconnecting. Are you unable to  
9 quantify the amount or are you disagreeing with the  
10 proposition that there would be additional costs?

11 A I am unable to quantify the amount because  
12 BellSouth has not quantified the amount.

13 Q Okay. But you would agree with the proposition  
14 that there are increased costs as a result of having to  
15 transport this call out of the Lake City local calling  
16 area all the way to Jacksonville?

17 A I don't really know what those costs would be.  
18 I know that there would be --

19 Q I'm sorry, maybe I am disconnecting. I'm not  
20 asking you what they are, I'm asking you to agree that  
21 they would be.

22 A And, I'm sorry, I'm not trying to confuse the  
23 issue. I'm trying to respond to the question to say that  
24 the facilities are already in place, and it is not clear  
25 to me what incrementally would cause a cost on BellSouth's

1 network to carry that traffic.

2           COMMISSIONER JABER: Generally speaking, you  
3 have agreed that the longer you transport the call the  
4 larger the costs will be?

5           THE WITNESS: There are -- facilities are,  
6 depending on their length, it costs more to have a  
7 facility, yes.

8 BY MR. EDENFIELD:

9           Q     And to conclude this --

10          A     Did that -- I'm sorry, did that --

11          Q     I think that answered the question.

12          A     Thank you.

13          Q     And to conclude this, BellSouth has offered to  
14 Sprint, if you will pay that additional transport that we  
15 are incurring from our BellSouth -- I'm sorry, BellSouth  
16 end office in Lake City to get to the single point of  
17 interconnection, that we have no problem with you having a  
18 single point of interconnection if you will pick up  
19 whatever that additional cost is for us to get from the  
20 end office in Lake City to the point of interconnection in  
21 Jacksonville?

22          A     I understand, yes, that that is BellSouth's  
23 position.

24          Q     And you have declined to pay that additional  
25 transport cost for us agreeing for you to have a single

1 point of interconnection in the LATA wherever you want it?

2 A Yes.

3 MR. EDENFIELD: I have no more questions.

4 COMMISSIONER DEASON: Let me ask a follow up  
5 question on that. If you have -- if you have two  
6 customers in the Lake City exchange that are Sprint  
7 customers and they wish to speak to each other, it would  
8 be necessary, then, for you, Sprint, to transport that  
9 call to your -- how would that work? Do you have some  
10 type of a central office yourself in the Lake City  
11 exchange to where it is just transport, a shorthaul  
12 transport, or do you have to send it through the switch  
13 which is located in the Jacksonville calling area?

14 THE WITNESS: In the scenario that is provided  
15 here we would transport that call back through the switch  
16 which is in the Jacksonville calling area, and then send  
17 it back out to the Lake City local calling area to that  
18 other Sprint end user.

19 COMMISSIONER DEASON: Okay. So then you would  
20 be totally responsible for the transport costs of that  
21 call?

22 THE WITNESS: Yes.

23 COMMISSIONER DEASON: So I assume that you take  
24 that into consideration when you decide that you want your  
25 point of interconnection to be in Jacksonville.

1 THE WITNESS: Yes.

2 COMMISSIONER DEASON: Is that correct?

3 THE WITNESS: Yes, it is.

4 COMMISSIONER DEASON: Okay. Assume there is a  
5 Sprint customer in Lake City and they wish to call a  
6 BellSouth customer in Lake City. That call would have  
7 to -- you would have to transport that call to your point  
8 of presence in Jacksonville, which imposes a cost upon  
9 you, correct?

10 THE WITNESS: Yes, that's correct.

11 COMMISSIONER DEASON: And then it is BellSouth's  
12 responsibility to take that call from Jacksonville and  
13 terminate it to the end use customer in Lake City?

14 THE WITNESS: No. And, I'm sorry, you said this  
15 is a Sprint end user that is originating the call?

16 COMMISSIONER DEASON: Yes.

17 THE WITNESS: It would be carried over  
18 BellSouth's facilities on its side of the point of  
19 interconnection, but Sprint would pay BellSouth to do  
20 that.

21 COMMISSIONER DEASON: Okay, let's back up. I'm  
22 trying to understand a Sprint-to-Sprint, a Sprint customer  
23 calling another Sprint customer in Lake City.

24 THE WITNESS: Yes.

25 COMMISSIONER DEASON: You know, they could be

1 next door neighbors, but they are both Sprint customers.

2 How is that call routed?

3 THE WITNESS: I believe the call would be routed  
4 from the Sprint end user in the Lake City local calling  
5 area back to Sprint's switch, where Sprint's switch would  
6 identify that the person called is another Sprint end  
7 user, and then that call would be switched out, I believe,  
8 and, again, I apologize, I'm not an engineer here, but  
9 that would be switched back through whatever facilities  
10 Sprint has to connect to that Sprint end user by Sprint.

11 COMMISSIONER DEASON: Okay. Now, BellSouth  
12 facilities are not involved, correct?

13 THE WITNESS: No. Again, my engineering  
14 expertise is somewhat limited, but I believe that  
15 BellSouth would not be involved in that because it is a  
16 Sprint-to-Sprint connection.

17 COMMISSIONER DEASON: Okay. Now, let's go to  
18 the Sprint customer originating a calling in Lake City  
19 calling a BellSouth customer which resides in Lake City.

20 THE WITNESS: Right.

21 COMMISSIONER DEASON: Now, as I understand, you  
22 would be responsible for -- you would have to transport  
23 that call to your switch in Jacksonville, and you would  
24 have to turn that over to BellSouth to complete that call,  
25 correct?

1 THE WITNESS: Yes.

2 COMMISSIONER DEASON: Now, who is responsible  
3 for the transport costs of that?

4 THE WITNESS: The transport -- and you are  
5 speaking to clarify on the other side of the point of  
6 interconnection? Sprint will pay BellSouth beginning at  
7 the point of interconnection to the termination point in  
8 Lake City. That would be what we would consider a  
9 reciprocal compensation charge since it was originated by  
10 a Sprint end user.

11 COMMISSIONER DEASON: Okay. Staff, do you have  
12 questions for this witness?

13 MR. VACCARO: I have just a few questions,  
14 Ms. Closz, relating to this same issue.

15 CROSS EXAMINATION

16 BY MR. VACCARO:

17 Q I would like for you to refer back to JAR-1  
18 again, if you would, please.

19 A Okay.

20 Q And what I would like to focus on is a telephone  
21 call from a BellSouth end user A in Lake City to a Sprint  
22 end user B in Jacksonville. Now, on an intercarrier  
23 compensation basis, would it be correct to state that that  
24 would be an intraLATA toll call?

25 A Yes.

1 Q Okay. Now, if we take BellSouth telephone end  
2 user A in Lake City and that customer makes a call to the  
3 Sprint end user A in the Lake City calling area, again,  
4 for an intercarrier compensation basis that would be a  
5 reciprocal compensation call, would it not?

6 A Yes, it would.

7 Q Okay. So am I correct, then, in assuming that  
8 BellSouth would be bearing an identical burden of  
9 transport yet it would have different levels of  
10 compensation?

11 A I'm not sure I understand, could you repeat  
12 that, please.

13 Q Well, you have an intraLATA toll call at one  
14 rate of compensation and then you have the other call  
15 which would be compensated by reciprocal compensation.

16 A Right.

17 Q In effect, BellSouth is having the same burden  
18 of transport for different levels of compensation, is that  
19 correct?

20 A I believe in your example that would be true.

21 Q And can you explain why BellSouth should bear  
22 that burden?

23 A I believe that is just the nature of the way the  
24 networks are set up and that the compensation for the  
25 calls is based on the originating and terminating points

1 of the call.

2 Q Now, hypothetically, looking back at the Lake  
3 City local calling area, let's say that we throw in  
4 another end user. We will just call this end user -- ALEC  
5 end user A, okay, and they have a switch in the Lake City  
6 area connected directly to BellSouth's end office. How  
7 would ALEC end user A locally connect to Sprint end user  
8 A?

9 A Are we speaking for two end users, I'm sorry, in  
10 the Lake City local calling area?

11 Q Yes. We have Sprint and then we have a separate  
12 end user that is connected directly to BellSouth's end  
13 office.

14 A Okay. I apologize, I was not referencing your  
15 example. Could you repeat it, please.

16 Q Okay, sure. Looking at the Lake City local  
17 calling area, okay, we have got Sprint end user A. Now,  
18 hypothetically, let's say that we throw in a third, just  
19 generic ALEC end user A, who is directly connected to  
20 BellSouth's end office, okay?

21 A Okay.

22 Q How would that generic ALEC end user A locally  
23 connect to Sprint end user A?

24 A I guess I'm -- assuming in your example that the  
25 ALEC has a point of interconnection at the BellSouth end

1 office in the Lake City call area, is that correct?

2 Q Correct.

3 A Okay. Then I believe that they would connect to  
4 Sprint basically the same way that a BellSouth end user  
5 would connect to Sprint. If that is their point of  
6 interconnection then that would be essentially transit  
7 traffic that would be transported back to the BellSouth  
8 tandem through Sprint's switch and then back to Sprint end  
9 user A.

10 Q And who would be responsible for transporting  
11 that traffic cost-wise?

12 A I believe that ALEC end user A would pay  
13 BellSouth for basically transitting that call to Sprint is  
14 probably the way that it would be set up. I'm making some  
15 assumptions here since I don't really know how ALEC A has  
16 their network set up.

17 BY MR. VACCARO:

18 MR. VACCARO: Thank you. I have no other  
19 questions.

20 COMMISSIONER JABER: May I follow up, Mr.  
21 Chairman. Why would Sprint not pay BellSouth in the  
22 hypothetical used by Mr. Vaccaro under the reciprocal  
23 compensation terms? Because if I understood your answer,  
24 you are saying it is a transit traffic call, the call  
25 would go from the BellSouth end office switch to the

1 Sprint switch before coming to the Sprint end user.

2 So under that hypothetical why would you not pay  
3 reciprocal compensation?

4 THE WITNESS: You know, you're right. And the  
5 diagrams and the examples, I'm afraid, are a little  
6 confusing. It was ALEC end user A in Lake City contacting  
7 Sprint end user A also in Lake City?

8 MR. VACCARO: That's correct.

9 THE WITNESS: I'm sorry, you are correct.  
10 BellSouth would connect that through its end office  
11 directly to -- well, let me think about this. You know,  
12 I'm sorry, I'm not certain. There are some variables here  
13 that I'm having a hard time putting on paper, so --

14 COMMISSIONER JABER: Let me just take this  
15 opportunity to go back to your previous testimony with  
16 respect to the make-ready. And what you testified to is  
17 that the 50/50 split seemed more equitable. And you based  
18 your testimony, I thought, in some part on the notion that  
19 that would give you leverage with respect to BellSouth  
20 following through and providing the connection  
21 satisfactorily to you.

22 THE WITNESS: Yes.

23 COMMISSIONER JABER: Why doesn't the threat of a  
24 PSC complaint action or, you know, a breach of contract  
25 dispute give you enough leverage? I'm having trouble

1 fully appreciating what you are trying to say with respect  
2 to the 50 percent being adequate leverage for you.

3 THE WITNESS: Yes, I understand what you are  
4 saying. The dispute resolution procedure right now that  
5 the parties have in the interconnection agreement calls  
6 for the individuals involved to attempt to resolve the  
7 dispute, then there is escalation to director level within  
8 the companies. If within 30 days it is not resolved, then  
9 either party may petition the Commission for resolution of  
10 its issue.

11 The concern with that is that there is a great  
12 deal of time that transpires between the time the dispute  
13 arises and the time at which it might come before the  
14 Commission for resolution. So in a scenario such as that,  
15 you would be preparing facilities for immediate use, and  
16 delay in use of those facilities would be a concern as far  
17 as whatever the network build-out was that you were  
18 working on at that point.

19 COMMISSIONER JABER: So then your concern really  
20 is not one of leverage, but the delay associated with  
21 coming to the Commission.

22 THE WITNESS: I think it is both. I think it is  
23 both.

24 COMMISSIONER JABER: Why not then in the  
25 agreement provide language that would call for just -- I

1 guess I'm looking for dispute resolution procedures in  
2 your arbitration agreements, in your interconnection  
3 agreements. I don't really know why we are still -- I  
4 have trouble understanding why we are still facilitating  
5 settlements and negotiations at these hearings instead of  
6 you building into the interconnection agreements language  
7 that would allow you to resolve your own disputes.

8 THE WITNESS: Well, there have been a great,  
9 great, great deal of issues that have been resolved in the  
10 context of the negotiations. Hundreds, if not thousands.  
11 So, fortunately, we are able to bring only ten here today.

12 The provisions for the dispute resolution, they  
13 do provide to the greatest extent that they can for the  
14 parties to work it out. And appealing to the Commission  
15 is always a last resort, and it is never desired by either  
16 party. It is time consuming and expensive for both  
17 parties. It is resource intensive and time consuming for  
18 the Commission, as well. So we do make every effort to  
19 resolve things before bringing them here.

20 COMMISSIONER JABER: And with respect to that  
21 issue, then, if the Commission were to allow BellSouth to  
22 recover 100 percent of the cost up front in terms of the  
23 make-ready provision, you would agree, though, that the  
24 recourse you have is with the Commission in terms of if  
25 you find that BellSouth hasn't satisfactorily made the

1 connection ready?

2 THE WITNESS: We would exhaust all possible  
3 internal remedies before resorting to that. But, yes,  
4 that would be the ultimate remedy.

5 COMMISSIONER PALECKI: Taking that just a step  
6 further to the point of interconnection issue. It  
7 seems -- appears to me that we don't want to enter an  
8 order that would allow either Sprint or BellSouth to  
9 dictate where this point of interconnection should be. I  
10 mean, it almost seems as if it is of necessity a matter of  
11 some negotiation and discussion between the parties,  
12 wouldn't you agree?

13 THE WITNESS: I think that negotiation and  
14 discussion between the parties will always take place. I  
15 do believe that the act provides for the requesting  
16 carrier to select that point. And if there are -- and,  
17 again, I apologize, I don't know the section of the order,  
18 but if there are excessive costs associated with that,  
19 then the requesting carrier can be expected to assume some  
20 of that.

21 COMMISSIONER PALECKI: And I see this also as an  
22 area that is fraught with the possibility of unresolvable  
23 issues between the parties. Would you -- I guess what I'm  
24 suggesting is do we need some sort of mechanism for  
25 dispute resolution on point of interconnection?

1 THE WITNESS: I don't know what specifically  
2 different would be meaningful. I guess I would have to  
3 give that some thought, but I do understand your point.

4 COMMISSIONER PALECKI: Because I think we are  
5 getting a heads-up right here that this has a very high  
6 likelihood of being an area that we can expect to see  
7 future disputes in.

8 THE WITNESS: It may be. I actually think that  
9 when networks are being established that there is a great  
10 deal of incentive, especially for the competing carrier  
11 who is trying to establish network infrastructure and  
12 carry traffic, to resolve issues. So I don't know that it  
13 would necessarily create a high number of disputes to be  
14 brought to the Commission.

15 COMMISSIONER PALECKI: Thank you.

16 COMMISSIONER DEASON: Is there redirect?

17 MS. MASTERTON: No redirect.

18 COMMISSIONER DEASON: Okay. Exhibits.

19 MS. MASTERTON: Sprint has no exhibits.

20 COMMISSIONER DEASON: I believe there is an  
21 Exhibit Number 2 that has been identified.

22 MR. EDENFIELD: BellSouth would move in Exhibit  
23 2.

24 CHAIRMAN DEASON: Without objection. Hearing no  
25 objection, show then that Exhibit 2 is admitted.

1 (Exhibit Number 2 admitted into evidence.)

2 MR. EDENFIELD: And, Commissioner Deason, while  
3 we are on the topic, the collocation orders that I  
4 referenced earlier, they are not on the official  
5 recognition list. In lieu of admitting those as an  
6 exhibit, if I could just have permission to add those to  
7 the official recognition list.

8 COMMISSIONER DEASON: Any objection?

9 MS. MASTERTON: No objection.

10 COMMISSIONER DEASON: Staff? No objection. We  
11 will just add those two orders to that list. Thank you,  
12 Ms. Closz, you are excused.

13 We will recess for lunch. We will reconvene at  
14 1:45.

15 (Lunch recess.)

16 (Transcript continues in sequence with  
17 Volume 2.)

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STATE OF FLORIDA)

CERTIFICATE OF REPORTER

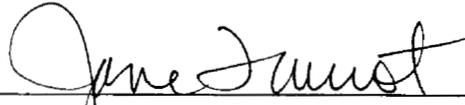
COUNTY OF LEON )

I, JANE FAUROT, RPR, Chief, FPSC Bureau of Reporting Official Commission Reporter, do hereby certify that the Hearing in Docket No. 000828-TP was heard by the Florida Public Service Commission at the time and place herein stated.

It is further certified that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript, consisting of 182 pages, Volume 1 constitutes a true transcription of my notes of said proceedings and the insertion of the prescribed prefiled testimony of the witness(s).

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 17th DAY OF JANUARY, 2001.



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JANE FAUROT, RPR  
FPSC Division of Records & Reporting  
Chief, Bureau of Reporting  
(850) 413-6732

