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BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF W. BERNARD SHELL
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 001797 - TP
APRIL 23, 2001

Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.

A. My name is W. Bernard Shell. My business address is 675 W. Peachtree St., N.E., Atlanta, Georgia. I am a Manger in the Finance Department of BellSouth Telecommunications, Inc. (hereinafter referred to as "BellSouth"). My area of responsibility is economic costs.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. I attended Clemson University, graduating with a Bachelor of Science Degree in Electrical Engineering in 1981. I received a Masters Degree in Business Administration from Georgia State University in 1997.

My career with BellSouth spans over eighteen years. My initial employment was with Southern Bell in 1981, in Columbia, South Carolina in the Network Department as an Equipment Engineer. In that capacity, I was responsible for the ordering and installation of central office equipment. In 1984, I transferred to the Rates and Tariffs group in Atlanta, Georgia where I was either directly or

1 indirectly responsible for the rates, costs, tariffs, and implementation of services.
2 During my time in that organization, I worked with many services/offerings, such
3 as Local Exchange Service, Service Charges, Operator Services, Mobile
4 Interconnection and Inside Wire. I moved to the Interconnection Marketing Unit in
5 1995, where I had various responsibilities, including negotiating with Competitive
6 Local Exchange Carriers (“CLECs”), developing pricing strategies, and product
7 managing Collocation. In December 2000, I moved to a position in the cost
8 organization, a part of the Finance Department. My current responsibilities
9 include cost methodology development and implementation.

10

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12

13 A. The purpose of my testimony is to describe the methodology BellSouth utilized in
14 developing the costs that support the proposed rates for line sharing and
15 collocation.

16

17 **Q. WHAT ARBITRATION ISSUES DOES YOUR TESTIMONY ADDRESS?**

18

19 A. My testimony addresses Issues 24 and 29. Specifically, it addresses the rates
20 proposed by BellSouth for line sharing and collocation.

21

22 **Q. WHAT COSTS SHOULD THE COMMISSION CONSIDER WHEN**
23 **DETERMINING THE RATES FOR THE UNES IN THIS ARBITRATION?**

24

25 A. In Docket 990649-TP, BellSouth submitted costs which would support all UNE

1 rates in this arbitration except for line sharing and collocation. These costs reflect
2 the costs BellSouth expects to incur in providing unbundled network elements and
3 combinations to competitors on a going-forward basis in the state for Florida.
4 These costs were based on an efficient network, designed to incorporate currently
5 available forward-looking technology, but recognizing BellSouth's provisioning
6 practices and network guidelines, as well. Additionally shared and common costs
7 were considered.

8
9 In this arbitration I am filing, in both paper form and CD-ROM, the cost study
10 results for line sharing and collocation. Attached, as Exhibit WBS-1, is
11 BellSouth's cost study. The Commission should consider the costs filed in Docket
12 No. 990649-TP and the costs filed in this arbitration in setting rates in the
13 interconnection agreement.

14
15 **Q. WHY ARE LINE SHARING COSTS NOT INCLUDED IN DOCKET**
16 **990649-TP?**

17
18 A. The stipulation that established Docket 990649-TP excluded line sharing.

19
20 **Q. IS THE COST METHODOLOGY BELLSOUTH USED FOR LINE**
21 **SHARING THE SAME AS THE COST METHODOLOGY FILED IN**
22 **DOCKET 990649-TP?**

23
24 A. Yes. The cost development followed the same cost methodology used in Docket
25 990649-TP. Therefore, the Commission should set rates in the docket for line

1 sharing with the understanding that any adjustments ordered in Docket 990649-TP
2 can be incorporated into the line sharing cost study at a later date. The
3 Commission recently approved a similar line sharing proposal in the MCI
4 Arbitration Order. However, the line sharing cost study has been updated since it
5 was filed in the MCI arbitration to add new elements, comply with a regional
6 settlement with Data Alternative Local Exchange Carriers (“ALECs”) concerning
7 the appropriate charge for one of the elements, and to show the correct job function
8 code and cost element location life. Exhibit WBS-2 provides a comparison of the
9 line sharing cost elements filed in the MCI arbitration and the ones being filed in
10 this docket.

11

12 **Q. WHAT UPDATES WERE MADE TO THE LINE SHARING COST**
13 **STUDY?**

14

15 A. The first cost study update was to add new elements J.4.6 and J.4.7. These
16 elements would apply when the ALEC owned splitter is placed in BellSouth’s
17 central office. The second update removes the recurring cost per line activation for
18 element J.4.3 pursuant to a region-wide settlement with DATA ALECs. Under the
19 settlement, BellSouth will charge \$.61 per month as an interim rate, subject to
20 retroactive true-up once a permanent rate has been established. The final update
21 was to correct the job function code for the network group that would build the
22 customer profile/inventory for the COSMOS/Switch system and to correct the cost
23 element location life. Initially, BellSouth assumed the work could be done by a
24 non-management person. However, due to the complexity of the work, a
25 management employee is required. As a result, the job function code was changed

1 to reflect that management level. The cost element location life was corrected
2 which resulted in a decrease in cost.

3

4 **Q. WHY ARE COLLOCATION COSTS NOT INCLUDED IN DOCKET**
5 **990649-TP?**

6

7 A. Collocation is being considered in a two-phase docket, Docket Nos. 981834-
8 TP/990321-TP. The first phase addressed provisioning methods and procedures
9 and terms and conditions associated with collocation. The second phase will
10 determine collocation rates. However, the procedural schedule for the second
11 phase of the collocation docket has not been set.

12

13 **Q. IS THE COST METHODOLOGY BELLSOUTH USED FOR**
14 **COLLOCATION THE SAME AS THE COST METHODOLOGY FILED IN**
15 **DOCKET 990649-TP?**

16

17 A. Yes. The cost development followed the same cost methodology used in Docket
18 No. 990649-TP. Therefore, the Commission should set rates in this docket for
19 collocation with the understanding that any final adjustments ordered in Docket
20 No. 990649-TP, if applicable, (and eventually Docket Nos. 981834-TP/990321-TP
21 for collocation) can be incorporated at a later date.

22

23 BellSouth has provided cost support for all collocation items requested by DIECA
24 Communications, Inc., d/b/a Covad Communications Company through
25 negotiation. Additionally, the proposed physical collocation rates are generally

1 consistent with the rates BellSouth has set forth in its physical collocation tariff,
2 Section E20.2 of the Access Services Tariff.

3

4 **Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE COLLOCATION**
5 **AND LINE SHARING ELEMENTS INCLUDED IN EXHIBIT WBS-1.**

6

7 A. The following elements are included in Exhibit WBS-1:

8

9 **Physical Collocation**

10 Physical Collocation allows an ALEC to install its equipment and facilities within
11 leased floor space in BellSouth's Central Offices to the extent such collocation is
12 technically feasible and space is available. This arrangement enables the ALEC
13 to connect to the BellSouth network. The ALEC may choose a caged or cageless
14 arrangement. Two types of power are also offered to the ALEC; power per fused
15 amp and AC power, where the collocater provides its own DC power plant.

16

17 **Adjacent Collocation**

18 Adjacent Collocation is another form of collocation. Physical Collocation occurs
19 inside the BellSouth central office building. Adjacent Collocation is outside the
20 BellSouth central office building, but on BellSouth "adjacent" property.

21 BellSouth will provide adjacent collocation arrangements where space within the
22 Central Office is exhausted. This is subject to technical feasibility and where the
23 adjacent arrangement does not interfere with access to existing or planned
24 structures or facilities on the Central Office property. Adjacent collocation is
25 also limited to locations permitted by zoning and other applicable state and local

1 regulations. The adjacent arrangement shall be constructed, procured,
2 maintained, and operated by an ALEC and in conformance with BellSouth's
3 guidelines and specifications.

4
5 **Physical Collocation in the Remote Terminal**

6 Remote site locations include cabinets, huts, and controlled environmental vaults
7 ("CEVs") owned and leased by BellSouth that house BellSouth network facilities.
8 Remote Site Physical Collocation can occur where technically feasible, and where
9 space exists. The ALEC must use the remote collocation space for the purposes of
10 installing, maintaining, and operating its equipment used or useful to
11 interconnection with BellSouth services and facilities, including access to UNEs,
12 for the provision of telecommunications services.

13
14 **Line-Sharing**

15 Consistent with the FCC's Advanced Services Order, BellSouth provides the high
16 frequency portion of the loop to a single requesting carrier, on loops that carry
17 BellSouth voice services, to the extent that the xDSL technology deployed by the
18 requesting carrier does not interfere with the analog voiceband transmissions.

19
20 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

21
22 A. Yes.

23

24

25