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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 960786A-TL

In the Matter of

CONSIDERATION OF BELLSOUTH
TELECOMMUNICATIONS, INC.'S ENTRY
INTO INTERLATA SERVICES PURSUANT
TO SECTION 271 OF THE FEDERAL TELE-
COMMUNICATIONS ACT OF 1996.

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THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

VOLUME 6

Pages 740 through 861

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: Friday, October 12, 2001

TIME: Commenced at 1:00 p.m.

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

REPORTED BY: KORETTA E. FLEMING, RPR
Official Hearing Reporter

APPEARANCES: (As heretofore noted.)

FLORIDA PUBLIC SERVICE COMMISSION

DOCUMENT NUMBER-DATE

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P R O C E E D I N G S

(Transcript continues in sequence from Volume 5.)

CHAIRMAN JACOBS: We're back, and we'll go ahead.

Mr. Edenfield.

MR. EDENFIELD: BellSouth would call Wayne Gray to the stand. Mr. Gray, will you confirm that you were previously sworn?

THE WITNESS: Yes, I was.

A. WAYNE GRAY

was called as a witness on behalf of BellSouth Telecommunications, Inc. and, having been duly sworn, testified as follows:

D I R E C T E X A M I N A T I O N

BY MR. EDENFIELD:

Q Please state your name and address.

A My name is A. Wayne Gray, and I work for BellSouth in the Network Services Organization, and my address is 675 West Peachtree Street, Atlanta, Georgia.

Q Are you the same Wayne Gray that caused to be filed in this proceeding 52 pages of rebuttal testimony with one exhibit?

A Yes.

Q Please, double check me.

A Yes, sir, I am.

Q Do you have any changes to that testimony?

FLORIDA PUBLIC SERVICE COMMISSION

1 A No, sir.

2 Q If I ask you the questions today that appear in your
3 testimony, would your answers be the same?

4 A Yes, they would.

5 MR. EDENFIELD: At this time, I would ask that
6 Mr. Gray's testimony be put into the record as if read.

7 CHAIRMAN JACOBS: Without objection, show Mr. Gray's
8 testimony is entered into the record as though read.

9

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1 **BELLSOUTH TELECOMMUNICATIONS, INC.**
2 **REBUTTAL TESTIMONY OF A. WAYNE GRAY**
3 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
4 **DOCKET NO. 960786-TL**
5 **AUGUST 20, 2001**

6
7
8 Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH
9 BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH").

10
11 A. My name is A. Wayne Gray. I am employed by BellSouth as a Director-
12 Collocation in the Network Planning and Support Organization located at 675 W.
13 Peachtree Street, Atlanta, GA 30375.

14
15 Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

16
17 A. I graduated from Georgia Tech in 1979 with a Bachelor of Electrical Engineering
18 degree. In 1992, I graduated from Emory University with a Master of Business
19 Administration degree. I began working for Southern Bell in 1979 in the
20 Equipment Engineering organization in Miami, Florida. Throughout my 22-year
21 career with BellSouth, I have held various line and staff positions in Equipment
22 Engineering, Traffic Engineering (Capacity Management), Infrastructure Planning
23 and Project Management. Since November 1999, I have held the position of
24 Director-Collocation in the Network Planning and Support organization. In this
25 position, I am responsible for ensuring that BellSouth provisions collocation

1 space in the timeframes established by contractual agreements and governmental
2 mandates.

3
4 Q. ARE YOU THE SAME A. WAYNE GRAY, WHOSE AFFIDAVIT WAS
5 ATTACHED TO W. KEITH MILNER'S DIRECT TESTIMONY FILED IN
6 THIS PROCEEDING?

7
8 A. Yes.

9
10 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

11
12 A. The purpose of my testimony is to respond to the rebuttal testimony submitted by
13 AT&T Witness Steven E. Turner and NewSouth Witness Ron Beasley related to
14 specific collocation issues.

15
16 **AT&T WITNESS STEVEN E. TURNER'S COMMENTS**

17 Q. ON PAGES 35 AND 36, MR. TURNER ALLEGES "COLLOCATION IS AN
18 OPTION FOR ACCESSING SERV[ICES] TO CUSTOMERS BEHIND
19 NGDLC, BUT . . . IT IS A HOLLOW OFFER. EVEN IF PHYSICAL,
20 ADJACENT, AND VIRTUAL COLLOCATION MAY BE USEFUL TO SOME
21 COMPETITORS IN LIMITED CIRCUMSTANCES . . . , REMOTE
22 TERMINAL COLLOCATION IS *NOT* A PRACTICAL MASS-MARKET
23 SOLUTION AND CANNOT PROVIDE A SUBSTITUTE FOR ACCESS TO
24 AN ENTIRE LOOP." PLEASE RESPOND.

25

1 A. At the present time, access to loops served by fiber-fed remote terminals beyond
2 the limits of central office-based ADSL (“Asymmetrical Digital Subscriber
3 Loop”) service can only be accomplished by placing a remote-based ADSL
4 solution at the remote terminal. Because BellSouth provides telecommunications
5 services (i.e., ADSL services) to many of its customers through the use of remote
6 terminals, BellSouth is obligated to make these remote terminal sites available for
7 collocation, so that the ALECs may also provide services to those customers
8 being served through the remote terminal. This is in compliance with the FCC’s
9 rules regarding Remote Terminal (“RT”) Collocation. Therefore, AT&T, as well
10 as all other ALECs in Florida, is being treated in a nondiscriminatory manner in
11 regard to collocation at BellSouth’s remote terminal sites.

12

13 Q. CONTINUING ON PAGE 36, MR. TURNER STATES THAT “AN ALEC
14 WISHING TO SERVE A CUSTOMER SERVED BY NGDLC AT A REMOTE
15 TERMINAL WOULD HAVE TO COLLOCATE AT EVERY REMOTE
16 TERMINAL RATHER THAN AT THE CENTRAL OFFICES.” IS THIS
17 TRUE?

18

19 Q. Yes. If BellSouth wishes to provide ADSL service to a customer served by a
20 remote terminal, it would have to place its Digital Subscriber Line Access
21 Multiplexer (“DSLAM”) equipment in that remote terminal. By utilizing the
22 physical collocation process, any ALEC (including AT&T) can also collocate its
23 DSLAM equipment at that remote terminal site. This would allow the ALEC to
24 provision its own high-speed data access in the same, nondiscriminatory manner
25 as BellSouth or any other ALEC that had collocated its DSLAM equipment at the

1 same remote terminal site.

2
3 Q. AT THE BOTTOM OF PAGE 36, MR. TURNER BEGINS A DISCUSSION
4 REGARDING ADJACENT COLLOCATION AT REMOTE TERMINALS. HE
5 ASSERTS THAT "DUE [TO] THE COSTS FOR COLLOCATION AT
6 REMOTE TERMINALS, THIS IS NOT AN OPTION FOR MASS-MARKET
7 COMPETITION. ADJACENT COLLOCATION AMOUNTS TO
8 ESSENTIALLY AN OVERBUILD OF THE INCUMBENT'S NETWORK."
9 HOW DO YOU RESPOND?

10
11 A. First, it is very difficult to respond to Mr. Turner's belief that collocation at
12 remote terminals is not an option for mass-market competition. Each ALEC must
13 look at its own business plan and determine whether it is profitable to offer high-
14 speed services to those customers that are being served via a remote terminal.
15 Obviously, there are some ALECs that have and will choose to collocate their
16 DSLAM equipment at certain BellSouth remote terminals to offer high-speed
17 services to those customers who are being served from that remote terminal site.

18
19 Second, Mr. Turner offers no evidence that would support his allegation that
20 adjacent collocation results in an overbuild of the ILEC's network. It is puzzling
21 to BellSouth as to why Mr. Turner would make this statement, when all that
22 would be required is the connection of a copper cable from an ALEC's adjacent
23 terminal to a BellSouth terminal at the remote site. As I have already noted in this
24 testimony, BellSouth is in compliance with the FCC's requirements for RT
25 Collocation and has made physical collocation available to all ALECs, including

1 AT&T, at its remote terminal sites on a nondiscriminatory basis. As of this date,
2 BellSouth has not received any Applications for RT Collocation from any ALECs
3 in Florida, including AT&T.
4

5 Q. ON PAGE 37, MR. TURNER ALLEGES "INTERNAL COLLOCATION
6 SPACE AT REMOTE TERMINALS IS SELDOM AVAILABLE [AND] THE
7 PROSPECTS FOR ADJACENT COLLOCATION ARE NO BETTER THAN
8 PHYSICAL INTERNAL COLLOCATION AT THE REMOTE TERMINAL."
9 PLEASE RESPOND.

10
11 A. As of this date, BellSouth has not received any Applications from AT&T for
12 either physical "internal" collocation or adjacent collocation at any of the remote
13 terminal sites in Florida, nor any of the other BellSouth states. Therefore, how
14 would AT&T know what space is available in any of BellSouth's remote terminal
15 sites? Since he offers no evidence to substantiate his claim, BellSouth can only
16 respond in general terms to his allegation. If sufficient space exists within a
17 remote terminal, BellSouth will allow an ALEC to collocate its DSLAM in the
18 remote terminal, regardless of whether BellSouth has installed its own DSLAM at
19 that remote terminal site. If sufficient space does not readily exist within the
20 remote terminal for the ALEC to install its own DSLAM, but BellSouth has a
21 DSLAM at the remote terminal, then BellSouth will work with the ALEC to
22 accommodate its collocation request. If for some reason BellSouth is unable to
23 accommodate an ALEC's request for RT Collocation at a particular remote
24 terminal where BellSouth has installed a DSLAM, then BellSouth would
25 unbundled the BellSouth packet switched network at that remote terminal in

1 accordance with the FCC's requirements regarding RT Collocation. Finally, if
2 sufficient space does not exist in a remote terminal and BellSouth has not installed
3 its own DSLAM in that remote terminal, then BellSouth would seek a collocation
4 waiver from the Commission for this location.
5

6 Q. CONTINUING ON PAGE 37, MR. TURNER STATES THAT "ADJACENT
7 COLLOCATION WOULD FORCE COMPETITORS TO REBUILD THE
8 INCUMBENT LECS' NETWORK TO ACHIEVE UBIQUITY." DO YOU
9 AGREE?
10

11 A. No, I do not agree. As I have already stated, it is difficult to respond to Mr.
12 Turner's allegations when he offers no supporting evidence to substantiate his
13 allegations. Again, I can only respond in general terms. Collocation at remote
14 terminals, whether physical, adjacent or virtual, has nothing to do with the "last
15 mile distribution network" as defined by the FCC. The "last mile distribution
16 network" consists of the distribution sub-loop from the remote terminal cross-box
17 to the loop demarcation point at an end-user customer's premises. It does not
18 include equipment at the remote terminal. In the FCC's 3rd Report and Order,
19 Paragraph 262, CC Docket No. 96-98, the FCC stated:

20
21 Requesting Carriers require collocation because they have not yet
22 duplicated the incumbent LEC's loop plant to provide "last mile"
23 connectivity to end users. Obtaining unbundled loops and
24 connecting these loops to collocated equipment is therefore the
25 only reasonable and economically rational manner by which
26 requesting carriers can provide connectivity to their end users.
27

28 AT&T, along with all the ALECs, has been given the ability to reach all of the

1 end user customers who are being served out of a remote terminal. Therefore,
2 BellSouth is complying with the FCC's requirements for RT Collocation and has
3 made physical collocation available at its remote terminal sites on a
4 nondiscriminatory basis.

5
6 Q. IN FOOTNOTE 48 AT THE BOTTOM OF PAGE 37, MR. TURNER
7 CONTENDS, "ADJACENT COLLOCATION WOULD BE THE ONLY
8 LEGITIMATE METHOD [FOR] ACCESS LOOPS SERVED BY FIBER-FED
9 NEXT-GENERATION DLC BECAUSE INTERNAL SPACE AT THE
10 REMOTE TERMINAL WOULD BE UNAVAILABLE." DO YOU AGREE?

11
12 A. No. BellSouth currently offers physical, virtual and adjacent collocation at its
13 remote terminal sites. As I have already stated in this testimony, BellSouth has
14 not received any Applications from AT&T for any type of RT Collocation
15 arrangement in any of its states. Approximately seven percent of BellSouth's
16 access lines are currently being served via Next Generation Digital Line Carrier
17 ("NGDLC"). BellSouth will work with the AT&T, and/or any other ALEC, to
18 accommodate its request for RT Collocation at any site in which BellSouth has
19 installed its own DSLAM. Mr. Turner's allegation that "internal space at the
20 remote terminal would be unavailable" is unsubstantiated and should therefore be
21 ignored by this Commission.

22
23 Q. MR. TURNER ASSERTS THAT ADJACENT COLLOCATION IS
24 "PROHIBITIVELY EXPENSIVE AND HAS ALREADY BEEN REJECTED
25 BY THE FCC." IN FOOTNOTE 49, MR. TURNER CITES PARAGRAPH 6 OF

1 THE UNE REMAND ORDER AS SUPPORT FOR HIS STATEMENT. HOW
2 WOULD YOU RESPOND?

3
4 A. BellSouth offers adjacent collocation to remote terminal sites as required by the
5 FCC in Paragraph 221 of its UNE Remand Order. This paragraph states that the
6 collocation rules “apply to collocation at any technically feasible point.” These
7 rules apply to BellSouth’s remote terminal sites, just as they apply to BellSouth’s
8 central offices. Therefore, BellSouth offers nondiscriminatory physical, virtual
9 and adjacent collocation at its remote terminal sites. As I will explain later in this
10 testimony, neither the FCC, nor this Commission, has rejected adjacent
11 collocation as a means of obtaining collocation when physical collocation is
12 unavailable (at the central office or remote terminal). Paragraph 6 of the UNE
13 Remand Order, which is cited by Mr. Turner, does not in any way reject adjacent
14 collocation. In fact, it doesn’t even mention adjacent collocation.

15
16 Q. FINALLY ON PAGE 37, MR. TURNER STATES THAT ADJACENT
17 COLLOCATION REQUIRES “ALECS TO GO THROUGH THE TIME-
18 CONSUMING AND COSTLY PROCESS OF OBTAINING RIGHTS OF WAY
19 AND PERMITS TO CONSTRUCT ADJACENT FACILITIES. MOREOVER,
20 COMPETITORS MUST ALSO DEAL WITH OBSTACLES SUCH AS
21 NEIGHBORHOOD AESTHETICS AND POSSIBLE ZONING
22 RESTRICTIONS.” DO YOU AGREE?

23
24 A. Yes. Mr. Turner is correct. When an ALEC requests adjacent collocation to
25 construct a hut, controlled environmental vault or cabinet, it will also be

1 responsible for obtaining any necessary rights of way and/or permits. The ALEC
2 would also be responsible for complying with all safety code requirements (i.e.,
3 building, fire, electrical, zoning, etc.). This is no different than the requirements
4 that BellSouth would have to comply with when it places a remote terminal.
5

6 Q. ON PAGE 43, MR. TURNER STATES “BELLSOUTH FAILS TO PROVIDE
7 FOR ADJACENT OFF-SITE COLLOCATION EVEN THOUGH THIS
8 ARRANGEMENT IS PROVIDED BY SIMILARLY SITUATED ILECS AND
9 PERMITTED WITHIN THE DEFINITION OF THE FCC’S *ADVANCED*
10 *SERVICES ORDER*.” DO YOU AGREE?
11

12 A. I would agree with Mr. Turner that BellSouth does not provide “adjacent off-site”
13 collocation. BellSouth provides “on-site” adjacent collocation. However, Mr.
14 Turner’s language seems to suggest that BellSouth has an obligation to provide
15 adjacent off-site collocation. This is not true; the *Advanced Services Order* does
16 not require this type of collocation. While it is true that some ALECs initially
17 interpreted the *Advanced Services Order* to allow both “on-site” and “off-site”
18 collocation (i.e., not on property that is adjacent to an ILEC’s premises), the FCC
19 clarified its intent in its *Collocation Reconsideration Order*.¹ In Paragraph 40 of
20 this *Order*, the FCC stated:
21

22 The [D.C. Circuit] court determined that section 251(c)(6)

¹ Order on Reconsideration and Second Further Notice of Proposed Rulemaking in CC Docket No. 98-147, and Fifth Further Notice of Proposed Rulemaking in CC Docket No. 96-98, *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, 15 FCC Rcd 17806 (2000) (“*Collocation Reconsideration Order*”), recon. Pending.

1 authorizes us to require incumbent LECs to make collocation space
2 available on their premises beyond particular structures, such as
3 central offices, where space within the structures is legitimately
4 exhausted. The court also stated that our adjacent collocation “rule
5 clearly furthers the purpose underlying section 251(c)(6)” and is
6 “eminently reasonable.”
7

8 The FCC continued in Paragraph 42 of this *Order* with the following language:

9 Consistent with the court’s opinion, we conclude that the language
10 of section 251(c)(6) does not restrict mandatory physical
11 collocation to places within incumbent LEC structures. Instead,
12 section 251(c)(6) requires physical collocation “at the premises of
13 the local exchange carrier.” We find that this term encompasses
14 land owned, leased, or controlled by an incumbent LEC as well as
15 any incumbent LEC network structure on such land.
16
17

18 Finally, in Paragraph 44 of this *Order*, the FCC further clarified the definition of

19 “premises” in order to avoid any further confusion in regard to this matter:

20 “[P]remises” includes all buildings and similar structures owned,
21 leased, or otherwise controlled by the incumbent LEC that house
22 its network facilities, all structures that house incumbent LEC
23 facilities on public rights-of-way, and all land owned, leased, or
24 otherwise controlled by an incumbent LEC that is adjacent to these
25 structures. This definition, of course, excludes land and buildings
26 in which the incumbent LEC has no interest.
27

28 Based on the FCC’s *Collocation Reconsideration Order*, it is clear to BellSouth
29 that it must only offer “adjacent collocation” as described above, which is at the
30 premises of the local exchange carrier. This includes buildings and similar
31 structures owned, leased, or controlled by BellSouth that house network facilities,
32 structures that house BellSouth’s facilities on public rights-of-way, and all land
33 owned, leased or otherwise controlled by BellSouth that is adjacent to these
34 structures at the premises of BellSouth. In other words, BellSouth must only offer

1 “on-site” adjacent collocation (which it does so). There is no FCC or
2 Commission requirement that BellSouth must provide “off-site” collocation to the
3 ALECs when central office space is exhausted.

4
5 Additionally, the Commission ruled in Order No. PSC-00-0941-FOF-TP, issued
6 May 11, 2000, in the Generic Collocation proceeding (Docket Nos. 981834-TP
7 and 990321-TP), that adjacent off-site collocation met the FCC’s definition of
8 interconnection, but that it failed the definition of collocation. The Commission
9 specifically defined the term “premises” as including ILEC-owned or leased
10 central offices, serving wire centers, buildings or similar structures that house
11 network facilities, but excluding ILEC-owned or leased property contiguous to
12 such buildings or structures.

13
14 Applying its definition of “premises” to the FCC’s expanded collocation
15 provisioning requirements, the Commission found in the Generic Collocation
16 proceeding that the terms “off-premises”, “adjacent”, and “on-site” were
17 interchangeable. Consequently, the Commission ordered that ILECs must provide
18 physical collocation services to an ALEC that collocates in a CEV (Controlled
19 Environmental Vault) or adjacent structure located *on the ILEC’s property* to the
20 extent technically feasible when space legitimately exhausts within an ILEC’s
21 premises.

22

1 Notwithstanding whether other ILECs have chosen to provide adjacent off-site
2 collocation, neither the FCC nor the Commission requires ILECs to provide this
3 type of collocation. The Commission has addressed this issue and has ruled that
4 BellSouth is not obligated to provide adjacent off-site collocation. As such, it is
5 inappropriate for AT&T to raise this issue again regardless of what other ILECs
6 are providing in other states.

7
8 Q. WHAT GENERAL OBSERVATIONS DO YOU HAVE ABOUT MR.
9 TURNER'S COMMENTS REGARDING THE COLLOCATION HANDBOOK?

10
11 A. Mr. Turner makes a fundamental error by assuming that BellSouth offers
12 collocation pursuant to its Collocation Handbook. BellSouth does not. As a
13 result, Mr. Turner's comments from page 43 to page 47 are incorrect because they
14 are based on this erroneous assumption.

15
16 Q. THROUGHOUT HIS REBUTTAL TESTIMONY, MR. TURNER MAKES IT
17 SOUND AS IF BELLSOUTH'S COLLOCATION HANDBOOK IS THE
18 MEANS THROUGH WHICH BELLSOUTH ESTABLISHES A LEGALLY
19 BINDING OBLIGATION TO OFFER COLLOCATION IN FLORIDA. IF THIS
20 IS NOT TRUE, HOW DOES BELLSOUTH OFFER COLLOCATION?

21
22 A. BellSouth's Collocation Handbook is only a resource guide designed to be helpful
23 to those ALECs (Alternative Local Exchange Carriers) contemplating collocation
24 with BellSouth. It describes BellSouth's various collocation offerings, provides
25 information regarding general terms and conditions, the ordering process, and

1 provisioning and maintenance activities. It is not a legally binding document
2 and, as such, does not control the rates, terms or conditions for BellSouth's
3 collocation offerings. BellSouth does not provide collocation pursuant to the
4 Collocation Handbook.

5
6 BellSouth does have a legally binding obligation to provide physical collocation
7 pursuant to Interconnection Agreements and the Florida Access Services Tariff
8 (Gray Aff., Exh. AWG-1), which have been approved by the Florida Public
9 Service Commission ("Commission"). In addition, BellSouth currently has
10 pending before the Commission a Statement of Generally Available Terms and
11 Conditions ("SGAT"). This filing tracks the language in BellSouth's Standard
12 Interconnection Agreement in Attachment 4 (Collocation), which complies with
13 all of the current orders, rules and regulations of the Federal Communications
14 Commission ("FCC") and the Commission. Finally, BellSouth offers virtual
15 collocation in Florida pursuant to the Commission's Final Order on Arbitration in
16 regard to Metropolitan Fiber Systems of Florida, Inc., AT&T Communications of
17 the Southern States, Inc., and MCI Telecommunications Corporation and MCI
18 Access Transmission Services, Inc. in Docket Nos. 960757-TP, 960833-TP, and
19 960846-TP, Order No. PSC-98-0604-FOF-TP ("MFS/AT&T/MCI Arbitration
20 Order," Gray Aff., Exhibit AWG-2) or through the Florida Access Service Tariff,
21 Section E20, Expanded Interconnection Service (Gray Aff., Exhibit AWG-1).

22
23 Q. ON PAGE 43, MR. TURNER ASSERTS THAT ON PAGE 6 OF YOUR
24 AFFIDAVIT, YOUR STATEMENT THAT BELLSOUTH WILL "NOT
25 CHANGE ANY EXISTING COLLOCATION ARRANGEMENTS OR

1 PROCEDURES FOR PROCESSING REQUESTS UNDER ANY EXISTING
2 COLLOCATION CONTRACTS DURING THE LIFE OF SUCH CONTRACTS
3 UNLESS THE FCC, OR A STATE COMMISSION, ISSUES NEW RULES
4 REGARDING COLLOCATION” IS INCONSISTENT WITH BELLSOUTH’S
5 COLLOCATION HANDBOOK. PLEASE RESPOND TO THIS ASSERTION.

6
7 A. First, BellSouth’s Collocation Handbook is not the legally binding document by
8 which BellSouth provides collocation. In fact, page 1 of the Collocation
9 Handbook provides that “[i]f a collocator orders collocation service pursuant to
10 BellSouth’s Statement of Generally Available Terms and Conditions (SGAT), the
11 terms and conditions provided [t]herein² become a legally binding agreement.
12 However, to the extent that the [A]LEC enters into a separate agreement with
13 BellSouth for physical collocation, the terms and conditions of that agreement
14 will apply. The terms and conditions of BellSouth Virtual Collocation offering
15 are described in BellSouth’s FCC Tariff # 1, [S]ection 20 or BellSouth’s Florida
16 Access Tariff (E-20).” As noted above, an ALEC may order physical collocation
17 pursuant to the Florida Access Services Tariff, negotiated Interconnection
18 Agreements or, once approved, the SGAT. There is nothing in the Collocation
19 Handbook indicating that an ALEC may order collocation pursuant to the rates,
20 terms, and conditions of the Collocation Handbook. In fact, if an ALEC were to
21 send BellSouth an Application for physical collocation indicating that it was
22 being submitted pursuant to the Collocation Handbook, BellSouth would reject it
23 and request that the ALEC resubmit the Application based on the rates, terms and

² There appears to be a typographical error in the Collocation Handbook, which may account for part of the misunderstanding expressed by Mr. Turner in his rebuttal testimony. The word “herein” in the Collocation Handbook is in fact a typographical error and should have been reflected as “therein”. I have shown it here as it should appear in the Collocation Handbook. This typographical error will be corrected in the upcoming revision to the Collocation Handbook.

1 conditions contained in its negotiated Interconnection Agreement or the Florida
2 Access Services Tariff, or pursuant to the state SGAT (once approved).

3
4 Second, Mr. Turner is only quoting from a very limited portion of my discussion
5 on Page 6, which makes this issue more confusing than it really is. On Page 6
6 (Par. 11) of my affidavit, I make note that BellSouth will continue to operate in
7 accordance with the rules promulgated by the FCC regarding collocation.

8 Furthermore, BellSouth will continue to operate in accordance with the rules
9 promulgated in the *Advanced Services Order*³ that the D.C. Circuit Court vacated
10 and remanded to the FCC for further consideration in *GTE Services Corporation*
11 *v. FCC*, 205 F.3d 416 (D.C. Cir. 2000). For any contracts that were in existence
12 prior to the D.C. Circuit Court's ruling that vacated and remanded certain portions
13 of the FCC's *Advanced Services Order*, BellSouth adopted a policy that it would
14 not change the pre-existing arrangements or procedures for processing requests
15 during the life of the pre-D.C. Circuit Court contracts unless the FCC or a state
16 commission issued new rules in response to the D.C. Circuit Court's remand or
17 the FCC determined that BellSouth's policy in this regard was discriminatory.
18 Upon issuance of new rules, BellSouth would seek to amend existing contracts, in
19 accordance with the terms of the contracts, to comply with the new rules.

20
21 As Mr. Blau, BellSouth - Vice President of Executive and Federal Regulatory
22 Affairs, stated in his April 14, 2000, letter to Mr. Lawrence Strickling, Chief of
23 the FCC Common Carrier Bureau (Gray Aff., Exh. AWG-7), "Once a[n]

³ See First Report and Order and Future Notice of Proposed Rulemaking, *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, 14 FCC Rcd 4761 (1999) ("*Advanced Services Order*"), *vacated in part, GTE Servs. Corp. v. FCC*, 205 F.3d 416 (D.C. Cir. 2000);

1 [A]LEC's contract expires, BellSouth may propose new language consistent with
2 the Court of Appeals' decision that vacated portions of the [FCC]'s rules
3 established in the *First Report and Order*. Regarding existing collocation
4 arrangements that do not conform to the Court of Appeals' decision, however,
5 BellSouth will allow the equipment already installed in such arrangements to
6 remain in place and will grandfather the already installed equipment in those
7 arrangements under any new contract negotiated with the [A]LEC. BellSouth's
8 willingness to grandfather such arrangements that do not conform to the Court of
9 Appeal's decision is conditioned upon the [FCC] not treating such a grandfather
10 clause as discriminatory. Should the [FCC] or a state commission assert that the
11 grandfather clause is discriminatory or that other [A]LECs can opt into the
12 grandfather clause under Section 51.809(e) of the [FCC]'s rules, BellSouth
13 reserves the right to terminate the grandfather clause and require the removal of
14 non-conforming collocation arrangements.”

15
16 Q. CONTINUING ON PAGE 43, MR. TURNER STATES THAT “BELLSOUTH
17 BELIEVES THAT IT HAS THE UNILATERAL RIGHT TO CHANGE ITS
18 COLLOCATION HANDBOOK IN ANY MANNER AND AT ANY TIME IT
19 CHOOSES.” DO YOU AGREE?

20
21 A. No. In addition to the erroneous assumption that BellSouth provides collocation
22 pursuant to its Collocation Handbook, Mr. Turner leaves the impression that
23 BellSouth can unilaterally change its legal obligations related to collocation. This
24 is incorrect. Physical collocation must be ordered by an ALEC pursuant to a
25 negotiated Interconnection Agreement or the Florida Access Services Tariff,

1 while virtual collocation is made available pursuant to the MFS/AT&T/MCI
2 Arbitration Order or the Florida Access Services Tariff. The ability for an ALEC
3 to order physical and/or virtual collocation from the Florida SGAT will also
4 become available once the Commission has approved this document. BellSouth
5 has entered into numerous Interconnection Agreements with ALECs in Florida.
6 Neither BellSouth nor the ALECs can “unilaterally” change any of these
7 agreements.

8
9 Q. ALSO AT THE BOTTOM OF PAGE 43 AND THE TOP OF PAGE 44, MR.
10 TURNER ALLEGES, “BECAUSE THE BELLSOUTH COLLOCATION
11 HANDBOOK AND TARIFF ARE MORE DETAILED THAN THE
12 INTERCONNECTION AGREEMENTS AND CONTAIN THE GENERALLY
13 AVAILABLE TERMS AND CONDITIONS THAT ARE MORE UP TO DATE
14 WITH THE FCC *ADVANCED SERVICES ORDER* REQUIREMENTS [AND]
15 VARIOUS STATE COMMISSIONS’ ORDERS REGARDING
16 COLLOCATION, ALECS MUST OFTEN RELY UPON THE HANDBOOK
17 AND TARIFF FOR THE TERMS AND CONDITIONS THAT CONTROL
18 COLLOCATION.” HOW WOULD YOU RESPOND TO THIS?

19
20 A. Once again, Mr. Turner makes an assumption that the Collocation Handbook
21 supercedes Interconnection Agreements with respect to collocation arrangements
22 between ALECs and BellSouth. This is simply not true. The legally binding
23 document for the provision of collocation is the negotiated Interconnection
24 Agreement between an ALEC and BellSouth or, in the alternative at the ALEC’s
25 option, the rates, terms and conditions of the Florida Access Services Tariff (and,

1 once approved, the Florida SGAT). For virtual collocation, the ALEC may order
2 a virtual collocation arrangement pursuant to the rates, terms and conditions of
3 Section 20 of Florida Access Tariff or the MFS/AT&T/MCI Arbitration Order
4 (and, once approved, the Florida SGAT).

5
6 Mr. Turner's allegation is somewhat puzzling to BellSouth. AT&T has recently
7 spent months negotiating a new Interconnection Agreement with BellSouth in
8 Florida, including the Attachment for Collocation. If AT&T or BellSouth really
9 believed that the Collocation Handbook was the legally binding agreement
10 between the two parties, then why would AT&T or BellSouth invest so much time
11 and energy into negotiating new rates, terms and conditions for a new contractual
12 agreement? Therefore, Mr. Turner's logic makes no sense.

13
14 Mr. Turner's comment that the Collocation Handbook contains generally
15 available terms and conditions that are more up-to-date with the FCC *Advanced*
16 *Services Order* requirements and various state commissions' orders regarding
17 collocation, also is not true. BellSouth's Standard Interconnection Agreement is
18 always the most up-to-date document available to an ALEC by which it may
19 request collocation. The Collocation Handbook may or may not be in sync with
20 BellSouth's Standard Interconnection Agreement depending upon when the
21 Collocation Handbook was last released. BellSouth revises the Collocation
22 Handbook from time to time to incorporate required changes pursuant to new
23 FCC and state commission collocation orders, process improvements, and any
24 typographical and/or grammatical errors noted in the existing version of this
25 document, but it is not the most up-to-date document available to the ALECs.

1

2 Q. MR. TURNER STATES ON PAGE 44 THAT "THE BELLSOUTH
3 COLLOCATION HANDBOOK PERMITS BELLSOUTH TO DETERMINE
4 THE TERMS AND CONDITIONS FOR COLLOCATION WITHOUT ANY
5 COMMISSION APPROVAL OR ALEC INPUT." DO YOU AGREE?

6

7 A. No. In addition to the erroneous assumption that BellSouth provides collocation
8 pursuant to its Collocation Handbook, Mr. Turner leaves the impression that
9 BellSouth can determine the terms and conditions for collocation without any
10 Commission approval or ALEC input. This is untrue. As stated on Page 2,
11 Paragraph 4, of my affidavit, when the parties agree to obtain collocation via an
12 Interconnection Agreement or Tariff [or via the Florida SGAT], the parties also
13 agree to comply with all applicable federal, state and/or local laws, ordinances,
14 rules and/or regulations. Over the years, BellSouth has modified its Standard
15 Interconnection Agreement, as necessary, to comply with all applicable provisions
16 of state and federal law and the requirements of the FCC and state commissions
17 such as Florida. This agreement is used as a starting point in negotiations with
18 ALECs. Its use ensures that the signed Interconnection Agreement, although
19 negotiated, is compliant with all applicable federal, state or local laws, ordinances,
20 rules or regulations.

21

22 In addition, every Interconnection Agreement for physical collocation, whether it
23 is a new agreement, an amendment to an existing agreement, or a renegotiated
24 agreement between BellSouth and an ALEC, must be filed with the Commission
25 for its review and approval. While it is BellSouth's responsibility to incorporate

1 specific collocation requirements mandated by the FCC and the Commission into
2 BellSouth's Standard Interconnection Agreement for physical collocation, it is the
3 responsibility of every ALEC, including AT&T, to negotiate the collocation
4 contract rates, terms and conditions into its Interconnection Agreement with
5 BellSouth. If an ALEC does not agree with the language contained in BellSouth's
6 Standard Interconnection Agreement, then it is up to the ALEC to propose its own
7 language and negotiate what language should be included in its Interconnection
8 Agreement. If BellSouth and the ALEC cannot agree on mutually acceptable
9 contract language, then the ALEC has the option of bringing these disputed issues
10 before the state commission for resolution. If an ALEC does not pursue its right
11 to "negotiate" the rates, terms and conditions of an Interconnection Agreement for
12 physical collocation or does not wish to sign an Interconnection Agreement with
13 BellSouth, then it can still obtain physical collocation pursuant to the rates, terms,
14 and conditions of the Florida Access Services Tariff. Of course, virtual
15 collocation may be ordered by any ALEC pursuant to the MFS/AT&T/MCI
16 Arbitration Order or the Florida Access Tariff.

17
18 Q. ON PAGE 44, MR. TURNER PRESENTS AN EXAMPLE OF HOW
19 BELLSOUTH UNILATERALLY CHANGED THE TERMS AND
20 CONDITIONS PROVIDED IN ITS COLLOCATION HANDBOOK.
21 SPECIFICALLY, MR. TURNER CITES THE UPDATES INCORPORATED IN
22 VERSION 9.2 OF THE COLLOCATION HANDBOOK AS DESCRIBED IN
23 THE NOTICE SECTION OF THIS VERSION. CAN YOU RESPOND TO MR.
24 TURNER'S COMMENTS IN REGARD TO THIS EXAMPLE?

25

1 A. Yes. Once again, Mr. Turner leaves the impression that BellSouth can determine
2 the terms and conditions for collocation without any Commission approval or
3 ALEC input. This is not true. The Notice section of Version 9.2 of BellSouth's
4 Collocation Handbook provides as follows:

5
6 This handbook is updated with version 9.2 effective November 1, 2000 in
7 order to make the following changes to the Central Office Physical
8 Collocation Contract: Inclusion of PSC rules from all states in order to
9 consolidate all states into one contract. Deletion of a separate Florida
10 Central Office Physical Collocation contract. This update also makes the
11 following corrections to the Remote Site Collocation Contract: Inclusion
12 of PSC rules from all states in order to consolidate all states into one
13 contract: addition of a rate element chart per state.
14

15 Notwithstanding the fact that the Collocation Handbook is not the legally binding
16 document by which BellSouth provides collocation, all of the above-mentioned
17 changes were made in accordance with Commission rules. As stated earlier,
18 BellSouth revises the Collocation Handbook from time to time to incorporate
19 required changes pursuant to new FCC and state commission collocation orders,
20 process improvements, and any typographical and/or grammatical errors noted in
21 the existing version of this document.

22
23 Q. ON PAGE 45, MR. TURNER GIVES ANOTHER EXAMPLE OF
24 BELLSOUTH'S ALLEGED UNILATERAL CONTROL OF THE
25 COLLOCATION PROCESS. SPECIFICALLY, MR. TURNER REFERS TO
26 "BELLSOUTH'S INSISTENCE ON WHERE THE POINT OF TERMINATION
27 ('POT') FRAME IS PLACED RELATIVE TO THE COLLOCATION CAGE."
28 CAN YOU RESPOND TO MR. TURNER'S COMMENTS REGARDING THIS
29 EXAMPLE?
30

1 A. Certainly. Mr. Turner now seeks to prove that BellSouth has unilaterally changed
2 the terms and conditions in AT&T's Interconnection Agreement regarding
3 placement of the POT frame (or bay) relative to the collocation cage. This is not
4 true.

5
6 Prior to the FCC's *Advanced Services Order* released March 31, 1999, ILECs
7 generally required ALECs to interconnect at a POT bay. However, this practice
8 was changed to comply with the FCC's *Advanced Services Order*, which provides
9 at Paragraph 42 that:

10 Incumbent LECs may not require competitors to use an intermediate
11 interconnection arrangement in lieu of direct connection to the
12 incumbent's network if technically feasible, because such intermediate
13 points of interconnection simply increase collocation costs without a
14 concomitant benefit to incumbents.

15
16
17 In the Generic Collocation proceeding (Docket Nos. 981834-TP and 980321-TP,
18 issued May 11, 2000 and November 17, 2000, respectively), the Commission, like
19 the FCC, ordered that ALECs are not prohibited from choosing to use POT bays
20 or other intermediate points of interconnection.

21
22 In regard to the determination of the appropriate demarcation point between the
23 ILEC and ALEC facilities, the Commission ruled in the Generic Collocation
24 proceeding, Order No. PSC-00-0941-FOF-TP (released May 11, 2000), that:

25 We are persuaded that the ALECs collocation site is the
26 appropriate demarcation point. The demarcation point is the point
27 at which each carrier is responsible for all activities on its side . . .
28 Establishing a demarcation point outside of an ALEC's collocation

1 space could prohibit ALECs from managing or maintaining their
2 cabling on their side of the demarcation point without a BellSouth
3 Certified Contractor. Therefore, we find that the ALEC's
4 collocation space is the appropriate demarcation point.
5

6 Furthermore, we agree that because the ILECs manage the cabling
7 and cable racking in the common area, the ILEC should designate
8 the location of such a point at the perimeter of an ALEC's space;
9 however, ILECs shall not be required to terminate the cabling onto
10 any ALEC device or equipment because . . . the ILEC may not
11 reach the ALEC end . . .
12

13 Although the FCC prohibits ILECs from requiring POT bays or
14 other intermediate points of interconnection, ALECs are not
15 prohibited from choosing to use them. Therefore, ILECs and
16 ALECs may negotiate other demarcation points up to the CDF.
17 However, if terms cannot be reached between the carriers, the
18 ALEC's collocation site shall be the default demarcation point.
19 (pp. 50 – 51).
20

21 As noted above, the Commission permits the parties to negotiate a different
22 demarcation point, other than the perimeter of the collocation space, up to the
23 ILEC's Conventional Distribution Frame ("CDF"). However, if the perimeter
24 was established as the demarcation point and the ALEC chose to use a POT bay
25 (or other interconnection device), it has been and continues to be BellSouth's
26 position that the POT bay should be located at the perimeter or outside a cage in
27 space accessible by both parties. Some collocation cages may be able to support
28 placement of POT bays within the cage wall, which allows AT&T access from
29 inside the cage and BellSouth access from the common area outside the cage.
30 However, such arrangements are not always practical in spaces that are available
31 to support caged collocation arrangements. When assigning floor space for POT

1 bays, BellSouth attempts to balance proximity to caged equipment with the
2 necessity to efficiently utilize all available floor space within the central office.

3
4 In the language contained in Paragraph 5.6 of the Interconnection Agreement that
5 AT&T and BellSouth have recently negotiated on this issue, it provides that
6 “BellSouth will designate the point(s) of demarcation between AT&T’s
7 equipment and/or network and BellSouth’s network located at the perimeter of
8 AT&T’s collocation space.” In further support of this agreement, AT&T and
9 BellSouth executed a Memorandum of Understanding (“AT&T Memo”), effective
10 December 17, 2000, documenting their mutual concurrence regarding “special”
11 interface arrangements for ‘perimeter demarcation’ for physical collocation in
12 Florida. The AT&T Memo acknowledged AT&T’s position “that it will always
13 employ the ‘perimeter demarcation’ arrangement in Florida in physical
14 collocation arrangements.” The AT&T Memo provides in Item No. 4 of the
15 “Specific Requirements” section that:

16 When the POD is located at the ‘perimeter demarcation’ it will be defined
17 as existing at the wall or cage boundary when a wall or cage is used.
18 When no wall or cage is used, the POD will be defined as being located at
19 the projection of the footprint of the collocator’s equipment up toward the
20 cable racking.
21

22 Therefore, contrary to Mr. Turner’s allegation, placement of the POT bay is not a
23 unilateral decision made by BellSouth; instead it must be negotiated and agreed to
24 by both parties.

25

1 Q. MR. TURNER ALLEGES, ON PAGE 45, THAT BELLSOUTH
2 UNILATERALLY CHANGES ITS PRACTICES AND IMPOSES ITS OWN
3 INTERPRETATION OF INTERCONNECTION AGREEMENT LANGUAGE
4 ON ALECS WITH RESPECT TO FCC RULES AS WELL. PLEASE
5 COMMENT.

6
7 A. This is not true. Mr. Turner's statement is merely conjecture, because he fails to
8 provide any supporting evidence and as such, makes it impossible for BellSouth
9 to respond. This kind of unsubstantiated allegation is totally without merit. I will
10 be happy to respond to any specific charges that Mr. Turner makes in regard to the
11 manner in which BellSouth discharges its obligations under the Interconnection
12 Agreement, but in this instance I can only respond with a general denial to this
13 unsubstantiated allegation.

14
15 Q. ONCE AGAIN, MR. TURNER ALLEGES AT THE BOTTOM OF PAGE 45
16 AND THE TOP OF PAGE 46 THAT "BELLSOUTH CAN DISCRIMINATE
17 AGAINST [A]LECS BY FORCING THEM TO RELY UPON THE TERMS
18 AND CONDITIONS IN THE COLLOCATION HANDBOOK, WHICH ARE
19 DIFFERENT THAN THOSE CONTAINED IN THE TARIFF." WHAT IS
20 YOUR RESPONSE TO THIS ALLEGATION?

21
22 A. In addition to the erroneous assumption that BellSouth provides collocation
23 pursuant to its Collocation Handbook, Mr. Turner makes the assumption that
24 BellSouth is discriminating against the ALECs because the tariff may contain
25 different terms and conditions than what is contained in the Collocation

1 Handbook. Mr. Turner's assumption is incorrect. As I explained above, the
2 ALECs have many options from which to choose when placing an order for
3 collocation. For physical collocation, an ALEC may choose to order an
4 arrangement pursuant to its Interconnection Agreement or the Florida Access
5 Services Tariff. For virtual collocation, the ALEC may order an arrangement
6 pursuant to the MFS/AT&T/MCI Arbitration Order or the Florida Access
7 Services Tariff. Currently, BellSouth has pending before the Commission a
8 SGAT that will allow the ALECs another option under which both physical and
9 virtual collocation may be ordered. The freedom of the ALECs to choose any of
10 the above options on a per Application basis is nondiscriminatory because these
11 options are made available to all ALECs, including AT&T.

12
13 Q. DOES BELLSOUTH EXERCISE UNILATERAL CONTROL OVER
14 COLLOCATION TERMS AND CONDITIONS AS MR. TURNER ALLEGES
15 IN HIS TESTIMONY?

16
17 A. No. BellSouth has not, nor will it ever, unilaterally control collocation,
18 interconnection or access to UNEs in Florida or any other state in which
19 BellSouth operates. As I have already stated in this testimony, Interconnection
20 Agreements are the primary means by which BellSouth's legally binding
21 obligations with respect to collocation are embodied. Of course, the ALECs also
22 have the ability to request physical and virtual collocation under the terms and
23 conditions of the Florida Access Services Tariff. Virtual collocation can also be
24 ordered pursuant to the MFS/AT&T/MCI Arbitration Order. Furthermore, the
25 ability for an ALEC to order physical and/or virtual collocation from the Florida

1 SGAT will become available once the Commission has approved this document.

2

3 Q. MR. TURNER ASSERTS ON PAGE 47 THAT BELLSOUTH SHOULD NOT
4 REQUIRE COLLOCATORS TO PAY FOR UNEXPECTED MAJOR
5 RENOVATION OR UPGRADE COSTS NECESSARY TO FACILITATE
6 PHYSICAL COLLOCATION. PLEASE COMMENT.

7

8 A. Mr. Turner argues that BellSouth should not be permitted to require collocators to
9 pay for the unexpected major renovation or upgrade costs necessary to facilitate
10 physical collocation. I disagree. Pursuant to the FCC's *Advanced Services Order*,
11 BellSouth can require collocators to share in the costs of major renovation and/or
12 upgrade costs that may be associated with, but not limited to, ground plane
13 additions, environmental hazard or hazardous materials abatement, major
14 mechanical upgrades, HVAC upgrades, ADA compliance, etc. This is in
15 compliance with the FCC's *Advanced Services Order*, Paragraph 51, which states
16 that:

17 ... incumbent LECs must allocate space preparation, security
18 measures, and other collocation charges on a pro-rated basis so the
19 first collocator in a particular incumbent premises will not be
20 responsible for the entire cost of site preparation . . . In order to
21 ensure that the first entrant into an incumbent's premises does not
22 bear the entire cost of site preparation, the incumbent must develop
23 a system of partitioning the cost by comparing, for example, the
24 amount of conditioned space actually occupied by the new entrant
25 with the overall space conditioning expenses.

26

27 In the state of Florida, BellSouth assesses space preparation fees on both a
28 nonrecurring basis for Firm Order Processing and a monthly recurring basis for
29 Central Office Modifications, assessed per arrangement, per square foot, and

1 Common Systems Modifications, assessed per arrangement per square foot for
2 cageless collocation and per cage for caged collocation. These charges recover
3 the costs associated with preparing the collocation space, which includes the
4 survey, engineering of the collocation space, and the design and modification
5 costs for network, building and support systems. In addition to the space
6 preparation fees, BellSouth also charges the ALECs in Florida a monthly
7 recurring Floor Space fee, assessed per arrangement, per square foot, which
8 recovers the expenses associated with lighting, HVAC, and other allocated
9 expenses related to the maintenance of the Premises.

10
11 Of course, the language contained in the ALEC's Interconnection Agreement
12 dictates the types of rates and charges that BellSouth is permitted to charge the
13 ALEC. Therefore, if a provision exists in the ALEC's Interconnection Agreement
14 that requires it to pay a portion of any unexpected major renovation or upgrade
15 expenses incurred by BellSouth to facilitate physical collocation, then BellSouth
16 would be allowed to assess these costs to the ALEC in accordance with the rates,
17 terms, and conditions contained in the Interconnection Agreement.

18
19 Q. CONTINUING ON PAGE 47, MR. TURNER STATES THAT THE PAYMENT
20 OF WHAT HE CALLS "EXTRANEIOUS EXPENSES" IS INAPPROPRIATE
21 BECAUSE THESE COSTS ARE INCONSISTENT WITH TELRIC
22 PRINCIPLES. DO YOU AGREE?

23
24 A. No. Mr. Turner is mistaken about this issue. BellSouth's current space
25 preparation rate structure is consistent with Total Element Long Run Incremental

1 Cost ("TELRIC") principles, and the rates are based on forward-looking long-run
2 incremental cost. This rate structure is included in BellSouth's Standard
3 Interconnection Agreement, several signed Interconnection Agreements, and has
4 been used to develop the rates reflected in the SGAT filed in this proceeding. .
5

6 Q. NEXT, MR. TURNER CRITICIZES BELLSOUTH'S RECOVERY OF HVAC
7 COSTS. PLEASE COMMENT.
8

9 A. As I have already stated, the current space preparation rates recover the costs of
10 the survey, engineering of the collocation space, and the design and modification
11 costs for network infrastructure, building and support systems to meet a
12 collocator's specified collocation requirements. Such modifications could
13 include: augmenting air conditioning cooling capacity, reworking ventilation
14 ducts, adding cable racking, and adding or moving light fixtures. Forward-
15 looking investment dollars, based on actual central office collocation projects, are
16 used to develop recurring rates for space preparation. Similar central office
17 projects with similar investment dollars are done for BellSouth's specific needs.
18 The contract rates, which BellSouth pays its vendors, are common to all space
19 preparation work. It does not matter whether the preparation work is in
20 BellSouth's space or the collocator's space. Thus, the collocator would pay
21 monthly space preparation charges based on the amount of space occupied and
22 similar investment dollars to what BellSouth pays to prepare its space.
23

24 Q. WOULD THE OTHER AREAS THAT MR. TURNER REFERS TO AS
25 "EXTRANEIOUS EXPENSES" ALSO BE HANDLED IN THE SAME

1 MANNER AS THAT JUST DESCRIBED ABOVE?

2
3 A. Yes, they would be handled in the same manner.

4
5 Q. ON PAGE 48, MR. TURNER CLAIMS THAT BELL SOUTH IS RECEIVING
6 DOUBLE RECOVERY FOR ITS COSTS OF PROVIDING DC POWER AND
7 CITES A SPECIFIC EXAMPLE OF DOUBLE RECOVERY ON PAGE 49,
8 ALLEGING THAT BELL SOUTH HAS CHARGED AN AVERAGE
9 NONRECURRING CHARGE OF ALMOST \$97,000 TO AT&T TO EXTEND
10 DC POWER INTO AT&T'S COLLOCATION CAGE, THE MAJORITY OF
11 WHICH WENT TOWARD UPGRADING THE POWER PLANT. PLEASE
12 COMMENT.

13
14 A. This issue is nothing more than a billing dispute that AT&T has just recently
15 brought to the attention of BellSouth. On August 9, 2001, both parties met to
16 discuss this billing matter and determine the course of action that would be
17 required to resolve this dispute. During the course of the meeting, the parties
18 were able to determine that BellSouth has both over-billed and under-billed
19 AT&T for DC power in specific central office locations in Florida where power
20 augments were required to accommodate AT&T's collocation requests. As a
21 result of the meeting with AT&T, BellSouth has assigned its AT&T Account
22 Team with the task of thoroughly investigating this billing dispute to determine
23 both the over-billed and under-billed amounts. If it is determined that a refund is
24 due to AT&T after this investigation has been completed, then BellSouth will
25 comply with its business and contractual obligations to issue a refund to AT&T.

1
2 It should be noted that this issue is no different than any other billing dispute that
3 would be brought by an ALEC to the attention of BellSouth. When an ALEC
4 brings a billing dispute to BellSouth, it must be investigated by BellSouth to
5 determine if a billing error has incurred. If so, BellSouth would correct the error
6 and refund any monies due the ALEC. BellSouth is obligated by the rates, terms,
7 and conditions of the ALECs' negotiated Interconnection Agreements to ensure
8 that it has accurately billed its customers according to the agreement. Of course,
9 there will always be billing disputes that arise between parties in the normal
10 course of business, but BellSouth is committed to ensuring that its billing process
11 is accurate and results in the proper billing of its customers. If errors are
12 uncovered in the billing process, then BellSouth will make the necessary
13 reparations to correct these errors and refund any monies due the ALECs in
14 accordance with the rates, terms and conditions of the ALECs' Interconnection
15 Agreements. In light of the foregoing, BellSouth contends that this issue should
16 have no bearing upon this proceeding. It is not a Section 271 issue, but merely a
17 billing dispute that will be addressed by BellSouth in accordance with standard
18 dispute resolution procedures in the normal course of business.

19
20 Q. IN FOOTNOTE 57 AT THE BOTTOM OF PAGE 48 OF HIS REBUTTAL
21 TESTIMONY, MR. TURNER APPARENTLY HAS A CONCERN AS TO
22 HOW TO PROVISION POWER IN A SITUATION "WHEN BELLSOUTH
23 HAS NOT PREVIOUSLY INVESTED IN POWER PLANT CAPACITY FOR
24 COLLOCATION AND THE ALEC DOES NOT WANT TO AVAIL ITSELF OF

1 THE OPTION OF BUILDING ITS OWN POWER PLANT.” PLEASE
2 ADDRESS HIS CONCERN.

3
4 A. Mr. Turner’s concern would appear to be much ado about nothing. Obviously,
5 AT&T has figured out how to provision power in the situation Mr. Turner has
6 described because AT&T has submitted applications and successfully ordered
7 power (along with numerous other ALECs) and subsequently powered its
8 collocation sites.

9
10 Q. AT THE BOTTOM OF PAGE 49, MR. TURNER STATES THAT IN TEXAS,
11 SWBT IS ONLY PERMITTED TO CHARGE THE RECURRING DC POWER
12 CONSUMPTION RATE. HOW DO YOU RESPOND?
13

14 A. First of all, let me say that what the Texas Public Utilities Commission has
15 ordered in the state of Texas in regard to DC power augments is of no
16 consequence to how DC power augments are recovered by BellSouth in Florida.
17 It has no relevance or bearing on the facts that BellSouth has presented in its
18 testimony in this proceeding. Second, BellSouth’s standard power rate, which is
19 assessed on a per fused amp basis, includes the costs to recover the AC utility bill,
20 maintenance, plant replacement and power plant expansion. As noted above,
21 BellSouth’s recurring power rate is consistent with Total Element Long Run
22 Incremental Cost (“TELRIC”) principles. ICB pricing for power does not exist
23 with this rate structure. The rate is cost-based. This rate structure is included in
24 BellSouth’s Standard Interconnection Agreement, several signed Interconnection

1 Agreements, and will be reviewed by the Commission in Phase II of the Generic
2 Collocation Docket, Docket Nos. 981834-TP and 990321-TP.

3 Q. HOW DO MR. TURNER'S ALLEGATIONS ON POWER RATES IMPACT
4 BELLSOUTH'S COMPLIANCE WITH CHECKLIST ITEM ONE?

5
6 A. As I have already explained in this testimony, BellSouth is currently investigating
7 the billing dispute regarding DC power charges noted by Mr. Turner in his rebuttal
8 testimony. Since this matter will be resolved between the parties according to the
9 terms and conditions of the negotiated agreement between the parties as would be
10 appropriate in the normal course of business, BellSouth maintains that this issue
11 should have no bearing on this checklist item.

12
13 Mr. Turner's general allegation that BellSouth's DC power rates are inappropriate
14 is incorrect. BellSouth currently offers a standard recurring power rate that
15 recovers the costs for the AC utility bill, maintenance, plant replacement and
16 power plant expansion. ALECs that choose to adopt the standard recurring power
17 rate in their contract will be billed this recurring rate based on the number of fused
18 amps. BellSouth's DC power rate is a cost-based rate that was developed in
19 accordance with current TELRIC principles and is based on forward-looking long-
20 run incremental cost. This rate structure is included in the BellSouth Standard
21 Interconnection Agreement, several signed Interconnection Agreements, and has
22 been included in the rates shown in the SGAT filed in this proceeding.

23
24 Q. ON PAGE 50, MR. TURNER ALLEGES THAT "BELLSOUTH IS NOT
25 PROVIDING SHARED COLLOCATION IN A MANNER CONSISTENT

1 WITH THE *ADVANCED SERVICES ORDER* . . . INDEED, MR. GRAY'S
2 AFFIDAVIT AND BELLSOUTH'S COLLOCATION HANDBOOK
3 DESCRIBE 'SHARED (SUBLEASED) CAGED COLLOCATION' IN THE
4 SAME WAY THAT THE FCC DESCRIBES SUBLEASED COLLOCATION
5 AND NOT SHARED COLLOCATION.'" CAN YOU COMMENT ON THIS
6 ALLEGATION?
7

8 A. Yes. Paragraph 41 of the FCC's *Advanced Services Order* states that:
9

10 First, we require incumbent LECs to make shared collocation
11 cages available to new entrants. A shared collocation cage is a
12 caged collocation space shared by two or more competitive LECs
13 pursuant to the terms and conditions agreed to by the competitive
14 LECs. In making shared cage arrangements available, incumbent
15 LECs may not increase the cost of site preparation or nonrecurring
16 charges above the cost for provisioning such a cage of similar
17 dimensions and material to a single collocating party. . . The
18 incumbent may not place unreasonable restrictions on a new
19 entrants use of a collocation cage, such as limiting the new
20 entrant's ability to contract with other competitive carriers to share
21 the new entrants collocation cage in a sublease-type arrangement.
22 In addition, if two or more competitive LECs who have
23 interconnection agreements with an incumbent LEC utilize a
24 shared collocation arrangement, the incumbent LEC must permit
25 each competitive LEC to order UNEs to and provision service
26 from that shared collocation space, regardless of which competitive
27 LEC was the original collocator.

28
29 BellSouth's believes that its interpretation of the FCC's *Advanced Services Order*
30 is correct, because the shared collocation cage is governed by the terms and
31 conditions agreed to by the ALECs, not by the terms and conditions of separate
32 agreements between each of these ALECs and BellSouth. In other words,
33 BellSouth will contract directly with one ALEC ("Host") for the caged collocation
34 arrangement. This Host ALEC may then contract separately with other ALECs to

1 share the collocation cage. This is in compliance with the FCC's *Advanced*
2 *Services Order* quoted above.

3
4 Q. MR. TURNER ASSERTS ON PAGE 51 THAT "THE SHARED (SUBLEASED)
5 CAGED COLLOCATION SECTION OF BELLSOUTH'S COLLOCATION
6 HANDBOOK . . . DOES NOT CONTAIN PROVISIONS COVERING SHARED
7 CAGE COLLOCATION." HOW WOULD YOU RESPOND TO THIS
8 STATEMENT?

9
10 A. In addition to the erroneous assumption that BellSouth provides collocation
11 pursuant to its Collocation Handbook, Mr. Turner leaves the impression that
12 BellSouth does not offer shared caged collocation. This is incorrect. As noted
13 above in my previous response, BellSouth believes that it has properly interpreted
14 the FCC's *Advanced Services Order* in regard to shared collocation. BellSouth is
15 offering shared collocation in compliance with the *Advanced Services Order* and
16 sees no basis for changing its position on this matter.

17
18 In addition, this Commission also ruled in the Generic Collocation proceeding,
19 Docket Nos. 981834-TP and 990321-TP, that ILECs and ALECs must follow the
20 FCC's *Advanced Services Order* regarding the provision of shared collocation.

21
22 Q. ON PAGES 51 AND 52, MR. TURNER INDICATES THAT THE "FCC RULES
23 ALSO REQUIRE THAT THE ILEC PRORATE THE CHARGE FOR SITE
24 CONDITIONING AND PREPARATION UNDERTAKEN BY THE ILEC TO
25 CONSTRUCT THE SHARED COLLOCATION CAGE OR CONDITION THE

1 SPACE FOR COLLOCATION USE, REGARDLESS OF HOW MANY
2 CARRIERS ACTUALLY COLLOCATE IN THAT CAGE . . . THE FCC'S
3 PURPOSE FOR THIS REQUIREMENT IS TO PERMIT A COLLOCATOR TO
4 OCCUPY SPACE WITHIN A CAGE THAT HAD BEEN CONSTRUCTED
5 GENERALLY FOR MULTIPLE COLLOCATORS." PLEASE COMMENT.
6

7 A. The charge for site conditioning and preparation undertaken by BellSouth to
8 construct the shared collocation cage or condition the space for collocation use is
9 prorated based on the number of collocators and the space used by each.
10 BellSouth disagrees with Mr. Turner that the FCC's purpose for this requirement
11 is to permit a collocator to occupy space within a cage that had been constructed
12 *generally* for multiple collocators. Nevertheless, BellSouth is applying the FCC's
13 methodology for charging the ALECs that are sharing a caged collocation
14 arrangement for site conditioning and space preparation.
15

16 Q. MR. TURNER ALLEGES ON PAGE 52 THAT SINCE VARIOUS ILECS (I.E.,
17 SWBT, PACIFIC BELL, AMERITECH, AND VERIZON) HAVE
18 IMPLEMENTED TARIFF LANGUAGE FOR SHARED COLLOCATION (OR
19 COMMON COLLOCATION AS IT IS SOMETIMES DEFINED), "THERE IS
20 ABSOLUTELY NO REASON FOR BELL SOUTH NOT TO MAKE THIS
21 FORM OF COLLOCATION AVAILABLE IN FLORIDA AS WELL." DO
22 YOU AGREE?
23

24 A. No. Just because other ILECs have opted to include a new type of collocation
25 arrangement in their tariffs does not obligate BellSouth to do the same in Florida.

1 BellSouth is under no FCC or Commission mandate to provide shared collocation
2 (or common collocation) as Mr. Turner has defined it. BellSouth believes that its
3 shared collocation offering complies with the FCC's *Advanced Services Order*
4 and as such, has no plans to change it.
5

6 Q. ON PAGES 52 AND 53, MR. TURNER STATES THAT, CONSISTENT WITH
7 FCC ORDER NO. 99-48, THE COMMISSION CONCLUDED THAT "ALECS
8 SHALL NOT BE REQUIRED TO DESIGNATE A HOST ALEC AND SHALL
9 BE ABLE TO ORDER DIRECTLY FROM THE ILEC ANY ADDITION TO
10 ITS NETWORK." HE THEN ALLEGES THAT BELLSOUTH IS IN DIRECT
11 CONFLICT WITH THE REQUIREMENTS SET FORTH BY BOTH THE FCC
12 AND THE COMMISSION IN REGARD TO SHARED COLLOCATION. DO
13 YOU AGREE WITH HIS ALLEGATION?
14

15 A. No, I do not agree with Mr. Turner's allegation. BellSouth is in compliance with
16 Commission Order No. PSC-00-0941-FOF-TP, issued on May 11, 2000, in the
17 Generic Collocation proceeding (Docket Nos. 981834-TP and 990321-TP). In
18 this Order, the Commission specifically states:
19

20 ALECs shall not be required to designate a host ALEC and shall be
21 able to order directly from the ILEC any addition to its network.
22 Instead, each ALEC shall be allowed to submit its own requests to
23 the ILEC for equipment placement, unbundled network elements
24 and other services, regardless of which ALEC was the original
25 collocater.
26

27 Pursuant to the Commission's requirements as outlined in the above Order,
28 BellSouth permits the host ALEC and each of the guest ALECs to place an order

1 directly with BellSouth for equipment placement, UNEs, interconnection and
2 other services in accordance with the rates, terms and conditions of the ALEC's
3 Interconnection Agreement with BellSouth. This should not be confused with the
4 initial ALEC's order for caged collocation space, which would be placed by the
5 initial ALEC prior to the collocation of any other ALECs (i.e., guests) within this
6 space. The sharing arrangement between two or more ALECs would be
7 negotiated directly between these parties. BellSouth would not be a party to these
8 negotiations.

9
10 Therefore, contrary to Mr. Turner's allegations, BellSouth permits each ALEC in
11 a shared collocation arrangement to order equipment placement, UNEs,
12 interconnection and other services directly from BellSouth in compliance with the
13 Commission's Generic Collocation Order noted above. The rates, terms and
14 conditions contained in each ALEC's Interconnection Agreement with BellSouth
15 would govern the way the requested services are ordered by the ALEC and
16 provisioned and billed by BellSouth.

17
18 Q. FINALLY ON PAGE 55, MR. TURNER ASSERTS THAT THE FCC HAS
19 NOW MADE IT CLEAR THAT INCUMBENTS MUST MAKE CROSS-
20 CONNECTS BETWEEN COLLOCATORS AVAILABLE AND ARGUES
21 THAT "IT WOULD BE APPROPRIATE FOR THE FLORIDA COMMISSION
22 TO REVERT TO ITS ORIGINAL POSITION THAT ALECS SHOULD BE
23 PERMITTED TO UTILIZE AND THAT BELLSOUTH PROVIDE
24 COLLOCATION-TO-COLLOCATION CROSS-CONNECTS." MR. TURNER
25 BASES HIS ARGUMENT ON A JULY 12, 2001, FCC PRESS RELEASE.

1 PLEASE RESPOND.

2

3 A. Mr. Turner's assertion that the FCC has issued its Fourth Report and Order in CC
4 Docket No. 98-147, which should clarify the ILECs obligations regarding cross-
5 connects between collocators within a central office, is true. However, the Order
6 was just released on August 8, 2001 and will not become effective until thirty
7 days after it has been published in the *Federal Register*. Currently, BellSouth is
8 reviewing this Order to determine what modifications will need to be made to its
9 current policies and procedures to comply with the requirements mandated by the
10 FCC regarding co-carrier cross-connects. Therefore, until the Order becomes
11 effective, BellSouth will continue to maintain its position on this issue.

12

13 **NEWSOUTH WITNESS RON BEASLEY'S COMMENTS**

14 Q. ON PAGE 2, MR. BEASLEY ALLEGES THAT BELLSOUTH EMPLOYS
15 UNREASONABLE PRACTICES (I.E., PROVIDING COLLOCATION POWER
16 FROM A MAIN POWER BOARD IN FUSED AMPS INSTEAD OF ACTUAL
17 POWER DRAIN), WHICH RESULT IN EXCESSIVE CHARGES FOR
18 COLLOCATION POWER. IS THIS TRUE?

19

20 A. No, this is absolutely untrue. As I will explain in more detail below, BellSouth
21 does not employ unreasonable or discriminatory practices in the manner in which
22 BellSouth provisions or charges for collocation power to the ALECs. This issue
23 will be discussed in more detail later in this testimony.

24

1 In addition, the issue of billing ALECs using fused amps versus actual power
2 drain has already been addressed by the Commission in Docket No. 000649-TP
3 (“MCI Arbitration Case”). The Commission released its final ruling in the MCI
4 Arbitration Case in Order No. PSC-01-0824-FOF-TP on March 30, 2001, on this
5 very same issue. On Page 126 of this Order, the Commission states:

6
7 We believe that the per ampere rate for the provision of DC power
8 to WorldCom’s collocation space should apply to fused capacity
9 for two reasons. First, it appears that WorldCom witness Messina
10 agrees that BellSouth’s power plant must be capable of
11 accommodating 150 percent of the requested amount of power.
12 However, it appears that witness Messina contends that the fuse
13 feeding WorldCom’s collocation space should be sized at
14 WorldCom’s requested amperage, but the infrastructure behind that
15 space should be capable of carrying 150 percent of the requested
16 amperage. We find that if BellSouth must construct its overall
17 power plant to accommodate 150 percent of the aggregate
18 amperage requested by collocators then it should be compensated
19 for this level of capacity. Furthermore, both parties believe that it
20 is a generally accepted power engineering practice to fuse capacity
21 in excess of the amperage needed.

22
23 Second, we agree with BellSouth witness Milner that metering
24 WorldCom’s actual usage would be costly and time-consuming.
25 While specific numbers were not provided, we suspect that the
26 costs of metering could exceed the difference in costs of applying
27 the rate to fused capacity versus amperes used. Therefore, *we find*
28 *that the per ampere rate for the provision of DC power to*
29 *WorldCom’s collocation space shall apply to fused capacity.*
30 (Emphasis added)
31

32 Therefore, the Commission is in agreement with BellSouth’s position that the
33 billing of DC power on a fused amp basis, instead of a per-load basis, is
34 appropriate.
35

1 Q. ON PAGES 2 AND 3, MR. BEASLEY STATES THAT NEWSOUTH'S
2 TYPICAL COLLOCATION SPACE CONTAINS EQUIPMENT THAT
3 DRAWS AN AVERAGE OF 27.3 AMPS OF POWER, WHICH REQUIRES
4 FUSED CAPACITY OF AT LEAST 45 AMPS. TO AVOID PAYING THE
5 COST OF SEPARATE BELLSOUTH POWER FEEDS FOR EACH ITEM OF
6 EQUIPMENT, NEWSOUTH UTILIZES A BATTERY DISTRIBUTION FUSE
7 BOARD ("BDFB") THAT ACCEPTS A SINGLE POWER FEED FROM
8 BELLSOUTH AND SEPARATE FUSES FOR THE POWER FEEDS
9 REQUIRED WITHIN NEWSOUTH'S COLLOCATION SPACE. HE
10 FURTHER ALLEGES THAT NEWSOUTH ONLY REQUIRES
11 APPROXIMATELY 100-120 AMPS OF FUSED CAPACITY TO ALLOW FOR
12 FUTURE GROWTH, BUT BELLSOUTH'S STANDARDIZED FUSE
13 CAPACITY OF 225 AMPS RESULTS IN NEWSOUTH BEING CHARGED
14 "FOR AN AVERAGE OF 140 AMPS OF AMPS OF POWER THAT IT DOES
15 NOT USE." WOULD YOU PLEASE RESPOND TO MR. BEASLEY'S
16 ALLEGATION?

17
18 A. BellSouth has not charged NewSouth for power that it does not need. Evidently,
19 it has become a popular pastime for some ALECs to falsely accuse BellSouth of
20 overcharging for power, demanding that power billing be based on usage. Many
21 cite the similarities that exist between central office power and the electric utilities
22 provided to a home or business. Key components of the commercial electric
23 utility industry and its usage-based billing system include meters located at the
24 side of a house or business and an army of meter readers to record usage. Inside a
25 central office, however, there are no meters attached to individual power circuits

1 from a BDFB, just as there are no meters on each AC outlet in a home or
2 business. One thing the ALECs don't seem to understand, but the Commission is
3 well aware of, is that usage-based billing and the measuring system required
4 would result in increased power costs for the ALECs. Therefore, the metering of
5 central office power to each ALEC's collocation arrangement is not economical
6 for an ALEC, assuming that the ALEC is engineering its power circuits to match
7 its equipment demand.

8
9 Q. ON PAGE 4, MR. BEASLEY STATES THAT THE FUSE CAPACITIES
10 OFFERED BY BELLSOUTH DO NOT MEET NEWSOUTH'S
11 REQUIREMENTS FOR ASSIGNING POWER. HE THEN ALLEGES "THE
12 POWER PROVIDED IS EITHER TOO MUCH OR NOT ENOUGH, WITH THE
13 RESULT THAT NEWSOUTH MUST PAY FOR POWER IT DOES NOT USE
14 OR WASTE RACK SPACE DUE TO LACK OF POWER." DO YOU AGREE
15 WITH MR. BEASLEY'S ALLEGATIONS?

16
17 A. No. At a BDFB (Battery Distribution Fused Board), BellSouth offers ALECs
18 power distribution with industry standard size fuse type protection devices
19 ranging from 10 to 60 amps. The fuse sizes described as inadequate by Mr.
20 Beasley are standard sizes manufactured by fuse vendors that are commonly
21 available at electrical supply stores.

22
23 Furthermore, NewSouth's allegation that BellSouth is charging for power
24 capacity that NewSouth cannot use is incorrect. Telecommunications DC power
25 circuits are engineered to match the power requirements of the equipment served,

1 with a fuse type protection device sized at 1.5 times the anticipated drain. The
2 recurring power rate includes a 0.67 multiplier to take into account the fact that an
3 ALEC would not normally use the full capacity of the protection device. The
4 recurring power rate reflected in BellSouth's Access Tariff in Florida is \$8.86 per
5 -48V DC amp. In NewSouth's case, its equipment bay requires an average of
6 approximately 30 amps of power (see Beasley Rebuttal Testimony, p.2). If
7 NewSouth requested an engineered power circuit consisting of a pair of A & B
8 redundant power feeds equipped with 45-amp protection devices, the formula for
9 calculating the recurring cost would be:

$$45 * \$8.86 = \$398.70$$

12
13 Had BellSouth not included the 0.67 multiplier in the recurring rate (which would
14 increase the recurring rate to $1.5 * \$8.86 = \13.29), then the anticipated drain
15 would be used (i.e., apply the 0.67 multiplier to the protection device size) as the
16 multiplier. The formula would then be:

$$30 * \$13.29 = \$398.70$$

17
18
19
20 In either case, the cost to the ALEC is the same. BellSouth is not charging the
21 ALEC for the power capacity that it cannot use.

22
23 It is apparent that NewSouth did not properly engineer its power circuits to match
24 its true power requirements. NewSouth would have placed the order for the 225-
25 amp power feed in its Application for physical collocation with BellSouth.

1 Therefore, it was not BellSouth that ordered the power requirements for
2 NewSouth's equipment, but NewSouth itself. NewSouth could have obtained its
3 power from a BellSouth BDFB and engineered its power circuits to accommodate
4 each bay of equipment to match its specific power requirements.
5

6 Q. ALSO ON PAGE 4, MR. BEASLEY CONTENDS THAT OTHER ILECS,
7 SUCH AS SOUTHWESTERN BELL (SWBT) OFFER COLLOCATION
8 POWER TO ALECS IN INCREMENTS OF 20, 30, 50, 100, AND 200 AMPS
9 OF USABLE POWER OR DRAIN. HE ASSERTS THAT THE 100-AMP
10 INCREMENT OFFERED BY SWBT WOULD MEET NEWSOUTH'S POWER
11 REQUIREMENT IF BELLSOUTH OFFERED IT. WHAT IS YOUR
12 RESPONSE TO MR. BEASLEY'S COMMENTS?
13

14 A. Before I begin my discussion regarding Mr. Beasley's comments, I would like
15 to explain the DC power options that BellSouth makes available to the ALECs
16 for collocation purposes. A diagram of the Central Office DC power
17 architecture for collocation is attached to this testimony as Exhibit AWG-10.
18 As shown on this exhibit, rectifiers convert AC power from the commercial
19 electric utility to DC power. Batteries provide back-up DC power in the event
20 of a loss of AC power from both the commercial electric utility and standby
21 AC system or from rectifier failure. Power boards are part of the power plant,
22 located with the rectifiers and batteries in the power room of the central office.
23 Power rooms are generally located some distance from the equipment areas
24 (i.e., in central office basements or on the first floor of a multi-story building).
25 Power rooms with two-hour firewalls are required by building codes for many

1 metropolitan areas, due to the fact that batteries are also located in the power
2 rooms. Due to voltage drop requirements inherent in a DC power distribution
3 system, the size of power cabling increases exponentially with increases in
4 distance. Thus, it is uneconomical to use the power board as the distribution
5 point to each bay of central office equipment. Battery Distribution Fuse
6 Boards (“BDFBs”) are commonly used to distribute DC power from the power
7 board to the equipment area in the central office. BellSouth provides BDFBs
8 to all collocation areas in the central office. In addition, BellSouth provides
9 circuit breaker positions at the power board for ALEC-owned BDFBs, which
10 can be installed by the ALEC in its collocation space, at the ALEC's option and
11 expense. Moreover, BellSouth provides DC power to the ALEC-owned
12 BDFBs in exactly the same manner, using precisely the same fuse capacity
13 (i.e., 225-amps), as it does for its own BDFBs located throughout the central
14 office. In other words, BellSouth is providing DC power to the ALECs at
15 parity with that it is providing to itself. This ensures that the ALECs that have
16 collocated their own ALEC-owned BDFBs are receiving nondiscriminatory
17 treatment in the manner in which DC power is being provisioned to their
18 collocation space in the central office.

19
20 BellSouth offers three options to all ALECs for ordering power into a collocation
21 arrangement. First, an ALEC may request power from BellSouth’s BDFB in
22 power increments that range as low as 10 amps up to 60 amps, or any
23 combination thereof, to each piece of equipment in its collocation space. In this
24 scenario, the ALEC would perform the power cabling from each piece of its
25 collocated equipment to BellSouth’s BDFB. This is by far the most common

1 means by which the ALECs request power for their collocation arrangement. In
2 the second scenario, an ALEC may install its own BDFB (“Battery Distribution
3 Fuse Bay”) inside its collocation space and order power directly from BellSouth’s
4 main power board. (The main power board is not a BellSouth BDFB. It is the
5 main DC power source for all of the equipment and all of the BDFBs - both
6 BellSouth’s and the ALECs - in the central office.). A standard 225-amp power
7 feed is required to connect the ALEC’s BDFB with BellSouth’s main power
8 board in this scenario. Furthermore, the ALEC would be responsible for
9 installing the power cable between its BDFB and BellSouth’s main power board.
10 This means of obtaining power is used by some ALECs, but is less common than
11 the first scenario. The third option allows the ALEC to install its own BDFB in
12 its collocation space and request power from BellSouth’s BDFB, again in power
13 increments that range from as low as 10 amps up to 60 amps, or any combination
14 thereof. In this instance, power cabling would be installed by the ALEC between
15 its own BDFB and BellSouth’s BDFB, enabling the ALEC to connect each piece
16 of its equipment to its own BDFB for power. This is the least common method of
17 requesting power, because an ALEC must ensure that its power arrangement
18 complies with current National Electric Code (“NEC”) requirements. Each ALEC
19 must therefore make its own determination as to which option it wishes to use for
20 obtaining DC power into its collocation space. As described above, all ALECs
21 have the ability to obtain small units of DC power (i.e., in as low as 10-amps)
22 from BellSouth.

23
24 It is the ALEC, not BellSouth, that places the order for the DC power
25 requirements needed by the ALEC to power its equipment or its BDFB.

1 Furthermore, if an ALEC orders its DC power requirements pursuant to the rates,
2 terms and conditions of its negotiated Interconnection Agreement with BellSouth,
3 then BellSouth is legally obligated to provide the ALEC with the DC power
4 arrangement that is included in the ALEC's agreement. BellSouth has
5 consistently provisioned DC power in accordance with what the ALECs have
6 requested or agreed to in their negotiated Interconnection Agreements.

7
8 Now, I will turn to Mr. Beasley's concerns regarding the power requirement that
9 BellSouth maintains for those ALECs, such as NewSouth, that install their own
10 BDFB within their collocation space. At a power board, BellSouth has a standard
11 size circuit breaker protection device of 225 amps. This standard was developed
12 before collocation (in TR73503, circa 1993) based on BellSouth's interpretation
13 of findings from a Telcordia/Bellcore study on arcing in central offices resulting
14 from the Hinsdale incident (i.e., a central office in which a fire occurred). The
15 study found that 1) arcing may occur in central offices, usually due to poor
16 workmanship in H-tap and other connectors, and 2) while no protection device
17 will operate 100% of the time due to the physical nature of a DC arc, 225-amp
18 protection devices experience a significantly higher chance of operating during an
19 arc than 400-amp or larger protection devices. So, BellSouth's 225-amp circuit
20 breaker standard was developed three years before the Telecommunications Act
21 of 1996 ("the Act") was issued and is an attempt by BellSouth to minimize the
22 potential for a fire in its central offices. The 225-amp standard was implemented
23 on a going forward basis, because the data did not support the cost of removing
24 the high number of larger protection devices that were already in service.

25

1 Prior to the Act and the requirement for the ILECs to allow collocation in its
2 central offices, BellSouth implemented standard equipment configurations or
3 models, similar to "extra value meals" in the fast food industry. In the case of
4 power boards, the standard configuration consists of a power board fully equipped
5 with 225-amp circuit breakers. These "extra value meals" have allowed BellSouth
6 to improve its power provisioning intervals by 33%. This means that the ALECs
7 have also enjoyed interval improvements derived from standardization.

8
9 For the above reasons, BellSouth does not support smaller protection devices than
10 225 amps at the power board due to the standardization and interval
11 improvements discussed above and the National Electric Code ("NEC")
12 requirements for electrical system coordination (Article 240-12). The NEC
13 requires coordination to properly localize a fault condition to restrict outages to
14 the equipment affected. In other words, a short circuit condition should impact
15 the operation of the downstream fuse serving just that piece of equipment, rather
16 than the upstream circuit breaker serving the entire BDFB. Manufacturer time-
17 current curves, let-through and withstand capacities, and unlatching times are
18 used to determine proper over-current protection coordination. For TPS type
19 fuses (which are the most common found in BellSouth's central offices), a three
20 to one ratio for upstream protection devices versus downstream protection devices
21 is required. Therefore, if there are 60-amp fuses in the BDFB serving equipment
22 bays, at least a 180-amp upstream device is required to serve the BDFB. Thus, it
23 would be a violation of NEC for BellSouth to serve NewSouth's BDFB with a
24 smaller protection device (such as the 100 or 120 fused amps mentioned by

1 NewSouth), when it is common for equipment bays to require at least a 40-amp
2 drain and a 60-amp protection device at the BDFB.

3
4 Q. ON PAGE 5, MR. BEASLEY STATES THAT THE FCC HAS RESPONDED
5 TO THE ALEC'S CONCERNS ABOUT PAYING FOR FUSED AMPS BY
6 NOTING THAT VERIZON HAS AMENDED THE POWER CHARGES IN ITS
7 COLLOCATION TARIFF TO APPLY COLLOCATION CHARGES ON A
8 PER-LOAD AMP REQUESTED BASIS, RATHER THAN ON A PER-FUSED
9 AMP BASIS. HE STATES, HOWEVER, BELLSOUTH HAS NOT
10 SIMILARLY REVISED THE MANNER IN WHICH IT CHARGES FOR DC
11 POWER. HOW DO YOU RESPOND?

12
13 A. Mr. Beasley is correct in regard to the fact that Verizon has filed collocation
14 tariffs with the FCC that revise the monthly rates for DC power in physical and
15 virtual collocation arrangements. Specifically, Verizon has filed new DC power
16 rates that would be assessed on a per-load amp basis in New York/Connecticut,
17 the rest of its New England region, and its Southern Region. However, what Mr.
18 Beasley has failed to mention is that the FCC has suspended these tariffs and
19 opened Docket No. 01-140⁴ to investigate the revised rates and new rate structure
20 proposed by Verizon, due to the apparently significant increase in the proposed
21 monthly power rates. Therefore, until the FCC makes its decision in regard to the
22 assessment of DC power on a per-load amp basis and BellSouth has had an
23 opportunity to review Verizon's proposed methodology for assessing DC power

⁴ See Order Designating Issues for Investigation, *In the Matter of Bell Atlantic Telephone Companies Revisions in Tariff FCC Nos. 1 and 11 (Transmittal Nos. 1373 and 1374) and Verizon Telephone Companies Tariff FCC Nos. 1 and 11 (Transmittal Nos. 23 and 24)*, CC Docket No. 01-140, released June 26, 2001.

1 on a per-load basis, BellSouth has no immediate plans to change the manner in
2 which it currently charges for DC power (i.e., on a per fused-amp basis).

3
4 Q. CONTINUING ON PAGE 5, MR. BEASLEY STATES "UNTIL BELLSOUTH
5 REFORMS ITS COLLOCATION POWER CHARGE PRACTICES, IT
6 CANNOT BE FOUND TO SATISFY ITEM I OF THE COMPETITIVE
7 CHECKLIST." DO YOU AGREE?

8
9 A. Absolutely not. BellSouth is not, nor has it ever, assessed its DC power charges
10 in an unfair, unreasonable or nondiscriminatory manner. The DC power charges
11 that BellSouth is billing to NewSouth and the other ALECs are supported by
12 industry practices/standards and are consistent with the cost recovery
13 requirements mandated by the FCC and this Commission. Furthermore, the rates,
14 terms, and conditions by which BellSouth will assess DC power charges is
15 contained in the ALEC's Interconnection Agreement or Florida Access Services
16 Tariff and BellSouth (as well as the ALEC) is legally bound to adhere to these
17 requirements. Therefore, BellSouth has met its 271 obligations in regard to this
18 issue and has complied with this checklist item.

19
20 Q. AT THE BOTTOM OF PAGE 5 AND TOP OF PAGE 6, MR. BEASLEY
21 STATES THAT NEWSOUTH HAS REQUESTED THAT BELLSOUTH
22 EITHER UTILIZE MAIN POWER BOARD FUSES THAT ARE
23 APPROPRIATELY SIZED TO MEET NEWSOUTH'S REQUIREMENTS OR
24 PLACE METERING DEVICES ON NEWSOUTH'S COLLOCATION POWER
25 FEEDS TO CAPTURE THE ACTUAL CURRENT DRAW. HE FURTHER

1 NOTES THAT NEWSOUTH HAS OFFERED TO PAY FOR ALL CHARGES
2 FOR MATERIALS AND LABOR INVOLVED TO MAKE THESE CHANGES
3 AND WOULD MAKE AVAILABLE ANY SPARE EQUIPMENT NEEDED
4 FOR REPAIRS AND REPLACEMENTS. HOWEVER, BELLSOUTH HAS
5 NOT IMPLEMENTED EITHER OF THESE PROPOSED SOLUTIONS AND
6 REFUSES TO DEVIATE FROM ITS STANDARD MAIN POWER BOARD
7 FUSE CAPACITY. HOW DO YOU RESPOND?
8

9 A. As I have already explained in this testimony, BellSouth uses a standard size
10 circuit breaker protection device of 225 amps to comply with industry standards
11 (such as those regarding fire safety) and National Electric Code (“NEC”)
12 requirements for electrical system coordination (Article 240-12). The 225-amp
13 main power board protection device standard was implemented in 1993 (before
14 the Act) on a going forward basis and has been maintained by BellSouth for all
15 power cable feeds from the main power board to the BDFBs in the central office
16 (The 225-amp standard is used to power both BellSouth’s BDFBs and the
17 ALEC’s BDFDs). Therefore, BellSouth is unwilling to provide fuses that are
18 smaller than 225 amps.
19

20 Q. FINALLY, ON PAGE 6, MR. BEASLEY ALLEGES THAT BELLSOUTH’S
21 REFUSAL TO UTILIZE FUSES THAT ARE SIZED APPROPRIATELY OR
22 METER THE ACTUAL POWER USED RESULTS IN NEWSOUTH HAVING
23 TO PAY THOUSANDS OF DOLLARS IN CHARGES FOR POWER THAT
24 NEWSOUTH HAS NOT REQUESTED AND DOES NOT NEED AT
25 NUMEROUS COLLOCATION SITES IN FLORIDA. DO YOU AGREE?

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A. For the reasons I have already explained in my testimony, BellSouth will not deviate from its standard Main Power Board fuse capacity of 225 amps for either the ALECs or itself. There is no difference in the way that BellSouth provisions DC power to an ALEC-owned BDFB than the manner in which it provisions DC power to its own BDFBs in the central office. DC power to all BDFBs, whether owned by BellSouth or the ALECs, will be fed from the main power board using a 225-amp protection device. In other words, BellSouth is providing DC power at parity to the way it provides power to itself.

BellSouth does, however, offer various industry standard size fuses at its BDFB, which are available at any electrical supply store, to all ALECs that utilize DC power from BellSouth's BDFB and not from the main power board.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

1 MR. EDENFIELD: And I would ask that his one exhibit
2 be marked as Number 27 for identification.

3 CHAIRMAN JACOBS: Okay.

4 MR. EDENFIELD: Is that the right number, Chairman
5 Jacobs?

6 CHAIRMAN JACOBS: Yes, 27.

7 MR. EDENFIELD: Okay.

8 CHAIRMAN JACOBS: That's just this one, right?

9 MR. EDENFIELD: Yes, sir, it's just one exhibit.

10 CHAIRMAN JACOBS: Okay. Because I see some others
11 here, but I guess those are --

12 MR. EDENFIELD: I think, the other exhibits are
13 attached as an affidavit to Mr. Milner's testimony.

14 CHAIRMAN JACOBS: Okay. I understand. Very well.

15 (Exhibit 27 marked for identification.)

16 BY MR. EDENFIELD:

17 Q With that, do you have a summary of your testimony,
18 Mr. Gray?

19 A Yes, sir, I do.

20 Q Would you give that now, please, sir?

21 A Yes. Good afternoon, Commissioners. Again, my name
22 is Wayne Gray, and I work for BellSouth in the Network Services
23 Organization. I have responsibility for ensuring collocation
24 performance.

25 The purpose of my surrebuttal testimony is to respond

1 to rebuttal testimony submitted by AT&T witness Steven E.
2 Turner and NewSouth witness, Ron Beasley, which I believe, was
3 adopted by Mr. Fury, related to specific collocation issues.

4 AT&T addresses several collocation areas, including
5 remote site or remote terminal collocation, adjacent off-site
6 collocation, shared collocation, recovery of extraordinary
7 cost, the collocation handbook, and co-carrier cross-connects.

8 Concerning remote site collocation, AT&T's position
9 appears to be that they do not believe remote site collocation
10 is a viable alternative for ALECs. They put forth several
11 reasons claiming that there will seldom be room in a
12 remote site for collocation, that adjacent collocation at the
13 remote site would be too difficult for the ALEC, because they
14 would have to deal with local zoning and permitting and rights
15 of way, and that adjacent collocation would be a rebuild of the
16 ILEC network.

17 At present -- at the present time, access to loops
18 served by fiber-fed remote terminals beyond the limits of the
19 central office-based xDSL service can only be accomplished by
20 placing the remote-based DSL solution at the remote terminal.
21 Because BellSouth provides telecommunication services,
22 including ADSL to many of our customers through the use of
23 remote terminals, BellSouth is obligated to make these remote
24 terminal sites available for collocation, so that the ALECs may
25 also provide services to those customers being served through

1 the remote terminal.

2 This is in compliance with the FCC rules regarding
3 remote terminal collocation; therefore, AT&T, as well as all
4 other ALECs in Florida, is being treated in a nondiscriminatory
5 manner in regard to collocation at BellSouth's remote
6 terminals.

7 As I noted in my surrebuttal testimony, BellSouth is
8 in compliance with the FCC requirements for remote terminal
9 collocation and has made physical collocation available to all
10 ALECs, including AT&T, at the remote terminal site in a
11 nondiscriminatory basis.

12 As of this date, BellSouth has not received any
13 applications for remote terminal collocation from any ALEC in
14 Florida, including AT&T. I would agree with AT&T that
15 BellSouth does not provide adjacent off-site collocation.
16 BellSouth provides on-site adjacent collocation.

17 However, AT&T's language seems to suggest that
18 BellSouth has an obligation to provide adjacent off-site
19 collocation. This is not true. The advanced services order
20 does not require this type of collocation. The FCC clarified
21 this intent on this issue in its collocation reconsidered order
22 -- reconsideration order.

23 Next, AT&T makes a fundamental error in assuming that
24 BellSouth offers collocation pursuant to its collocation
25 handbook. BellSouth does not. BellSouth's collocation

1 handbook is only a resource guide designed to be helpful to
2 those ALECs contemplating collocation with BellSouth.

3 BellSouth does have a legally-binding obligation to
4 provide physical collocation pursuant to interconnection
5 agreements and the Florida Access Services Tariff, which has
6 been approved by the Florida Public Service Commission. In
7 addition, BellSouth currently has pending before this
8 Commission a statement of generally available terms and
9 conditions.

10 AT&T argues that BellSouth should not be permitted to
11 require collocators to pay for the unexpected major renovation
12 or upgrade costs necessary to facilitate physical collocation.
13 I disagree. Pursuant to the FCC's Advanced Services Order,
14 BellSouth can require collocators to share in the cost of major
15 renovation and our upgrade costs that may be associated with
16 but not limited to ground plain additions, environmental hazard
17 or hazardous material abatement, major mechanical upgrades,
18 HVAC upgrades, Americans with Disabilities Act compliance and
19 so forth. This is, again, in compliance with the FCC's
20 Advanced Services Order.

21 Of course, the language contained in the ALEC's
22 interconnection agreement dictates the types of rates and
23 charges that BellSouth is permitted to charge an ALEC;
24 therefore, if the provision exists and the ALEC's
25 interconnection agreement that requires it to pay a portion of

1 any unexpected major renovation or upgraded expenses incurred
2 by BellSouth to facilitate physical collocation, then BellSouth
3 would be allowed to assess those costs to the ALEC in
4 accordance with the rates, terms, and conditions contained in
5 their interconnection agreement.

6 On shared collocation, BellSouth believes that its
7 interpretation of the FCC's Advanced Services Order is correct.
8 In addition, this Commission has also ruled in the generic
9 collocation proceeding, 981834-TP and 990312-TP, that ILECs and
10 ALECs must follow the FCC's Advanced Services Order regarding
11 the provision of shared collocation.

12 AT&T's assertion that the FCC has issued its fourth
13 Report and Order in CC docket number 98147, which should
14 clarify the ILEC's obligations regarding cross-connects between
15 collocators within a central office is true. BellSouth has
16 modified its collocation offering to comply with this order.

17 Next I'll move on to NewSouth's witnesses. NewSouth
18 raises questions about how BellSouth bills for power to a
19 physical collocation arrangement. BellSouth bills for power
20 based on fused amps, but then adjusts the usage down to
21 compensate for fuse versus actual load. This Commission has
22 ruled in the MCI arbitration that that is the appropriate way
23 to charge for power.

24 NewSouth raises concern with BellSouth's standard
25 feed from the power board of 225 amps. This feed is provided

1 when the ALEC chooses to provide its own battery distribution
2 and fuse board or BDFB. An ALEC can receive power feeds from
3 10 to 60 amps when powering their equipment from a
4 BellSouth-provided BDFB. NewSouth's engineers made the
5 decision to provide their own BDFB's knowing that they were
6 ordering a 225-amp feed and that lower-power feeds were
7 available through the use of a BellSouth BDFB.

8 BellSouth's standardized on the 225-amp feed from the
9 power board long before collocation was available to shorten
10 both provisioning intervals and to reduce costs. There is a
11 simple solution for NewSouth to this problem. They can
12 exercise what at least two other CLECs have done. The solution
13 is to recable from their BDFB to a BellSouth BDFB thereby being
14 able to receive anywhere from 10 to 60 amps and meet their
15 actual load needs. In conclusion, BellSouth provides
16 collocation in compliance with the FCC rules and in compliance
17 with checklist item one.

18 This concludes my summary. Thank you.

19 MR. EDENFIELD: Mr. Gray's available for cross
20 examination.

21 CHAIRMAN JACOBS: Ms. Masterton.

22 MS. MASTERTON: Yes, I have a couple questions.

23 CROSS EXAMINATION

24 BY MS. MASTERTON:

25 Q Good afternoon, Mr. Gray. I'm Susan Masterton

1 representing Sprint.

2 A Good afternoon.

3 Q Could you please describe the notification process
4 that BellSouth uses to advise ALECs on your collocation waiting
5 list when space becomes available to meet their collocation
6 needs?

7 A Yes. First, the offices that are on the waiting list
8 are published on a web site, and then when an office becomes
9 available then we make a general notice on the web site and
10 then we start contacting the ALECs in order of their position
11 on the waiting list.

12 Q So, are you saying that say you have seven ALECs on
13 the waiting list and they each ask for 100 square feet and then
14 500 square feet becomes available, so do you notify the first
15 five ALECs at the same time or do you just notify the first one
16 and then go down the list?

17 A I'm not exactly sure. It's my understanding that we
18 will -- if there's 500 square foot, we will notify those ALECs
19 that add up the first five, if they're 100 apiece, like you
20 said. It's my understanding we would notify those five. And
21 then, let's say that the third on the waiting list decides they
22 don't want their space, then we would -- want the space
23 anymore, then we would go to the next on the waiting list and
24 so forth until the waiting list was cleared.

25 MS. MASTERTON: Okay. That's all I had, then, thank

1 you.

2 CHAIRMAN JACOBS: Ms. Ockleberry.

3 CROSS EXAMINATION

4 BY MS. OCKLEBERRY:

5 Q Good afternoon, Mr. Gray, how are you?

6 A Good afternoon, good.

7 Q I just have a couple questions. First, just so that
8 we're clear, collocation is placing our equipment in your
9 central office, basically, so we can interconnect our networks?

10 A Either in the central office or in a remote terminal,
11 and the FCC's fourth -- recent Order changed or identified or
12 identified or specified the language on when that's the case
13 necessary for interconnection and access to unbundled elements.

14 Q So, as long as it's at one of your premises, be it
15 the central office or another building?

16 A Right, yes, ma'am.

17 Q And you would agree that collocation is a 271
18 requirement?

19 A Oh, yes, definitely.

20 Q And you would agree that BellSouth must provide
21 collocation on terms, rates, and conditions that are just,
22 reasonable and nondiscriminatory?

23 A Yes, ma'am.

24 Q Okay. Now, you provide collocation in Florida either
25 through tariffs or interconnection agreements, correct?

1 A That's correct.

2 Q And you attach the collocation agreement of Yipes to
3 your testimony, correct?

4 A Not to my testimony, no. It's in the affidavit
5 attached to Mr. Miller's.

6 Q I'm sorry, you're correct. It was the exhibit to
7 your affidavit.

8 And you also indicated that you have a collocation
9 agreement with BellSouth long distance to provide collocation?

10 A Yes, we do. I'm not sure if they're in Florida or
11 not, but we have an interconnection agreement with BellSouth
12 long distance.

13 Q Okay, but you reference that in your Florida
14 affidavit, correct?

15 A Okay, I'm sorry, yes.

16 Q And you indicate that BellSouth long distance has not
17 received any preferential treatment in terms of the rates,
18 terms, or conditions?

19 A That's correct. And, indeed, any ALEC can adopt the
20 BellSouth long-distance interconnection agreement as their own.

21 Q Well, has any ALEC in Florida opted into that
22 collocation agreement that you're aware of?

23 A I'm not aware of any.

24 Q You didn't provide that agreement as an exhibit to
25 your affidavit, though, did you?

1 A I don't believe so.

2 Q You talked about the remote terminal collocation in
3 your summary, and I wanted to talk to you a little bit about
4 that. You've read the rebuttal testimony of Steve Turner,
5 correct?

6 A Yes, I have.

7 Q And, specifically, he talks about the viability of an
8 ALEC collocating at the remote terminal to reach customers,
9 specifically, to provide advanced services, correct?

10 A Yes, he does.

11 Q And, now, my understanding, just so that I'm clear
12 and you're clear, is that with NGDLC, the customer served with
13 fiber from the central office to the remote terminal and then
14 from the remote terminal to the customer's premises there is
15 copper?

16 A That's true of any DLC -- any -- well, I've got to be
17 careful.

18 In most DLC arrangements that's the way it's done.
19 There are some DLCs that are copper-fed as well, but the most
20 common is fiber-fed.

21 Q And it's your understanding that for advanced
22 services, such as xDSL, you need a copper loop to be able to
23 serve that customer; is that your understanding?

24 A It's not my understanding that you always will, but
25 for DSL, DSL is a copper-based service, so for DSL, yes, you

1 need a copper loop.

2 Q So, if -- suppose that the customer served by fiber
3 -- originally they were served by copper and we collocated at
4 the central office to serve that customer, that customer is
5 then rolled over on to fiber. If we want to continue to serve
6 that customer, one of the ways we would have to do that, using
7 xDSL, would be to collocate at the remote terminal?

8 A I'm a little confused with the scenario you set up.
9 Are you saying that you're providing them DSL service today
10 from the central office?

11 Q Right. And say they were served by copper and then
12 they're rolled over to fiber, but we're collocated at the
13 central office, that's where our DSLAM is.

14 A I don't know that that situation would ever occur
15 where -- again, I'm the collocation witness, so I can't tell
16 you our policies on reassigning loops in the central office, so
17 I don't know whether that situation would occur or not.

18 Q Okay. Well, say we're collocated at the central
19 office and something happens, and we need to serve that
20 customer over -- want to serve that customer with xDSL. Do you
21 know if we would again have to collocate at the remote terminal
22 to serve that customer?

23 A If the customer's loop -- first off, if the
24 customer's loop is partially fiber, then, yes, you'll have to
25 collocate at the remote terminal.

1 Q Okay. And that would be even if we were originally
2 collocated at the central office?

3 A Well, if the customer's loop is fiber, partially
4 fiber, you could not have been provided DSL service from the
5 central office. You would have had to be at the remote
6 terminal.

7 Q That's why I was trying to go to the original example
8 where the customer was originally all copper rolled over, but
9 you're saying you don't understand that scenario.

10 A Well, I don't know that we would ever do that. I'm
11 not involved in assigning loops.

12 Q Okay. Well, you disagree with Mr. Turner's statement
13 about remote terminal collocation being expensive, correct?

14 A Well, not that I -- I did not disagree that it's
15 expensive. What I disagreed with was that with his statements
16 that it was not viable. Every ALEC, every RBOC, every ILEC
17 that decides to provide DSL services to customers that are
18 served on remote terminals are going to have to make a business
19 decision on whether it's the right thing to do.

20 Now, obviously, from the testimony you've heard here
21 today and yesterday, BellSouth has made that decision, and we
22 are deploying DSL in our remote terminals. The ALECs will
23 spend similar amounts of money as we did to do that very same
24 thing, and you heard Mr. Williams testify, and it's in my
25 deposition late-filed exhibit that BellSouth, in cases where we

1 have placed a DSL unit in a remote terminal, we will do
2 everything possible to make sure collocation space is there so
3 that the ALECs can compete freely with us.

4 So, yeah, Mr. Turner makes it sound like it's not a
5 viable option, but BellSouth has decided for itself it is a
6 viable option, and you have the same access to the same
7 customer as I do, so it's a business decision.

8 Q Well, you would agree that collocating at the at the
9 central office we could reach more customers than if we were to
10 collocate at the remote terminal?

11 A As Mr., I believe, Williams said, that's an iffy
12 state-- maybe. You can reach customers who have copper loops
13 within the limits of DSL service that are served out of that
14 central office. You will not be able to reach any customer
15 that's served via fiber loops, just like BellSouth can only
16 reach customers with copper loops out of the central office
17 within the limits if they put their DSLAM in a central office.
18 We did that, and then we moved on to the remote terminals,
19 which is the right decision. And we believe that, and we've
20 moved into that market.

21 Q Well, one of the ways that an ALEC could serve that
22 customer would be if BellSouth unbundled their packet
23 switching, correct? Therefore, they wouldn't have to collocate
24 at the remote terminal.

25 A Again, I'm the collocation witness. That would be a

1 question better suited for Mr. Milner, I believe.

2 Q Okay. Well, BellSouth could also allow an ALEC to
3 use an integrated splitter card that performs the DSLAM
4 function, couldn't they?

5 A Again, I would refer that to Mr. Milner. That's not
6 a collocation question.

7 Q Well, I believe, you testified to that during your
8 deposition when that question was asked of you, and you said
9 that BellSouth does not allow use of that integrated line card,
10 because of security and safety reasons, that it was not a
11 technical feasibility reason as to why BellSouth would not
12 allow use of that integrated line card.

13 A I talked some in my deposition about the issues with
14 placing cards and BellSouth equipment by ALECs but, again, the
15 more complete answer is better asked to Mr. Milner. He can
16 give you the more specifics on that.

17 Q But you did address that in your deposition?

18 A From a collocation standpoint, yes, BellSouth --

19 MR. EDENFIELD: Excuse me. I'm going to pose an
20 objection. What's asked in a deposition is oftentimes beyond
21 the scope of the testimony that's been filed in this
22 proceeding. That is exactly what Ms. Ockleberry did is she
23 asked questions in the deposition that exceeded the scope of
24 the testimony of Mr. Gray.

25 Mr. Gray has now told her on two occasions that he is

1 not the person to answer these questions, yet she persists in
2 asking these questions. They are beyond the scope of his
3 testimony. Mr. Milner's here, and Mr. Milner will be
4 testifying, and I would ask that she save the questions for
5 him.

6 MS. OCKLEBERRY: If I may, Mr. Chairman. First of
7 all, I did not ask these questions during a deposition. I
8 believe, they were asked of him by Staff and Mr. Gray, at that
9 time, answered those questions. It is now today he is saying
10 he does not know, and I'm just trying to refresh his memory as
11 to what he testified to during his deposition. If I'm not
12 mistaken, I don't know if the depositions were entered into
13 evidence, but they were taken by Staff. These are not
14 questions I asked of him.

15 CHAIRMAN JACOBS: So, your questions relate to
16 testimony that he did give in his deposition?

17 MS. OCKLEBERRY: Yes, Mr. Chairman. And they were
18 asked by Staff. They were not asked by AT&T.

19 CHAIRMAN JACOBS: Okay. Mr. Edenfield, I'll allow
20 them based on that she's refreshing his memory from his
21 deposition testimony, but if that contradicts your
22 understanding, then --

23 MR. EDENFIELD: No. All I'm asking is to the extent
24 that Mr. Gray is indicating that he's not the person to answer
25 the question and that he's identified who that person is, I'm

1 just asking that that person be allowed to answer those
2 questions and not have the same question asked over and over
3 after he's already indicated he's not the person to answer it.

4 MS. OCKLEBERRY: I didn't mean to interrupt, Mr.
5 Chairman, I'm sorry. I believe, the deposition was entered as
6 Exhibit 8, and it's already a part of the record.

7 CHAIRMAN JACOBS: Okay. To the extent that you're
8 pursuing his deposition testimony, then I'll allow that.

9 BY MS. OCKLEBERRY:

10 Q Okay. And my question was just simply, those
11 questions were asked of you during your depositions and you
12 provided answers at that time, correct?

13 A Yes. And in your conversation you said I said I
14 didn't know. I never said I didn't know, okay? I said that
15 Mr. Milner is the better person to ask the specifics of the
16 integrated line card. I can give you a collocation answer
17 that, I think, will answer your question.

18 Q Okay.

19 A BellSouth's position on remote terminal collocation
20 is that it should be done at the mounting plate or mounting
21 shelf level, that way the CLEC controls all the equipment on
22 the mounting shelf, they are not working in equipment that
23 belongs to BellSouth and has BellSouth's customers on it.

24 What you're asking for is collocation of line cards,
25 and we do not support that. We do not agree that that should

1 happen. It's a situation where we don't want other companies
2 pulling cards in and out that serve our customers and taking
3 our customers out of service because they accidentally pulled
4 the wrong card out, so we allow collocation at the mounting
5 plate level, not at the circuit pack level.

6 Q But to, I guess, address those concerns, you could
7 use virtual collocation, could you not, where BellSouth, I
8 guess, would -- or the ALEC would actually lease this line card
9 to BellSouth and they would be responsible for maintaining it
10 and taking care of it so that the CLEC -- excuse me, I forget
11 I'm in Florida -- the ALEC would not be then dealing with
12 BellSouth's equipment?

13 A That would then be -- get into the issue of
14 unbundling the packet, and that is a question for Mr. Milner.

15 Q Okay. Now, you indicated that there is -- currently
16 no ALEC in Florida has collocated a DSLAM at BellSouth's remote
17 terminals?

18 A That's correct.

19 Q And that's either through adjacent collocation or
20 internal collocation?

21 A That's correct.

22 Q Do you think it has anything to do with the cost of
23 having to collocate a DSLAM at the remote terminal?

24 A No. I think, it's that the ALECs have not gotten to
25 the point where they're ready to go that next phase, moving

1 from the central office to the remote terminal. It's a normal
2 progression, and they offer another product.

3 Q Now, your affidavit references how BellSouth provides
4 shared collocation, correct?

5 A Yes.

6 Q And you require a host and a guest, correct?

7 A Let me -- we've got to make sure we use the terms
8 correctly.

9 We required that a host arrange with us for the
10 initial building of the cage. However, once the cage is
11 established, any ALEC who wants to collocate in that cage deals
12 directly with BellSouth in reference to terms of their
13 interconnection agreement.

14 Q But you also, according to your affidavit, indicate
15 that the host must indemnify and hold BellSouth harmless for
16 any causes of action arising from the guest, correct?

17 A I may have. I remember some similar language in my
18 affidavit, yes.

19 Q Your affidavit also references that the host is the
20 sole interface and responsible party to pay for the rates and
21 charges and making sure also that the guest complies with the
22 safety and security requirements; is that correct?

23 A Again, that's with just the building of the cage
24 itself. Once the cage is set up, all the CLECs or ALECs who
25 collocate in that cage deal with BellSouth directly through

1 their interconnection agreements.

2 Q So, then, that reference in your affidavit that the
3 host has to ensure that the guest complies with the safety and
4 security of requirements is incorrect?

5 A It's correct as far as establishment of the cage.
6 But then, again, once they're in place or they're ready to
7 actually put their equipment in place, their interconnection
8 agreement is what counts.

9 Q Does your affidavit reference that the host-guest
10 provision only applies until the cage is built and that once
11 the ALECs have collocated their equipment, this host-guest
12 provision no longer applies?

13 A I think, I clarify that in my surrebuttal testimony.

14 Q Did you indicate -- where in your surrebuttal
15 testimony did you indicate that there is no longer a need for
16 the host-guest relationship?

17 A I think, I describe in here what we mean by that. I
18 have to find it.

19 Q I mean, I didn't see it. I could be wrong, so if you
20 can point me to it.

21 MR. EDENFIELD: If Ms. Ockleberry doesn't object, I
22 can get us in the right place, if it'll help speed things
23 along, but I don't want to --

24 CHAIRMAN JACOBS: I think that'll be okay.

25 MR. EDENFIELD: If you can take a look at 37.

1 THE WITNESS: Okay, thank you. I was still a long
2 way from there.

3 A Yes, that's the question and answer on page 37, the
4 question's Line 3 and the answer starts on Line 12.

5 BY MS. OCKLEBERRY:

6 Q I read that part, and if you can point me to an
7 indication in here where it says the host-guest relationship
8 only applies until the ALECs place their equipment in the cage,
9 because I believe this is the same language that is referenced
10 in the tariff also.

11 A Yes. And it doesn't say the specific words you're
12 saying. What it does say is it says this should not be
13 confused -- let me find the actual words.

14 It starts on Page 37, Line 24, we were talking about
15 the fact that the ALECs deal directly with us for placement of
16 the equipment for providing UNEs. And then at the bottom of
17 37, last line, the sentence starts, "This should not be
18 confused with the initial ALEC's order for caged collocation
19 space which would be placed by the initial ALEC prior to
20 collocation of any ALECs."

21 What you've got to keep in mind is the FCC's Order
22 states that the shared space shall be based on negotiations
23 between the CLECs or the ALECs, on what they want, so
24 BellSouth's not a party of that effort.

25 And we have a host CLEC come to us to discuss the

1 building of the cage. Once the cage is in place, we deal
2 directly with all the different ALECs individually based on
3 their interconnection agreements.

4 Q Sir, are you going to amend the tariff, then, to make
5 that a provision where after the ALECs then collocate their
6 equipment, the host is no longer responsible for the actions of
7 the guest? Because that's the way the tariff reads now and, I
8 guess, I'm a little confused, because you're saying that only
9 applies until the equipment is in, and the tariff does not
10 indicate that once the equipment is in, the host is no longer
11 responsible for the actions of the guest.

12 A I might even mention that the actual place of
13 equipment we deal directly with the CLEC on there through their
14 interconnection agreements, rates, terms and conditions. If
15 there's an inconsistency in the tariff, we'll surely look at
16 that and correct it, if it's there.

17 Q Okay. Now, BellSouth uses standard pricing in
18 Florida?

19 A For those ALECs that have gone to standard pricing,
20 that's correct.

21 Q And standard pricing means that the prices for -- I
22 guess, certain things are clearly defined, and it would be the
23 same for all ALECs, then?

24 A Yes. Standard pricing is a -- yes, that's a correct
25 statement. It would be standard across all offices in Florida.

1 Q Now, under standard pricing are all capital costs
2 recovered through the recurring rates?

3 A Yes, that's correct.

4 Q Okay. And that would include any augments or
5 additions to collocation that are needed?

6 A Yes, that's correct.

7 Q Okay. Now, ICB pricing, that is Individual Case
8 Basis pricing?

9 A Individual Case Base pricing, yes.

10 Q And that means that the price is set according to the
11 services that the ALEC requests and that they would pay for the
12 actual cost of those services?

13 A The second part was correct. What ICB means is that
14 whatever it costs to put in the equipment the CLEC pays with
15 one slight difference. The FCC has made it clear that if
16 BellSouth goes in and renovates an area of a central office for
17 collocation that that major renovation cost has to be pro-rated
18 over to the user.

19 So, let's say I renovate 1,000 square foot, AT&T
20 comes in, they need 100 square foot. They're not going to pay
21 the renovation cost for that thousand square foot, they only
22 pay 10% or 100 of the thousand square foot. So, the major
23 renovation cost under ICB would be allocated based on usage in
24 addition to the cost of actually putting in -- preparing the
25 collocation space for the specific equipment.

1 Q Well, I think, the example you gave before was under
2 ICB pricing that if AT&T required a piece of equipment that
3 cost \$1,000, we would actually pay that thousand dollar cost
4 under ICB pricing.

5 A You would pay that thousand dollars plus a pro-rated
6 share of any major renovation that was done prior to you going
7 in.

8 Q And under standard pricing, you would just recover
9 that cost and a recurring cost over time.

10 A That's correct.

11 Q Okay. Now, in Florida there are standard rates, I
12 think you indicated, except for those individuals who, for some
13 reason, chose not to have that?

14 A Right. Almost everyone in Florida is under standard
15 rates.

16 Q That's what I was going to ask you.

17 A Right.

18 Q Is there any ALEC that you're aware of that uses ICB
19 pricing for collocation in Florida?

20 A Not that I'm aware of, but I don't deal directly with
21 the contracts for the ALECs.

22 Q So, the standard rates would include those for
23 augments, such as power augments?

24 A Yes.

25 Q Okay. Now --

1 A Assuming now -- assuming that you don't have an ICB
2 piece in your contract. I know in another forum you and I were
3 in, we noticed that for power, for some reason, in your
4 contract in that state you had an ICB component, so in that
5 case you would have to pay those costs, but if you're pure
6 standard rates, which is the standard offer here in Georgia
7 that's part of the SGAT, you would not have that issue.

8 Q Okay. Now, there was an arbitration here, I guess,
9 it was between AT&T, MCI, and BellSouth. That was attached as
10 Exhibit 2 to your affidavit, correct?

11 A It was attached -- it may have been Exhibit 2, yes.

12 Q And on Page 153 through 155, I believe it is, the
13 Commission addressed the issue of recovering for power.

14 A If it's Attachment 2, I'm in trouble, because the
15 last page is 92 of my copy. Do you have a copy you can show
16 me?

17 MS. OCKLEBERRY: Do you have another copy for him? I
18 have one, I just need to use mine to reference when I'm asking
19 you the questions.

20 MR. EDENFIELD: Ya'll hold on just one second.

21 COMMISSIONER JABER: Mr. Gray, while they get you a
22 copy, let me ask you a question --

23 THE WITNESS: Yes, ma'am.

24 COMMISSIONER JABER: -- about something that perhaps
25 unrelated to this, but it piqued my interest. You said

1 BellSouth long distance. BellSouth has not received FCC
2 approval for 271 in any of its states, right?

3 THE WITNESS: That's correct. We do provide long
4 distance though for Cingular, our joint venture.

5 COMMISSIONER JABER: So, BellSouth long distance is
6 your wireless long-distance company?

7 THE WITNESS: Well, it's our long-distance company
8 that just happens to provide service to Cingular customers, but
9 in our local serving area where we serve local customers, we
10 cannot provide long distance.

11 COMMISSIONER JABER: And even when states give you
12 271 authority, you are not allowed to provide long distance
13 until the FCC gives you that final approval?

14 THE WITNESS: That's correct.

15 MR. EDENFIELD: I was waiting for you to get done.

16 COMMISSIONER JABER: Thank you.

17

18 BY MS. OCKLEBERRY:

19 Q I'm referencing you to Pages 153 through 155, because
20 I was asking you about power charges.

21 A Okay.

22 Q And, specifically, I want you to look at Page 154 of
23 that exhibit.

24 A Okay.

25 Q The first full paragraph when it starts off about

1 AT&T/MCI witness Bissel?

2 A Yes.

3 Q Okay. If you could read probably through the second
4 line, and then there's a question I wanted to ask you about
5 that.

6 A Okay.

7 Q Okay. Now, would you agree that what the AT&T/MCI
8 witness was arguing to the Commission, I guess, at that time is
9 that BellSouth was attempting to double recover for power plant
10 augments, because what I guess he was saying was that in your
11 proposed rates you included the cost of power augments in the
12 ICB pricing and you also had a recurring charge that recovered
13 for those augments. I'm just saying that's the argument that
14 was made.

15 A Okay.

16 Q Do you agree with that by reading that?

17 A I didn't get all of that out of it. I saw that there
18 was a concern about double recovery of power plant expansion in
19 its proposed rates.

20 Q So, that was the argument that AT&T made at that
21 time?

22 A Right.

23 Q Okay. And I want you to read a little bit further
24 going over from 153 to 150 -- excuse me, 154 to 155.

25 A You want me to read all of it?

1 Q Are you familiar with the -- well, I was trying to
2 make sure you were familiar with it. Even though it's attached
3 as an exhibit to your affidavit, I assumed you were, but I want
4 to ask you some specific questions, and I want to be sure that
5 you have read that specific information.

6 A Let me read it again, then.

7 Q Okay.

8 A It's been awhile.

9 Q Now, you would agree the Commission looked at your
10 guidelines to determine if BellSouth was double recovering for
11 these power augments, whether you were getting them on an ICB
12 basis and also through a recurring rate.

13 A Maybe I read over that, but I didn't see it that way.
14 I saw that the Commission had a concern that that might happen,
15 and wanted to make sure that it didn't, but I didn't see that
16 they said it was happening.

17 Q No, I said you agree that the Commission looked at
18 your guidelines to determine if BellSouth was double
19 recovering.

20 A Okay, yes.

21 Q And what the Commission found was the language in
22 your guidelines indicated that BellSouth was charging an ICB
23 cost for the power plant augment and that if you were doing
24 that it would not be appropriate to recover that cost also
25 through a recurring charge.

1 A Oh, and I agree with that.

2 Q Okay.

3 A We recover it once but, as I said, we've moved to a
4 pure recurring rate, so we wouldn't be charging ICB in that
5 case.

6 Q Okay. And you agree the Commission ruled that power
7 plant augments should not be recovered in the space preparation
8 charges or on an ICB basis, but they're recovered on a
9 recurring basis?

10 A Yes.

11 Q Okay. Now, the Commission also approved a recurring
12 per amp charge which would include the cost recovery for
13 augments; did they not in this arbitration?

14 A Yes, and that's what we offer today.

15 Q Okay. Now, AT&T, I believe, served some discovery on
16 BellSouth in this docket, and we asked you if the ALEC's power
17 request requires BellSouth to augment its power plant would
18 those charges be recovered on a recurring or nonrecurring
19 basis?

20 A Yes, that's correct.

21 Q Okay. And you answered that it would be recovered on
22 a recurring cost?

23 A That's correct.

24 Q And that's standard pricing?

25 A That's standard pricing.

1 Q Everything we have indicates that BellSouth has said
2 power plant augments are to be recovered on a recurring basis?

3 A That's correct, as long as you've adopted standard
4 pricing. If you've got an ICB contract, though, we are
5 required under your interconnection agreement to do ICB
6 pricing, and then that would be a different story.

7 Q Okay. And you're not aware, though, of any ALEC in
8 Florida that has ICB pricing?

9 A No. And in fact, before coming on the stand I
10 checked the status of the AT&T interconnection agreement and,
11 indeed, the new agreement we're close to signing is standard
12 rates.

13 Q Okay. Now, I believe, you've looked at the testimony
14 of Steve Turner, because you reference it in your testimony.

15 A Yes.

16 Q And in his rebuttal he provided Exhibit 3. And, I
17 believe, what his Exhibit 3 is the nonrecurring charges that
18 AT&T has been assessed by BellSouth in Florida for power
19 augments.

20 A Thank you.

21 Q She's handing out a copy, but it was attached to his
22 testimony.

23 A Yes.

24 Q Correct? And on Page 30 of your rebuttal, you refer
25 to that as a billing dispute?

1 A Yes. As a matter of fact, we're working with you on
2 that and there are cases where we have, indeed, overcharged
3 AT&T, there are cases where we have undercharged AT&T. And the
4 latest status on that is it's very close to being finalized and
5 it should either come out a wash or the latest is it looks like
6 AT&T may owe us a little bit more money, but it is a billing
7 issue where we had made some errors in billing.

8 CHAIRMAN JACOBS: Ms. Ockleberry, did you want to
9 mark this?

10 MS. OCKLEBERRY: Well, Mr. Chairman, I believe, it's
11 already in the record as an exhibit to Steve Turner's
12 testimony. I just passed it out for ease of reference so
13 everyone would have a copy of it.

14 CHAIRMAN JACOBS: Okay, no problem.

15 BY MS. OCKLEBERRY:

16 Q Well, actually what happened here is BellSouth
17 charged AT&T recurring charges for the power augment through
18 the per amp charge and then charged AT&T a separate ICB rate
19 for the power augment, correct?

20 A I'm not sure if that's what caused the billing error
21 or not. I do know that there was a billing error and that
22 we're correcting it.

23 Q Now, does the -- you had -- and, I guess, we could
24 use this, because it's really good -- I believe, it was Exhibit
25 10 to your rebuttal testimony?

1 A Yes.

2 Q Okay. Now, the recurring rate for fused amps that
3 BellSouth recovers, does that include also for the cost of the
4 battery dist-- let me make sure I've got this right -- the
5 battery distribution fuse board, that's that BDFB there?

6 A The actual specifics of what's included in the
7 recurring cost is really a question for Daonne Caldwell. She
8 does the cost studies, she knows the actual details of what's
9 in there. I do not know the details. I can give you general
10 statements of what the general philosophy of that is, and that
11 is to capture all the costs that provide the power, which would
12 include any component in it, but the actual specifics is better
13 addressed to Ms. Caldwell.

14 Q Well, I guess, your general understanding is, then,
15 any cost for power, and I thought I asked you this earlier, are
16 recovered through the recurring rate that BellSouth charges?

17 A Right, the capital costs are part of the recurring
18 rate, the establishment of the recurring rate.

19 Q And as far as you know, that would include the cost
20 for recovery of BellSouth's BDFB, their battery distribution
21 fuse board?

22 A I'm just not sure -- ALECs provide power two
23 different ways. They can go straight to our power board and
24 provide their own BDFB, which is part of the testimony here
25 from NewSouth or they can provide it through our BDFB. I'm not

1 sure, when the cost models were developed, how they addressed
2 that.

3 Q Well, do you know then if we use our own BDFB if the
4 fused amp rate you charge us is less than when we use your
5 BDFB?

6 A No. I believe, there's a single rate for that in the
7 cost study.

8 Q When we install a BDFB, we pay for that installation,
9 don't we, and the BDFB?

10 A You buy the BDFB yourself and install it yourself,
11 correct.

12 Q Well, I believe, there was -- when your deposition
13 was taken here, you indicated that if we install our own BDFB
14 that we should be charged a lower fused amp rate?

15 A What I believe I said in the deposition is that I
16 thought there should be two separate rates, because we don't
17 have to put in the BDFB, but then I'm not a cost witness, I
18 don't know how costs are done.

19 It could very well be that when the cost element was
20 developed, they looked at the percentage of times that we
21 provide the BDFB and the percentage of times that the CLEC does
22 and took that into consideration when they set the rate. I
23 don't know that; Daonne would.

24 Q So, even though you said that during your deposition,
25 I guess, that you thought there should be a lower fuse rate,

1 today you're saying you're not really sure?

2 A I said in my deposition something to the effect that
3 it would make sense that it would be a separate rate, because
4 we don't provide a BDFB but, again, I'm not a cost witness, and
5 I'm not sure how they take those factors into account. That's
6 something that Ms. Caldwell could tell you.

7 Q Okay. Now, let me ask you a question about
8 cross-connects. Do you know if you use one cross-connect per
9 circuit -- and I'm -- well, let me ask you the question -- I'm
10 referencing it to an exhibit that you filed, which was Exhibit
11 2 attached to your affidavit. And if you could go to Page 164
12 for me this was the arbitration decision by the Commission?

13 A Is that the same one that you gave me earlier?

14 Q Well, that your attorney gave you, yes.

15 A Yeah, that we looked at earlier?

16 Q Right. You still have that up there?

17 A Yes.

18 Q Okay. If you could go to 164, and the Commission in
19 that arbitration priced cross-connects --

20 CHAIRMAN JACOBS: Ms. Ockleberry, we may need you to
21 stay as close to the microphone as possible.

22 MS. OCKLEBERRY: I'm sorry.

23 BY MS. OCKLEBERRY:

24 Q The Commission priced the cross-connects per 100
25 circuits, and I'm trying to find out how that breaks down per

1 cross-connect.

2 A Again, you're getting into rates, and Ms. Caldwell is
3 the cost and rates witness, not me.

4 Q Well, you wouldn't know how many cross-connects you
5 would need per circuit?

6 A Well --

7 Q I'm just asking.

8 A It depends on how we terminate to you. If you're
9 terminated on our combined distributing frame, I guess, I could
10 count them up, just going through my mind. I mean, there's a
11 cross-connect to get the loop to your CFA and that may be it,
12 I'm not sure. I'm not sure.

13 MS. OCKLEBERRY: Okay. I have nothing further.

14 CHAIRMAN JACOBS: Ms. McNulty.

15 CROSS EXAMINATION

16 BY MS. McNULTY:

17 Q Good afternoon, Mr. Gray. I'm Donna McNulty with
18 Worldcom.

19 A Yes, good morning -- afternoon, sorry.

20 Q Were you here yesterday during Mr. Melson's cross
21 examination of Ms. Caldwell?

22 A Yes, I was.

23 Q Do you recall yesterday that Ms. Caldwell deferred to
24 you some questions regarding assembly point application fees?

25 A Yes, and she was incorrect. She should have referred

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1 those to Mr. Milner, who will be following me.

2 Q So, all these questions should really go to
3 Mr. Milner, then?

4 A Yes. Assembly point is an alternative to
5 collocation. I'm collocation, so it's actually, you know, it's
6 an alternative to me, and Mr. Milner has the information on
7 that.

8 Q And I hope Mr. Milner knows that.

9 A He does.

10 COMMISSIONER JABER: I was going to say Mr. Milner is
11 not going to say you were incorrect, is he?

12 THE WITNESS: No, he's aware of that topic.

13 MS. McNULTY: Thank you.

14 BY MS. McNULTY:

15 Q When an ALEC collocates in a central office,
16 BellSouth makes DC power available to the collocator, doesn't
17 it?

18 A Yes, we do.

19 Q And that's because telecommunications equipment
20 generally runs on DC power?

21 A That's correct.

22 Q And BellSouth also makes DC power available when an
23 ALEC collocates at a remote terminal?

24 A When they collocate internal to the remote terminal,
25 that's correct.

1 Q And BellSouth makes adjacent collocation available
2 when space is legitimately exhausted within a BellSouth C.O.;
3 is that correct?

4 A That's correct.

5 Q Do you recall that on Page 11 of your affidavit
6 regarding adjacent collocation, you state in part "At the
7 ALEC's option and where the local authority having jurisdiction
8 permits, BellSouth will provide an AC power source in
9 accordance with the requirements of the National Electric
10 Code"?

11 A Yes. That's in reference to an arbitration decision
12 that, I believe, MCI had with BellSouth where this Commission
13 ordered that we provide AC power to an adjacent site, but that
14 MCI has to provide the cabling.

15 Q I will get to that in a minute.

16 A Okay.

17 Q But actually what the affidavit says is that
18 BellSouth will provide an AC power source?

19 A That's right, that's what the Commission ordered.
20 And, of course, it has to meet building codes and national
21 electric codes and the ALEC has to come up with the cable.

22 Q Are you aware that in the Worldcom/BellSouth
23 arbitration the Florida Commission actually found that
24 providing AC power to an adjacent collocation space is
25 discriminatory and ordered BellSouth to provide DC power?

1 A I'm sorry, you're right. I was getting AC and DC
2 confused in my mind. In Florida in the MCI/Worldcom
3 arbitration, they ordered DC power, and that's what I was
4 saying, I was just saying AC and meaning DC, but yes, you're
5 correct.

6 I would like to point out that -- and, of course, we
7 don't want to rehash something this Commission's already
8 decided, they said we've got to do it and provided that
9 Worldcom comes up with the cable that will perform outside, and
10 we've got to do it and, of course, assuming that we can meet
11 the National Electric Code, but adjacent collocation equipment
12 is basically remote terminal equipment.

13 Remote terminal equipment is designed to run on AC
14 power -- however, the equipment isn't, but the enclosures
15 themselves are designed to be powered by AC. So this proposal,
16 although BellSouth will do it, we'll meet the order, it's going
17 to be very costly to the CLEC and, I believe, that will never
18 happen, because the CLEC will realize that the first time they
19 try to do it.

20 Q I just want to be clear. BellSouth intends to comply
21 with this Commission's order and will provide DC power to
22 Worldcom in adjacent collocation arrangements?

23 A Yes, as long as the conditions in the Order are met.

24 MS. McNULTY: Thank you. Worldcom has no further
25 questions.

1 CHAIRMAN JACOBS: Ms. Kaufman.

2 MS. KAUFMAN: Thank you, Mr. Chairman.

3 CROSS EXAMINATION

4 BY MS. KAUFMAN:

5 Q Good afternoon, Mr. Gray.

6 A Good afternoon.

7 Q I want to ask you a few questions on behalf of
8 NewSouth. Just so we're clear, I think, you referenced in your
9 summary Mr. Fury has adopted the testimony of Mr. Beasley on
10 these collocation issues?

11 A Yes, I believe, so.

12 Q So he will be the one that addresses them next week.
13 And when we looked at the testimony, I just didn't want there
14 to be any confusion about that.

15 First of all, Mr. Gray, on Page 32 of your rebuttal
16 testimony at the bottom, you're talking about the standard
17 interconnection agreement that you discuss with counsel for
18 AT&T, correct?

19 A Could you point out the actual --

20 Q Beginning at Line 20 where you say, "This rate
21 structure is included in BellSouth's Standard Interconnection
22 Agreement..."?

23 A Yes.

24 Q That's what you were referring to as your standard
25 prices that you previously discussed?

1 A Right.

2 Q Okay. And on Line 22, you say that those rates will
3 be reviewed by the Commission in Phase 2 of the generic
4 collocation docket, correct?

5 A Yes and, I believe, that's the case. Also,
6 Ms. Caldwell has submitted rates in this docket as well.

7 Q Okay. But sticking with what you said in your
8 testimony, we have not had Phase 2 of the generic collocation
9 docket, have we?

10 A I don't believe so.

11 Q And would you agree, subject to check, that Phase 2
12 is not even scheduled yet in that docket?

13 A Subject to check, sure.

14 Q Okay. So that those rates in your standard agreement
15 have not yet been reviewed by this Commission?

16 A No. I believe, they've been submitted in this docket
17 for review, and they are similar to the rates in the tariff,
18 which were reviewed as well.

19 Q Well, this Commission has never had a proceeding
20 regarding the collocation rates in your tariff, have they?

21 A You may be correct.

22 Q Okay. I want to talk about the NewSouth situation,
23 and you have read Mr. Beasley's testimony, I take it, that's
24 now been adopted by Mr. Fury?

25 A Yes, I have.

1 Q And just so we can get an understanding of what's
2 going on in NewSouth's collocation space, because that's really
3 all I want to discuss with you, it's true, isn't it, that
4 NewSouth uses a mini BDFB, which is as we've heard, a battery
5 distribution fuse board, inside its collocation space between
6 Bell's main power feed and NewSouth's collocated equipment?

7 A That's correct.

8 Q So, that that describes the physical set-up in
9 NewSouth's space?

10 A Right. To power central office equipment you just
11 can't power it from the main power board. We had BDFB, battery
12 distribution fuse base, which actually powered the equipment,
13 sort of like the breaker box in your house, and there are two
14 options available -- three options, actually, available to
15 CLECs to power their equipment; one is to -- you know,
16 BellSouth installs BDFBs close to the collocation arrangement,
17 and they can power from our BDFBs and those BDFBs today take
18 fuse assignments from 10 to 60 amps in any combination of
19 those.

20 CLEC, if it's got a large power need, may decide to
21 put in their own BDFB, which NewSouth did. Two options for
22 powering that, one is from the power board. We have a standard
23 225-amp feed for that, and I discuss in detail the reasons for
24 that in my testimony. And the other option is to power your
25 mini BDFB from our BDFB.

1 Q That was a lot of information. All I'm trying to get
2 to is the way NewSouth has chosen to do it, and you would agree
3 that they have utilized this mini BDFB inside its space between
4 your main power feed and their collocated equipment?

5 A Yeah. They chose to power off of our main power
6 board, and they a ordered 225-amp feed to do that, that's
7 correct.

8 Q Okay. Now, would you also agree that NewSouth's
9 collocation space is fused for 60 amps?

10 A I have no way of knowing that.

11 Q Okay. Well, just assume with me that it is and why
12 don't we do this: To the extent that you have a question about
13 that or you wanted to check, if that was the case, you could
14 check with NewSouth on that, couldn't you?

15 A I suppose I could ask NewSouth to allow me to tour
16 their space and see that, yes.

17 Q Okay. So, assume with me that their space is fused
18 for 60 amps, and doesn't their agreement permit you to inspect
19 their space?

20 A I believe, it does, yes.

21 Q So, if there was a question, you could check it out?

22 A Yes.

23 Q I just kind of -- I want to cut to the chase on this
24 issue --

25 A Okay.

1 Q -- given the time here today. Really what NewSouth
2 wants or what NewSouth is concerned about is that it just pay
3 for the power that it uses. And since, as it's currently
4 fused, the mass it can take is 60 amps, isn't that the maximum
5 that it should have to pay for?

6 A No, and let me explain why. NewSouth chose to put in
7 their own BDFB and power from the power board, National
8 Electric Code requires that you ensure that your upstream
9 powering can handle faults associated with anything that's
10 powered below it. The standard fuses have a 3-to-1 ratio for
11 upstream protection, so if NewSouth has a BDFB with a 60-amp
12 fuse in it, then they will tie up a minimum of three times
13 that, 180 amps, at the power board.

14 Now, we've standardized on 225 as our breaker at the
15 power board so that we could reduce cost, reduce intervals, and
16 provide service to CLECs and our retail customers very quickly.
17 Power is one of the longest lead time items we've put in the
18 central office. We've standardized things to shorten those
19 intervals and reduce cost.

20 So, to power a BDFB with 60 amps, you need 180 amps
21 minimum at the power board. We put in 225. BellSouth's power
22 plant is designed for that load. In other words, I've got a
23 225-amp breaker at the power board, my battery strings, my
24 rectifiers, the entire power plant is sized for you to use 225
25 amps of power, because that's what you ordered.

1 I made that investment, I should be able to recover
2 that investment. This Commission ruled in our favor on that
3 very issue in the MCI arbitration that fused amp is the right
4 way to build for power, because we have that recovery that we
5 have to build.

6 Q NewSouth can't draw more than 60 amps into its space,
7 correct, because that's all the space is fused for?

8 A NewSouth --

9 Q Excuse me, if you wouldn't mind answering yes or no.

10 A The answer is yes, you can. NewSouth can recable
11 their power needs to our BDFB and get exactly what you need.

12 Q Okay. I didn't say anything about recabling. Under
13 the current physical parameters of their space, NewSouth cannot
14 physically draw more than 60 amps from BellSouth, correct?

15 A No, that's not correct. NewSouth can draw whatever
16 they can install in that collocation space and fuse to their
17 BDFB consistent with the National Electric Code requirements.
18 I don't know how much equipment you have in there and what
19 you've got fused to your BDFB. As long as you --

20 COMMISSIONER JABER: Mr. Gray, I want to understand
21 this point, too.

22 THE WITNESS: I'm sorry.

23 COMMISSIONER JABER: I'd really like to understand
24 this point, and it would help if you answered with a yes or no
25 and then explain.

1 THE WITNESS: I'm sorry.

2 COMMISSIONER JABER: Is what you're saying, even if a
3 company requests something like 60-amp power, it takes the
4 system, the electric system, 180 amps to drive that 60-amp
5 request; is that what you're saying? That it takes BellSouth
6 three times as much to make sure that the power is delivered in
7 a fashion that is reliable?

8 THE WITNESS: No, ma'am. Let me try explain it
9 better. If NewSouth needs 60 amps of power, if a CLEC needs 60
10 amps of power, you have to fuse it at 1 1/2 times that, so you
11 would fuse it at, say, 90 amps, okay? And if they engineered
12 their space right, that's what they would get from a good BDFB,
13 get 90 amps.

14 And then what we do in the power rate is we build
15 fused amps, but we discount it by a factor of .67, so 90 times
16 .67 takes it back to 60, so they're only paying for the 60
17 amps, if they engineer their job right. So, it's just a matter
18 of them doing their job right, and then the power factor takes
19 into account that the fused amount is higher than the drain.

20 COMMISSIONER JABER: Okay. Now, what is the 225 you
21 referenced, then?

22 THE WITNESS: That's the breaker position on the main
23 power board. That's the only size that BellSouth provides. We
24 standardize on that, we ship the power boards completely
25 equipped so that we get the best intervals from our power

1 vendors. And if you want -- if you put -- if you're putting in
2 a BDFB in a BellSouth central office, that's your only option,
3 is a 225-amp feed.

4 Now, therein lies the problem. NewSouth's engineers
5 decided go with their own BDFB, and they ordered more power
6 than they needed. I had to put in the power. I rightfully
7 deserve to recover the cost. The fact that they
8 overengineered, is something they need to remedy, and there's a
9 way to do that which two other CLECs at least have done, and
10 that's recable it correctly.

11 COMMISSIONER JABER: Is that something that is
12 allocated among all the ALECs that are using that power or is
13 it each time an ALEC requests a certain ampage you -- it's a
14 new 225 that is assessed to them?

15 THE WITNESS: If the ALEC is requesting power from
16 our BDFB, then that BDFB is shared among all the ALECs. If
17 they choose to put in their own, then it's their own.

18

19 BY MS. KAUFMAN:

20 Q And I just want to be clear to go back to what
21 Commissioner Jaber was asking you. Without any recabling and
22 without making any physical changes to NewSouth's current
23 collocation space, the maximum power they can take is 60 amps;
24 no changes, no recabling, no additional equipment, they can
25 only get 60 amps, and if you have a question, you can go in

1 there and look at their space, correct?

2 A No. You have a BDFB fed with a 225-amp feed. You
3 can fill that BDFB up to whatever National Electric Code allows
4 you and serve and power your equipment up to whatever the limit
5 is of that BDFB. I don't know whether that's 60 amps or not.

6 Q Okay. Well, if you would accept with me, subject to
7 check, that it is 60 amps and that is the maximum that NewSouth
8 can take in their space as it's currently configured, then
9 really -- and they may not really even be taking 60, but let's
10 assume that's the maximum amount that they can take, then
11 really all that you need to do; you, being BellSouth, to
12 address the concerns that NewSouth has raised in this case, is
13 to make a simple billing change so that at the maximum they're
14 being charged for 60 amps, which is all that they can use,
15 correct?

16 A No, that wouldn't be acceptable, because then I would
17 not be recovering the cost of the battery strings, the
18 rectifiers, and the power board position that you're occupying,
19 because you engineered your site wrong.

20 Q Even though you've accepted that all that we can take
21 is 60 amps, you're saying but we still want to charge you for
22 additional power that physically couldn't possibly take?

23 A I still have the right to recover the cost that you
24 have tied up in my central office.

25 Q Let me ask you this, Mr. Gray. If an ALEC has a

1 suggestion or an idea that would make power charges more
2 reasonable, wouldn't you agree that the Public Service
3 Commission ought to look at that and take it into consideration
4 when it's considering whether BellSouth has met its collocation
5 requirements under 271?

6 A I'm having trouble with a yes or no answer, because
7 the assumption in the question was that our power rates are not
8 reasonable, and I flatly said they are reasonable.

9 Q Let me rephrase that to help you with that, and
10 that's fair criticism of the question.

11 If a CLEC has a suggestion for a way that power rates
12 could be reduced to their collocation space, isn't that
13 something that the Commission ought to take into consideration
14 when looking to see whether you've complied -- whether
15 BellSouth has complied with their collocation requirements?

16 A The answer to that is no. If a CLEC has suggestions
17 that would help reduce power rates and thus reduce my costs,
18 then the right way to handle that is the way that this issue is
19 being handled and that is to bring it to our CLEC forum that
20 meets quarterly. This is a topic on our action item there,
21 we're working it, we are close to having 100-amp feed. In
22 Mr. Beasley's testimony he lists samples from, I believe,
23 Southwestern Bell. The only one BellSouth doesn't offer is the
24 100-amp and we're working on that and we're close to having
25 that available. So, that's the right way to work the issue,

1 not bring it to the Commission.

2 And the second part of my answer why it's no is
3 assuming our rates are fair and reasonable, which I believe
4 they are, then that's all that's required for 271 is that we
5 have rates, terms, and conditions that are just and reasonable.

6 Q So, let me just be sure I understand. You think if a
7 co-- excuse me, if an ALEC has a suggestion or an idea or a way
8 that its power costs could be reduced so that collocation is a
9 more reasonable option and they have a better opportunity to
10 compete, you don't think that that's something that the
11 Commission ought to be interested in in 271 case?

12 A I don't believe -- the Commission has to decide
13 whether we provide collocation at rates, terms, and conditions
14 that are just and reasonable. Now, when you --

15 Q I'm sorry, they have to decide, is that what you
16 said?

17 A That's part of 271 proceeding is to determine that we
18 have rates, terms, and conditions that are just and reasonable.
19 When you restated your question for me, you took out the
20 implication that they weren't reasonable, so as long as the
21 Commission determines they're reasonable, it's not a 271 issue.
22 Now, ways to enhance the offering to lower costs, that's great,
23 we want to work with ya'll on those. And like I said, in the
24 user forum we're doing that, and we're close to having a
25 solution that I think will serve your needs.

1 Q If there is an alternative that would be available to
2 lessen power charges to CLECs that's workable, wouldn't you
3 agree with me that if you did not offer that to CLECs that that
4 would be discriminatory?

5 A Yes, except for we've got to decide what is workable.
6 To just lower your cost without the ability for BellSouth to
7 recover its cost is not a workable solution, it's not an
8 acceptable solution. There are workable solutions that two
9 other CLECs have done. We're working on a solution with you in
10 a user forum, and we will reach a solution to this that is
11 equitable to both sides, but it's got to be equitable to both
12 sides.

13 Q Well, if you'd just answer my question, and the
14 question assumes that the solution or that the suggestion was
15 workable, if there was such a suggestion or solution available
16 and BellSouth did not offer it, that would be discriminatory,
17 wouldn't it?

18 A No, not necessarily.

19 Q So, let me interpret your answer, and I'm sure that
20 you may well disagree with this, if there was one situation
21 where power costs would be lower, it would be reasonable and
22 workable and Bell chose to charge a higher cost, that would not
23 be discriminatory, in your view?

24 A No, that's not what I said. What I mean is that
25 there are many solutions to a problem. And part of the

1 negotiations is to come up with a solution that is acceptable
2 to both sides. You can't offer every solution to everybody.
3 You've got to come up with a compromise position that benefits
4 both sides.

5 Q I'll just try one more time, and then I'll leave this
6 question.

7 If there is an alternative that's workable and
8 reasonable to lessen power charges related to collocation and
9 BellSouth did not provide that to ALECs, would that not be
10 discriminatory conduct in BellSouth's part?

11 A Same answer, not necessarily. There are many
12 solutions to many problems that are just as workable, just as
13 reasonable, and we have to decide on which solution is the best
14 for all parties concerned.

15 Q I've just got one more question, Mr. Gray, and that's
16 on Page 41 of your testimony beginning at Line 14.

17 A Yes.

18 Q Are you there, sir? Actually, it's really beginning
19 at Line 15 and you say and, I quote, "It has become a popular
20 pastime for some ALECs to falsely accuse BellSouth of
21 overcharging for power"; is that correct?

22 A Yes, that's correct.

23 Q And I just want to ask you this in regard to
24 NewSouth. Is it your testimony before this Commission that
25 NewSouth has gone through the time and expense to present a

1 witness in this case, to hire counsel, to come here from South
2 Carolina to review this issue because it's a hobby of theirs or
3 a popular pastime to falsely accuse BellSouth; is that your
4 testimony?

5 A No, that's not my testimony. My testimony is that
6 it's become a popular pastime of the CLECs to question the way
7 we charge for power. The proper place do that is in a cost
8 hearing, not here in 271. This Commission will establish
9 cost-based rates for collocation, either as attachment to this
10 document -- this docket or in a generic docket, and that's the
11 right place. It's not a 271 issue, and that was my whole point
12 there.

13 Q Well, maybe I read too much into your answer there,
14 but by phrasing it as a popular pastime, you don't mean to
15 imply that this is some sort of a frivolous concern or
16 something that NewSouth doesn't have any better way to spend
17 its time, are you?

18 A Oh, no, not at all. It's a valid concern of NewSouth
19 and other CLECs to make sure they're charged properly for
20 power, but it's -- you know, the right place for that is in a
21 cost hearing. I'm sorry, if I implied that it was a frivolous
22 concern. All concerns that you have are valid concerns, and we
23 need to work through them.

24 Q You said the proper place for NewSouth to raise these
25 concerns would be in a cost proceeding, but I think we started

1 our discussion together by talking about the fact that Bell, in
2 this proceeding, and one of the things it's asking this
3 Commission to found is that its collocation rates and charges
4 are fair, just and reasonable, correct? So, in this instance
5 costs are part and parcel of what we're doing here, right?

6 A Well, the Commission will rule in a cost hearing that
7 the rates are fair, just, and reasonable. And that in itself
8 answers that question for this proceeding.

9 Q I'm sorry, what cost proceeding are they going to
10 rule on these collocation rates?

11 A You're correct. In this case, they've been submitted
12 with this proceeding, so you're correct, they are valid here.

13 Q Okay. So, the issue -- I mean, your comment that
14 NewSouth ought to be going to some cost proceeding, you're
15 asking the Commission to look at the rates here. And as we sit
16 here today, there's no other proceeding that's looking at these
17 collocation rates, correct?

18 A I believe so, you're right.

19 MS. KAUFMAN: Thank you, Mr. Gray.

20 CHAIRMAN JACOBS: Mr. Feil.

21 MR. FEIL: Thank you, Mr. Chairman.

22 CROSS EXAMINATION

23 BY MR. FEIL:

24 Q Mr. Gray, is it your testimony that all the rates,
25 terms, and conditions for a remote site collocation are

1 included in this filing?

2 A I'm not sure if they're all in this filing or not.
3 That -- again, Daonne Caldwell would have been the right person
4 to ask that.

5 Q Well, with regard to terms and conditions, at least,
6 is it your testimony that they're all included in this filing,
7 all terms and conditions for remote site collocation?

8 A No. The terms and conditions for remote site
9 collocation are in the interconnection agreements between us
10 and the ALECs who had that as part of their interconnection
11 agreement. They're also, I believe, in the SGAT filing that's
12 with this docket.

13 Q I don't know if you have the SGAT in front of you but
14 can you show me where in the SGAT or at least make a reference
15 as to where it is?

16 A I don't have the SGAT, but there should be a standard
17 agreement attached to the SGAT that has a collocation section.

18 Q All right. Well, if it's in the filing it is, if
19 it's not, it's not, it speaks for itself, I suppose.

20 A Yes.

21 Q In your summary of your testimony you were talking
22 about costs for upgrades, and you said that the FCC -- and I'm
23 sorry, if I'm mischaracterizing your testimony, you can correct
24 me if I'm saying your summary wrong.

25 A Okay.

1 Q But you said that the FCC permitted ILECs to recover
2 from ALECs the costs for upgrades. And I want to make sure I
3 understood what you meant by that. Were you saying that to the
4 extent that there is space in a remote terminal, if there were
5 modifications that needed to be made to the remote terminal in
6 order to accommodate the ALEC's collocation request, then
7 BellSouth could recover those costs; is that what you were
8 referencing in your summary?

9 A In general, that could be the case if there was an
10 ICB pricing structure, which there's not for remote terminal
11 collocation. There's a standard rate and, I believe, the
12 standard rate for collocation in a remote terminal is just a
13 monthly recurring rate that includes space preparation in it,
14 so that's not at issue in this case.

15 Q Well, did you say or mention in your affidavit that
16 the standard rates, terms, and conditions for remote site
17 collocation were included in the Yipes agreement?

18 A I believe so and, I believe, it's attached.

19 Q Okay. Were you in the room when Mr. Williams was
20 testifying?

21 A Yes.

22 Q Did you hear Mr. Williams testify with respect to
23 remote site collocation, that if BellSouth has a DSLAM at a
24 remote and the CLEC seeks to collocate at the remote and space
25 is exhausted that BellSouth will modify or augment the remote

1 at no charge to the CLEC; did you hear him say that?

2 A Yes, I did, and that's also consistent with my
3 late-filed exhibit to my deposition.

4 Q Did -- is the policy that Mr. Williams referred to
5 applicable when BellSouth does not have a DSLAM already located
6 at a remote?

7 A No, it's not.

8 Q Were you present when Mr. Williams testified that
9 when BellSouth does modify or augment the RT that the most
10 likely scenario that BellSouth would undertake would be to
11 create an adjacent structure?

12 A Well, no, that's not exactly what he said. And the
13 reason I need to clarify that is adjacent collocation is when
14 an ALEC puts in a structure. BellSouth doesn't use that term
15 when it does it. I believe, what Mr. Williams said, he was
16 asked would you put in a larger cabinet or would you put in a
17 new cabinet. He said that we could do both, but most likely
18 we'd put in a new cabinet.

19 Q A new cabinet next to the old cabinet, correct?

20 A Yes.

21 Q Is it your testimony that the standard rates, terms,
22 and conditions for remote site collocation are included in the
23 tariff, the e-tariff that's included with your affidavit?

24 A I don't remember whether it is or not.

25 Q And, I believe, you just testified that you don't

1 know whether or not it's in the SGAT?

2 A I believe, it is, but I don't know --

3 Q You believe it is, but you don't know for sure. But
4 you believe the standard rates, terms, and conditions are
5 included in the standard Yipes agreement?

6 A I believe, I have a remote site collocation
7 interconnection agreement attached to my filing, and we can
8 check and refresh my memory whether or not it was Yipes or not.
9 Yes, it was, it was Attachment 8 to the affidavit.

10 Q Is it your testimony that that Yipes agreement
11 reflects all the standard rates, terms, and conditions for a
12 remote site collocation?

13 A The Yipes agreement represents the rates, terms, and
14 conditions that apply to Yipes in their interconnection
15 agreement as an example of the rates, terms, and conditions we
16 offer to all CLECs.

17 Q So, are you suggesting then that there are rates,
18 terms, and conditions that may be available to other CLECs that
19 are not included in the Yipes agreement?

20 A In every collocation agreement or every
21 interconnection agreement we negotiate with the CLECs, so it is
22 a possibility that we would negotiate a different rate with you
23 if you wanted to negotiate a rate different than our standard
24 agreement, that's possible.

25 Q But the incentive before the ALEC, obviously, is to

1 negotiate the most beneficial rates, terms, and conditions,
2 correct?

3 A Right. In any negotiation both sides try to
4 negotiate the most beneficial position.

5 Q And I presume that BellSouth has a form agreement
6 that it starts negotiating with the ALECs for when it comes to
7 remote site terminal collocation; is that correct?

8 A That's correct. We have a standard agreement that is
9 posted on our web site that is our starting point for
10 negotiations.

11 Q The term or policy that Mr. Williams referred to,
12 which I'll call the -- I don't know, I guess, the augment
13 waiver provision. I'm trying to come up with a term of art so
14 we can more easily refer to it?

15 A That's not a good term for it.

16 Q Okay. Well, what term would you prefer?

17 A I don't know what term I would give it. What we're
18 saying is that we'll ensure if we have a DSLAM at a remote
19 terminal that there's space available for CLECs. Now, we went
20 through details of what we would do to ensure that, but what's
21 important to you is that if BellSouth has a DSLAM in a remote
22 terminal, we're going to make sure there's room for yours as
23 well.

24 Q Okay. Now, how long has that been BellSouth's
25 policy?

1 A Mr. Williams said it had been somewhere around a year
2 or he wasn't sure if it was quite a year. I'm not sure. I
3 can't --

4 Q Do you remember when your testimony was filed in this
5 case?

6 A I'm not --

7 Q Would you agree, subject to check, that it was in May
8 of this year?

9 A Sure.

10 MR. FEIL: That's all I have.

11 CHAIRMAN JACOBS: How long do you have, Staff?

12 MS. KEATING: Depending upon what areas Mr. Gray is
13 comfortable addressing, five to ten minutes.

14 CHAIRMAN JACOBS: We'll go ahead and take a break.
15 We'll come back in ten minutes.

16 (Recess taken.)

17 CHAIRMAN JACOBS: We'll go back on the record.
18 Ms. Keating.

19 CROSS EXAMINATION

20 BY MS. KEATING:

21 Q Good afternoon, Mr. Gray.

22 A Good afternoon.

23 Q I've got a line of questions for you here that really
24 go to security issues and collocation, and based on some of
25 your responses to Ms. Ockleberry, I'm not really sure that this

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1 is an area that you're comfortable responding to. So, if it's
2 all right, I'll go through some of the questions. If they're
3 more perfect for Mr. Milner, just let me know.

4 A Sure.

5 Q Now, when BellSouth determines that there is space
6 available in a remote terminal for an ALEC to collocate its
7 DSLAM, what sort of work is actually involved in placing the
8 DSLAM in there? What does BellSouth have to do?

9 A Once the space is available -- I'm trying to think.
10 I haven't been that involved with remote terminal actual jobs,
11 since we've only had two orders so far, but we'd have to make
12 sure that power's available to the mounting plate, there's a
13 physical mounting plate available, power's available to it,
14 issue keys to the CLEC, so forth.

15 Q Okay. And I believe that you indicated in your
16 deposition that it's not possible to segregate the equipment
17 within a remote terminal?

18 A No. In a remote terminal everything is very tightly
19 installed so no, there's no physical way to build a cage or
20 anything.

21 Q And is that true for all types of remote terminals?

22 A You could possibly do that in a CEV, but it really
23 isn't practical. CEVs still are only very small compared to a
24 central office.

25 Q Okay.

1 COMMISSIONER PALECKI: Let me interrupt with one
2 quick question. How long does it take to install the DSLAM
3 once the CLEC provides it to BellSouth for installation in a
4 remote terminal?

5 THE WITNESS: The CLEC would install their own DSLAM.
6 We would not install it for them. They would use a
7 BellSouth-certified vendor, but it's a vendor that they hire
8 and they control.

9 COMMISSIONER PALECKI: Do you know how long it takes
10 to install?

11 THE WITNESS: No, sir, I don't.

12 COMMISSIONER PALECKI: Have you seen any of your own
13 DSLAMS installed in your remote terminals?

14 THE WITNESS: No, sir.

15 COMMISSIONER PALECKI: Thank you.

16 BY MS. KEATING:

17 Q Okay. And, I think, you again noted that BellSouth
18 gives the ALEC a key when they're going to collocate in the
19 remote terminal, right?

20 A Right. The remote terminals are locked, so they have
21 to have an opening device. In some cases, it's not really a
22 key, it's a tool, but they have to have an opening device.

23 Q Okay. Well, BellSouth is opposed to having ALECs
24 collocate line cards through remote terminals, correct?

25 A Yes. I discuss the difference between mounting

1 plates and line cards.

2 Q Okay. I guess, my question really is, is this: What
3 different security concerns would there be associated with an
4 ALEC collocating a line card versus an ALEC collocating a DSLAM
5 in a remote terminal?

6 A The difference is that with a DSLAM they're going to
7 have a specific mounting plate, a whole shelf of equipment or
8 two shelves or however big the DSLAM is. And so, when their
9 technician goes out for a trouble report, you know, one of the
10 -- as an example, one of the problems with DSL service when it
11 shuts itself -- times itself out and shuts itself down, one
12 easy way to restore that is to simply pull out the card and put
13 it back in. Well, if you pull out the wrong card, you take
14 another customer out of the service.

15 So when they have their own mounting shelf, their
16 technician goes out, he knows, you know, here's this DSLAM,
17 since we do ADSL and other CLECs do a different type of DSL, I
18 don't think anybody other than us does ADSL, it's going to look
19 than our equipment, it's a separate mounting plate, and there's
20 little chance they're going to go to the wrong slot on the
21 wrong mounting plate and pull out the wrong customer's card and
22 take a customer out of service.

23 If you've got cards intermingled where this card
24 belongs to the CLEC, the one right next to it belongs to
25 BellSouth, there's a good chance, a very good chance, that the

1 technician may pull the wrong card out, take another customer
2 out of service, unintentionally -- not intentionally,
3 unintentionally. And that's why we don't want to have line
4 cards commingled in our equipment; very similar concern to what
5 we have in our central office where we don't allow commingling
6 of bays of equipment in the central office. You know, we
7 fought that in the courts, and the FCC changed their rules on
8 that.

9 Q But from a broader perspective, they're going to have
10 a key, right?

11 A They're going to have a key, and they're going to be
12 in that remote terminal working, but they won't have their line
13 card right next to ours and the possibility of pulling the
14 wrong one out.

15 Q But to me, I guess, it doesn't sound as much like a
16 security concern as, for lack of a better word, a competence
17 concern.

18 A Well, when we say security, what we really mean is
19 security as far as securing our network to assure that our
20 service stays up and is ironclad. So, it's a service concern,
21 so probably security is not quite the right word in this case.

22 Q On a slightly different subject, but again with
23 regard to line cards, is it technically feasible to reserve
24 space for an ALEC's line cards?

25 A Could you repeat that? I'm sorry.

1 Q Is it technically feasible to reserve space for an
2 ALEC's line cards?

3 A I'm not sure.

4 Q Would that be something that perhaps Mr. Milner could
5 address?

6 A Yeah, possibly.

7 COMMISSIONER JABER: Mr. Gray, that's not a
8 collocation issue?

9 THE WITNESS: Well, reserving -- well, the
10 collocating issue -- we've determined that collocation in a
11 remote terminal is at the mounting plate level, so what we're
12 getting into in the question is commingling of circuit packs,
13 which we already decided we're not doing, and for safety
14 reasons -- for security, you know, to ensure that our service
15 remains, you know, good to our customers.

16 COMMISSIONER JABER: Refresh my memory, though. I
17 thought a couple months ago, two or three months ago, there was
18 some sort of -- maybe it was an NOI from the FCC that I'm
19 thinking about. I thought there was some sort of guidance or
20 direction from the FCC that perhaps it is appropriate to think
21 of collocating at the remote terminal using these line cards.

22 THE WITNESS: I'm not aware of that, if there is.

23 BY MS. KEATING:

24 Q Well, let me ask you this: Is there anymore work
25 involved on BellSouth's part to collocate or allow an ALEC to

1 collocate its DSLAM versus a line card?

2 A Well, we have to prepare the remote terminal for the
3 DSLAM and make sure the terminations are available, so that's
4 work that we would have to do.

5 Q I guess, my question, though, was whether there was
6 more or less work involved between an ALEC's --

7 A Okay. I --

8 Q Go ahead.

9 A I am not at all familiar with NGDLC. It only
10 represents 7% of our network, so I have no real knowledge about
11 the product other than a general term -- understanding.
12 Mr. Milner may know more than I do about it.

13 MS. KEATING: Thank you, Mr. Gray. Those are all the
14 questions Staff has.

15 THE WITNESS: Thank you.

16 CHAIRMAN JACOBS: Commissioners, questions?

17 Redirect?

18 MR. EDENFIELD: Nothing from BellSouth.

19 CHAIRMAN JACOBS: Very well.

20 MR. EDENFIELD: I'm sorry, I did have Exhibit number
21 27 I would like to move into evidence.

22 CHAIRMAN JACOBS: And to be clear, that's only the
23 diagram.

24 MR. EDENFIELD: That's only the diagram, yes, sir.

25 CHAIRMAN JACOBS: Very well. Show Exhibit 27,

1 without objection, is admitted into the record.

2 (Exhibit 27 admitted into the record.)

3 CHAIRMAN JACOBS: Thank you, you're excused.

4 (Witness excused.)

5 (Transcript continues in sequence in Volume 7.)

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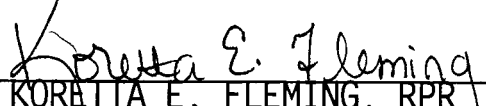
1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)
4

5 I, KORETTA E. FLEMING, RPR, Official Commission
6 Reporter, do hereby certify that a hearing was heard at the
time and place herein stated in Docket Number 960786-TL.

7 IT IS FURTHER CERTIFIED that I stenographically
8 reported the said proceedings; that the same has been
transcribed under my direct supervision; and that this
9 transcript constitutes a true transcription of my notes of said
proceedings.

10 I FURTHER CERTIFY that I am not a relative, employee,
11 attorney or counsel of any of the parties, nor am I a relative
or employee of any of the parties' attorneys or counsel
12 connected with the action, nor am I financially interested in
the action.

13 DATED this Monday, October 15, 2001.

14 
15 _____
KORETTA E. FLEMING, RPR
16 FPSC Official Commissioner Reporter
(850) 413-6734

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