

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Petition by Sprint Communications )  
Company Limited Partnership for )  
Arbitration with Verizon Florida Inc. )  
Pursuant to Section 251/252 of the )  
Telecommunications Act of 1996. )

DOCKET NO. 010795-TP

**DIRECT TESTIMONY OF  
SUSAN FOX  
ON BEHALF OF  
VERIZON FLORIDA INC.**

**SUBJECT: ISSUE NOS. 6 AND 7**

**OCTOBER 23, 2001**

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1 **Q. HAVE YOU EVER TESTIFIED BEFORE ANY REGULATORY**  
2 **COMMISSION BEFORE?**

3 A. Yes. Most recently, I testified before the Federal Communications  
4 Commission ("FCC") in the consolidated § 252 arbitration proceeding  
5 between Verizon and each of three petitioners: AT&T, WorldCom and  
6 Cox Communications. I testified in the § 252 arbitration proceedings  
7 between Sprint and Verizon in both Maryland and Pennsylvania. I  
8 have testified in § 271 hearings in Pennsylvania and Rhode Island. In  
9 addition, I participated in the § 252 arbitration proceeding between  
10 AT&T and Verizon in New York. I have also testified before the  
11 Massachusetts Department of Telecommunications and Energy in tariff  
12 proceedings.

13

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**  
15 **PROCEEDING?**

16 A. I explain the position of Verizon regarding Issues 6 and 7 in Sprint's  
17 Petition for Arbitration. In Issue 6, Sprint seeks to require Verizon to  
18 commingle unbundled network elements ("UNEs") with access  
19 services, while Issue 7 concerns whether or not Verizon has a duty to  
20 provide UNE multiplexing services to Sprint.

21

22 **Q. WHAT IS YOUR UNDERSTANDING OF SPRINT'S POSITION ON**  
23 **THESE TWO ISSUES?**

24 A. With respect to Issue 6, commingling, Sprint states that it wants to  
25 commingle switched access facilities with unbundled network

1 elements. However, in its Petition, Sprint asks that it be allowed to  
2 connect unbundled loops, loop-transport combinations (“EELs”) and  
3 special access to unbundled multiplexing. To that end, Sprint wants to  
4 require Verizon to do two things: (1) commingle unbundled network  
5 elements and loop-transport combinations with access facilities; and,  
6 (2) provide multiplexing as a UNE.

7

8 **Q. WHAT IS VERIZON’S POSITION ON SPRINT’S PROPOSALS?**

9 A. With respect to Issue 6, Verizon objects on numerous grounds. First,  
10 incumbent local exchange carriers (“ILECs”) have no obligation to  
11 combine unbundled network elements and access facilities. Simply  
12 because the FCC has issued a ruling prohibiting the commingling of  
13 unbundled network elements (and combinations thereof) with special  
14 access services, does not mean that an absence of a similar order  
15 specifically regarding switched access requires Verizon to commingle  
16 UNEs and UNE combinations with switched access services. Second,  
17 Sprint quotes extensively from Section 51 of the FCC’s rules to imply  
18 that UNEs can be used for anything (see Sprint’s Petition, footnote  
19 nos. 29-33). The Act intended UNEs to be used to provide local  
20 exchange service, and not as substitutes for access services. Third,  
21 the FCC’s UNE Remand Order addressed the combinations Verizon is  
22 required to provide under the Telecommunications Act of 1996 (the  
23 “Act”). These combinations include EELs and UNE-Platform. There is  
24 nothing in the Local Competition Orders that requires Verizon to  
25 combine UNE and non-UNE (i.e., local and non-local) services in the

1 context of an interconnection agreement relating to local  
2 telecommunications traffic or otherwise. Both Congress and the FCC  
3 have made it clear that commingling local and access facilities runs  
4 afoul of the current access regime and would upset the FCC's ongoing  
5 access reform. With respect to Issue 7, the FCC has not defined  
6 multiplexing as a UNE; therefore, Verizon has no obligation to provide  
7 multiplexing at TELRIC rates under the Act -- and certainly no  
8 obligation to provide multiplexing in combination with other UNEs or  
9 tariffed services.

10

11 **Q. YOU USE THE TERMS "MULTIPLEXING" AND "COMMINGLING."  
12 WHAT EXACTLY DO THEY MEAN?**

13 A. A multiplexer is a device that aggregates or disaggregates signals for  
14 transmission over a transport facility. A DS3 to DS1 multiplexer is  
15 used to convert a DS3 channel into 28 DS1 channels, or to form a DS3  
16 channel from 28 individual DS1s. When we refer to "multiplexing," we  
17 mean that DS1 level channels are aggregated onto a DS3 facility. It  
18 creates a cost-effective way to transmit lower level circuits using a  
19 higher bandwidth facility. Commingling simply means connecting  
20 different types of facilities (e.g., combining loops or loop-transport  
21 combinations with tariffed access services). It is important to  
22 understand that these two terms do not mean the same thing.

23

24 **Q. PLEASE EXPLAIN HOW SPRINT'S PROPOSAL, IF ACCEPTED,  
25 WOULD DISRUPT ACCESS REFORM.**

1 A. Sprint seeks to take access services (presumably both switched and  
2 special access services that Sprint is currently purchasing from  
3 Verizon) and other unbundled elements and connect them to an  
4 unbundled multiplexer owned and provided by Verizon, and then  
5 connect the multiplexer to its collocation cage. By seeking to require  
6 Verizon to connect switched access services to unbundled network  
7 elements, Sprint would force Verizon to transport switched access  
8 services at TELRIC rates. The result is that Sprint would avoid paying  
9 access charges for the access portion of the facility. This is forbidden  
10 by the Telecommunication Act of 1996. Under § 251(g) of the Act,  
11 each LEC providing wireline service:

12 shall provide exchange access, information  
13 access, and exchange services for such  
14 access to interexchange carriers and  
15 information service providers in accordance  
16 with the same equal access  
17 and nondiscriminatory interconnection  
18 restrictions and obligations (including  
19 receipt of compensation) that apply to such  
20 carrier on the date immediately preceding  
21 February 8, 1996 . . . until such restrictions  
22 and obligations are explicitly superseded by  
23 regulations prescribed by the Commission  
24 after February 8, 1996.

25

1 (emphasis added). In other words, the access regime remains  
2 unchanged by the Act, pending express revision by the FCC. What  
3 Sprint is trying to do is clearly a deviation from the existing access  
4 system. It cannot take those steps until the FCC supersedes the  
5 current access restrictions, which is unlikely, as the FCC recently  
6 rejected arguments by CLECs in favor of the commingling of UNEs  
7 and access facilities. In its Supplemental Order Clarification last year,  
8 the FCC stated:

9 [P]ermitting the use of combinations of  
10 unbundled network elements in lieu of  
11 special access services could cause  
12 substantial market dislocations and would  
13 threaten an important source of funding for  
14 universal service. For example, in the  
15 absence of completed implementation of  
16 access charge reform, allowing the use of  
17 combinations of unbundled network  
18 elements for special access could undercut  
19 universal service by inducing IXCs to  
20 abandon switched access for unbundled  
21 network element-based special access on  
22 an enormous scale.

23

24 In the Matter of Implementation of the Local Competition Provisions of  
25 the Telecommunications Act of 1996, Supplemental Order Clarification,

1 CC Docket No. 96-98, FCC 00-183, at ¶ 7 (June 2, 2000) (emphasis  
2 added).

3

4 **Q. WHEN SPRINT TRIES TO FORCE VERIZON TO COMMINGLE**  
5 **UNES AND ACCESS FACILITIES, IS IT REALLY ASKING VERIZON**  
6 **TO CHARGE IT TELRIC PRICES FOR ACCESS SERVICES?**

7 A. Absolutely. Switched access cannot be commingled with unbundled  
8 network elements. Interstate Switched Access is regulated pursuant to  
9 an access reform plan, also known as the "CALLS" plan. ("CALLS"  
10 stands for "Coalition for Affordable Local and Long Distance Service."  
11 This coalition consists of major industry ILECs and CLECs; Sprint is a  
12 party to the Coalition.) The CALLS plan is a five-year transitional plan  
13 that represents an integrated and cohesive proposal to resolve major  
14 outstanding issues concerning access charges. In addition, the FCC  
15 determined that certain aspects of the CALLS plan were mandatory for  
16 all LECs subject to federal price cap regulation, and today, all price cap  
17 LECs participate in the CALLS plan. The plan provides for rate-level  
18 as well as rate structure changes. Allowing Sprint to evade interstate  
19 switched access charges through the use of unbundled network  
20 elements effectively tampers with rate calculations and therefore the  
21 federal access reform scheme. Indeed, switched access is something  
22 that is not properly addressed in a § 252 arbitration.

23

24 **Q. SPRINT ASSERTS THAT THE SUPPLEMENTAL ORDER**  
25 **CLARIFICATION APPLIES ONLY TO SPECIAL ACCESS, AND**



1           **THEREFORE IT SHOULD BE ABLE TO COMMINGLE WITH**  
2           **RESPECT TO SWITCHED ACCESS. DO YOU AGREE?**

3    A.    No.  It is true that, in the proceeding that yielded the Supplemental  
4           Order Clarification, the FCC had before it only the issue of  
5           commingling enhanced extended loops ("EELs") with special access.  
6           However, this is because the Act already carved out a clear exception  
7           for switched access.  Anything altering the switched access regime is  
8           completely beyond the scope of the Act.  In addition, in the FCC's  
9           Order on Reconsideration released September 27, 1996, it clarified  
10          any ambiguity about unbundling requirements for switched access and  
11          stated that unbundled local switching cannot be used to provide solely  
12          interexchange service or solely access service to an interexchange  
13          carrier.  As explained previously, one of the FCC's reasons for  
14          prohibiting commingling in the Supplemental Order Clarification was its  
15          concern that carriers would abandon switched access for special  
16          access, and then convert special access to UNEs and UNE  
17          combinations on a wide scale.  The focus on special access in the  
18          Order was due to the general acknowledgement that special access  
19          had been used by some carriers in lieu of the availability of UNE  
20          combinations to provide significant local traffic.  Therefore, that issue  
21          was the topic of a clarification.  In contrast, switched access, by  
22          definition, cannot be used to provide local service.  Thus, the  
23          Supplemental Order Clarification does not address switched access.  
24          However, simply because it does not specifically address switched  
25          access does not mean that the FCC intended to permit commingling of

1 switched access and UNEs. Indeed, to allow such commingling raises  
2 access reform and universal service issues of an even greater scale  
3 than was envisioned for special access.  
4

5 **Q. SPRINT ALSO JUSTIFIES ITS POSITION BY STATING THAT ITS**  
6 **“METROPOLITAN AREA NETWORK,” OR “MAN” SYSTEM, IS AN**  
7 **INNOVATIVE TECHNOLOGICAL APPROACH. DOES THIS**  
8 **CHANGE YOUR POSITION?**

9 A. Not at all. In fact, that statement is irrelevant. Sprint is free to make its  
10 network as technologically advanced as it chooses, but it must operate  
11 that network within the confines of the Act and other applicable law.  
12 Sprint's innovation alone is not grounds for imposing additional, and  
13 improper, burdens on Verizon. There is nothing today that prevents  
14 Sprint from implementing its MAN approach without requiring Verizon  
15 to provide what it seeks in the context of issues 6 and 7 of this  
16 arbitration. Verizon has no obligation to provide any UNE or UNE  
17 combination that does not already exist in its own network, especially  
18 when doing so would disrupt access reform.  
19

20 **Q. TURNING TO ISSUE 7, WHAT IS VERIZON'S OBJECTION TO**  
21 **SPRINT'S POSITION?**

22 A. Sprint would force Verizon to offer multiplexing at TELRIC prices.  
23 However, multiplexing is not a UNE -- the FCC has not listed it as a  
24 recognized UNE in its regulations. Therefore, Verizon has no  
25 obligation to provide multiplexing as a UNE. Moreover, as stated

1 above, nothing prevents Sprint from implementing its MAN approach  
2 today by providing multiplexing itself and without requiring Verizon to  
3 provide such multiplexing. Accordingly, Sprint will in no way be  
4 "impaired" if Verizon does not provide the multiplexing it seeks as a  
5 UNE at TELRIC rates. Sprint merely wants Verizon to make the  
6 investment in multiplexers so it does not have to. This does not  
7 constitute impairment. Furthermore, Sprint has specifically requested  
8 "OCn" multiplexing. Verizon does not even provide such OCn  
9 multiplexing today to its retail customers. Therefore, in order to meet  
10 Sprint's request, Verizon would need to purchase and install additional  
11 new fiber optic multiplexing equipment that does not now exist in  
12 Verizon's central offices. The Act imposes on Verizon the obligation to  
13 unbundle its existing network, not some as yet unbuilt one.

14  
15 Verizon does offer two types of standalone multiplexing -- DS3 to DS1  
16 and DS1 to DS0 -- however, this multiplexing is offered on a stand-  
17 alone basis and separately from loops, interoffice transport and  
18 switching. Verizon does not provide multiplexing in combination with  
19 an unbundled dedicated transport facility, which is exactly what Sprint  
20 is asking for. While the FCC's UNE Remand Order requires that ILECs  
21 provide technically feasible capacity-related transmission facilities at  
22 DS1, DS3, and OCn levels, it does not require that Verizon provide a  
23 combination of transport elements at multiple transmission levels (i.e.,  
24 DS1 and DS3s, combined). Verizon only provides multiplexing as part  
25 of a loop-transport combination so long as there is compliance by the

1 CLEC with the local use restrictions as set forth in the Supplemental  
2 Order Clarification. However, as described above, Sprint's intended  
3 uses for the multiplexing capability do not comply with the  
4 Supplemental Order Clarification.

5

6 **Q. DO THE COMBINATIONS SPRINT IS ASKING FOR IN ISSUES 6  
7 AND 7 CURRENTLY EXIST IN VERIZON'S NETWORK?**

8 A. No.

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10 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

11 A. Yes.

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