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**ORIGINAL**

January 21, 2004

Ms. Blanca Bayó, Director  
Division of the Commission Clerk  
and Administrative Services  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 030852-TP

Dear Ms. Bayó:

Enclosed for filing in the above-referenced docket are the original and fifteen (15) copies of the Rebuttal Testimony of Richard Anderson and the original and fifteen (15) copies of Allegiance Telecom of Florida's Notice of Filing and Service the Rebuttal Testimony of Richard Anderson.

Also enclosed is an extra copy of this letter. Please acknowledge receipt of this transmittal by date-stamping the extra copy and returning it to the undersigned in the enclosed self-addressed stamped envelope.

Thank you for your assistance in this matter.

Very truly yours,

Charles V. Gerkin, Jr.

CVG/s  
Enclosures  
cc: Parties of Record

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**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

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In re: )  
 )  
 )  
Implementation of Requirements Arising )  
From Federal Communications Commission's )  
Triennial Review UNE Review: Location- )  
Specific Review for DS1, DS3 and Dark Fiber )  
Loops and Route-Specific Review for DS1, DS3 )  
And Dark Fiber Transport )  
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Docket No. 030852-TP

**REBUTTAL TESTIMONY OF  
RICHARD ANDERSON  
ON BEHALF OF  
ALLEGIANCE TELECOM OF FLORIDA, INC.**

**January 21, 2004**

2004 JAN 21 10:00 AM

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FFSC-COMMUNICATIONS CLEAR

1 **Q1. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

2 A1. My name is Richard Anderson. I am Senior Vice President, Network Planning,  
3 Engineering and Operations for Allegiance Telecom, Inc. (“Allegiance”), the  
4 parent company of Allegiance Telecom of Florida, Inc. My business address is  
5 700 East Butterfield, Road, Lombard, IL 60148.

6

7 **Q2. WHAT ARE YOUR JOB RESPONSIBILITIES AT ALLEGIANCE?**

8 A2. I am responsible for the planning, administration, engineering and operations of  
9 Allegiance’s network infrastructure. These responsibilities include network and  
10 transport planning, traffic and capacity management, and network administration  
11 including 911, operator services and number administration. In addition, I  
12 oversee all engineering functions including switch, transport, central office and  
13 data. Finally, I am in charge of network operations which includes, among other  
14 things, the network operations control center, the installation, repair and  
15 maintenance force, internal communications and data operations.

16

17 **Q3. BRIEFLY DESCRIBE YOUR PRIOR BUSINESS EXPERIENCE AND**  
18 **EDUCATIONAL BACKGROUND.**

19 A3. I was one of the original founders of Allegiance in 1997. Prior to that, I was with  
20 Metropolitan Fiber Systems (MFS), planning and supervising the implementation  
21 of that carrier’s rollout of several new markets. Prior to MFS, I held various  
22 planning, engineering and operations positions with Ameritech Services and  
23 Wisconsin Telephone Co. I have over 39 years experience in the

1 telecommunications industry with both incumbent and competitive local exchange  
2 carriers. I earned a Bachelor of Arts degree in liberal arts from DePaul University  
3 in Chicago.

4

5 **Q4. HAVE YOU TESTIFIED PREVIOUSLY IN A REGULATORY**  
6 **PROCEEDING?**

7 A4. Yes. I testified in an arbitration case between Allegiance and SBC Ohio before  
8 the Public Utilities Commission of Ohio, Case No. 01-724-TP-ARB concerning  
9 the terms and conditions of an interconnection agreement, and I am an Allegiance  
10 witness in the Triennial Review proceedings in several states.

11

12 **Q5. PLEASE DESCRIBE ALLEGIANCE TELECOM.**

13 A5. Allegiance is a national, facilities-based, integrated communications provider that  
14 offers a competitive, one-stop-shopping package of telecommunications services,  
15 including local, long distance and Internet services, to business, government and  
16 other institutional users in 36 metropolitan areas across the United States. In  
17 Florida, Allegiance provides service in the Miami, Ft. Lauderdale, West Palm  
18 Beach and Tampa markets through its local operating subsidiary, Allegiance  
19 Telecom of Florida, Inc.

20

21 **Q6. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

22 A6. The purpose of my testimony is to rebut the Joint Direct Testimony and Joint  
23 Supplemental Direct Testimony of Verizon witnesses Orville D. Fulp and John

1 White, the Direct Testimony and Supplemental Direct Testimony of BellSouth  
2 witness Shelley W. Padgett, and the Direct Testimony of BellSouth witness A.  
3 Wayne Gray, with respect to Issues 1, 3, 7, 9, 11, 14 and 16. Specifically, I  
4 address allegations by BellSouth as to whether Allegiance self-provisions  
5 transport on particular routes identified by those carriers. I also address  
6 allegations from BellSouth that Allegiance provides wholesale transport service,  
7 with regard to those routes. With respect to high-capacity loops, I rebut the  
8 assumptions employed by BellSouth to identify wholesale DS1 loop providers. In  
9 addition, I propose that this Commission establish a process to verify data  
10 provided by Verizon and BellSouth and the CLECs before any transport routes or  
11 loop locations are found to be non-impaired. Finally, I propose that the  
12 Commission develop a transition plan should the Commission find no impairment  
13 on specific dedicated transport routes or specific loop locations.

14

15 **DEDICATED TRANSPORT**

16

17 **Q7. PLEASE DESCRIBE THE ALLEGIANCE NETWORK IN FLORIDA.**

18 A7. Allegiance has installed two Class 5, 5ESS switches - one in Miami serving the  
19 Miami, Ft. Lauderdale and West Palm Beach markets and one in Tampa serving  
20 the Tampa market. In addition, we have built 21 collocations in Verizon wire  
21 centers and an additional 33 collocations in BellSouth wire centers. Connecting  
22 the switch and collocations is a distribution network. Exhibit RA-1 depicts a  
23 typical design for the Allegiance distribution network representative of our

1 network in Florida. We generally use DS3 or OCn transmission facilities to carry  
2 traffic between Allegiance collocation sites and our switching center. We lease  
3 loop facilities, primarily voice-grade and DS1, as UNEs from Verizon and Bell  
4 South, to connect end user customers to the various collocations.

5

6 **Q8. PLEASE DESCRIBE THE DEDICATED TRANSPORT ALLEGIANCE**  
7 **HAS DEPLOYED IN ITS NETWORK IN FLORIDA.**

8 A8. As I indicated above, Allegiance primarily uses dedicated interoffice DS3 and  
9 OCn transmission facilities to carry traffic between Allegiance's switch and  
10 collocation sites. There are two sources of dedicated transport available to  
11 Allegiance: 1) DS3 or dark fiber UNEs or special access provided by Verizon and  
12 BellSouth; or, in some locations, 2) DS3s, dark fiber or OCn facilities leased from  
13 a third party provider. Exhibit RA-1 shows the typical dedicated transport  
14 configurations that would be found in the Allegiance network in Florida. The  
15 illustration shows an OCn facility leased from a third-party provider connecting  
16 collocation sites to the Allegiance switch. In addition, Allegiance typically leases  
17 DS3s to interconnect our switch with additional collocation sites, again, either as  
18 UNEs from the incumbent carrier or from a third party where alternative  
19 providers offer these services.

20

21 **Q9. HOW DOES ALLEGIANCE DECIDE ON THE TYPE OF TRANSPORT**  
22 **TO DEPLOY?**

1 A9. Allegiance employs several criteria in making the decision between purchasing  
2 dark fiber and leasing a transport circuit. First and foremost is whether we have a  
3 choice of providers on particular routes. In many cases, we do not have any  
4 option other than to use the incumbent carrier. Where we do have a choice of  
5 providers, the relative cost of the options is obviously a prime consideration.  
6 However, availability and ease of deployment are also significant factors.  
7 Generally, a competitive carrier like Allegiance manages its facilities to ensure  
8 that there is capacity available to serve existing and future demand. Therefore,  
9 we are continually optimizing the distribution network as demand grows to take  
10 advantage of higher bandwidth and less costly transport. For example, when  
11 Allegiance first built its network in Florida, each collocation was served by a  
12 single DS3 circuit running from the wire center back to our switch. As the  
13 business grew, we investigated and ultimately leased OCn transport from a third  
14 party provider to connect several of our collocations to our switch because Sonet  
15 provided the best economic solution for our current and estimated future capacity  
16 needs in those locations.

17

18 **Q10. HAVE YOU READ THE TESTIMONY OF SHELLEY PADGETT ON**  
19 **BEHALF OF BELLSOUTH?**

20 A10. Yes, I have.

21

22 **Q11. DO YOU AGREE WITH WITNESS PADGETT'S ASSUMPTION THAT A**  
23 **CARRIER HAS A SELF-PROVISIONED TRANSPORT ROUTE**

1           **BETWEEN ANY PAIR OF ILEC WIRE CENTERS IN THE SAME LATA**  
2           **WHERE IT HAS OPERATIONAL COLLOCATION ARRANGEMENTS?**

3    A11.   No. The mere presence of collocations tells one nothing about the existence or  
4           nature of the transport facilities in a carrier's network. Ms. Padgett's statement  
5           that "it is logical and reasonable to assume that a carrier's network within a  
6           LATA is fully interconnected..." (Padgett Direct Testimony, p. 15), is just wrong.  
7           Later on in her testimony, Ms. Padgett indicates that BellSouth developed the list  
8           of routes meeting the self-provisioning trigger for DS3 and dark fiber by  
9           conducting an inventory of the fiber-based collocations for each competitive  
10          carrier and "using the assumption that CLECs can route traffic between any pair  
11          of fiber-based collocation arrangements in a LATA" (Padgett Direct Testimony,  
12          p. 18). This is not the case. All of Allegiance's circuits are "home runned" at the  
13          electrical level to our switch, meaning there is no defined point-to-point electrical  
14          circuit between any of the offices in the Allegiance network. Thus, although a  
15          physical path could exist between various A and Z locations in the network, a  
16          logical point-to-point path does not exist between any pair of offices in Florida.  
17          Without network modifications, including the installation and provisioning of  
18          equipment at our switch site, Allegiance does not have any point-to-point  
19          transport capability between any A and Z locations in Florida. Therefore, the  
20          configuration of Allegiance's network, and perhaps the network configuration of  
21          other CLEC networks as well, brings into serious question the validity of the  
22          assumption that the mere existence of collocation arrangements in two or more



1 wire centers establishes the existence of a dedicated transport route between such  
2 wire centers.

3

4 **Q12. DO YOU AGREE WITH THE ASSUMPTION OF BELLSOUTH**  
5 **WITNESS PADGETT AND VERIZON WITNESSES FULP AND WHITE**  
6 **THAT IT IS APPROPRIATE TO USE THE EXISTENCE OF OCn**  
7 **TRANSPORT TO SATISFY THE SELF-PROVISIONING TRIGGER FOR**  
8 **DEDICATED TRANSPORT?**

9 A12. No. These witnesses argue that fiber can be used to support any transmission  
10 level, including DS3. This is obviously true but misses the point. An OC48 fiber  
11 facility, for example, can support as many as 48 DS3 circuits. But the fact that  
12 high-capacity fiber facilities exist at some OCn level does not establish that it is  
13 economical to provide some lesser included bandwidth such as DS3 at any of the  
14 locations touched by the OC48. The fact that carriers with sufficient traffic can  
15 self-provision fiber does not by itself determine that the carrier can and will self-  
16 provision at a lower capacity such as DS3.

17

18 **Q13. HAS BELLSOUTH CORRECTLY IDENTIFIED ALLEGIANCE AS A**  
19 **SELF-PROVISIONING TRIGGER FOR DS3 AND DARK FIBER**  
20 **DEDICATED TRANSPORT ROUTES IN FLORIDA?**

21 A13. No. Even putting aside the flaw I describe above, BellSouth, in the Direct  
22 Testimony of Shelley Padgett filed December 22, 2003, incorrectly included  
23 Allegiance as self-provisioning DS3 and dark fiber transport on 137 routes when,

1 in fact, Allegiance has not self-provisioned any facilities in Florida. All of our  
2 dedicated transport facilities in Florida are either leased from the incumbent  
3 carrier or a third-party. Even our entrance facilities, which are not included in the  
4 FCC's definition of dedicated transport, are leased not self-provisioned. Although  
5 some of our transport is provided over fiber, we do not have the long term leases  
6 or IRU interests that would be required for those transport facilities to be  
7 considered self-provisioned for purposes of the FCC's trigger analysis. Later I  
8 will describe the need for Commission oversight to verify and confirm on a route  
9 specific basis whether any of the triggers have been met.

10

11 **Q14. HAS BELLSOUTH CORRECTLY IDENTIFIED ALLEGIANCE AS A**  
12 **WHOLESALE PROVIDER OF DS1, DS3 AND DARK FIBER**  
13 **DEDICATED TRANSPORT?**

14 A14. No. Although BellSouth identifies Allegiance as a wholesale provider of  
15 dedicated transport (Padgett direct Testimony, Attachment SWP-6), we do not  
16 offer such services.

17

18 **Q15. HAS ALLEGIANCE FILED A TARIFF IN FLORIDA THAT INCLUDES A**  
19 **DEDICATED TRANSPORT OFFERING?**

20 A15. Yes. Our Florida Access Tariff does include dedicated transport. However, this  
21 tariff was filed in 2002 when Allegiance was just entering the Florida market and  
22 had not finalized its product offerings. Although the tariff is still on file, we have  
23 not sold any dedicated transport services to other carriers. We do not market

1 wholesale transport services today and are not capable of providing dedicated  
2 transport on a widely available basis. In addition, as I have already discussed  
3 concerning the fact that we have no point-to-point circuits between central offices  
4 on our leased transport, we are not operationally ready to provision, administer  
5 and actively maintain dedicated transport to other third parties.

6

7 **HIGH-CAPACITY LOOPS**

8

9 **Q16. PLEASE DESCRIBE THE LOOP FACILITIES THAT ALLEGIANCE**  
10 **UTILIZES IN FLORIDA.**

11 A16. Allegiance purchases unbundled voice-grade and DS1 loop facilities exclusively  
12 from Verizon and BellSouth

13

14 **Q17. DOES ALLEGIANCE SELF-PROVISION LOOP FACILITIES IN**  
15 **FLORIDA?**

16 A17. No. Allegiance does not self-provision any loops.

17

18 **Q18. DO YOU AGREE WITH BELLSOUTH WITNESS GRAY'S ANALYSIS**  
19 **OF HIGH-CAPACITY LOOP PROVISIONING?**

20 A18. No. As I explain below, Mr. Gray's analysis of loop deployment is overly  
21 simplistic.

22

23 **Q19. WHY DOESN'T ALLEGIANCE SELF-PROVISION ITS OWN LOOPS?**

1 A19. There are three principal reasons why it does not make sense for Allegiance to  
2 self-provision loop facilities. First, we primarily serve customers using DS0 or  
3 DS1 loops, and it is very difficult to justify the expense of building such lower  
4 capacity loops to our end users. Second, since it is not feasible for us to build  
5 loop plant before we acquire a customer in a particular location, the decision to  
6 extend our own loops to particular customers can be made only after we have  
7 signed up a customer. Under the most favorable of circumstances, it still takes a  
8 minimum of several weeks, if not a few months, to build a loop to a customer.  
9 Customers will not wait such a long period of time for service to be provisioned.  
10 Third, even if one could solve these two problems, there is too great a risk that we  
11 would be left with stranded investment if the customer moved, went out of  
12 business or discontinued our service.

13  
14 **Q20. ARE YOU AWARE OF ANY DS1 LOOPS THAT ARE AVAILABLE**  
15 **FROM A THIRD-PARTY PROVIDER?**

16 A20. I am not aware of any wholesale third-party providers of DS1 loops in Florida.

17  
18 **Q21. IF A THIRD-PARTY PROVIDER OF DS1 LOOPS WERE TO BE FOUND,**  
19 **WOULD ALLEGIANCE BE ABLE TO UTILIZE THESE FACILITIES?**

20 A21. I doubt it. Allegiance serves the small to medium business market where the  
21 demand for DS1 loops for any one customer location is fairly small. Depending  
22 on the type of equipment deployed by the wholesale provider, it may not be in  
23 their interest to provision one or two DS1s to carrier such as Allegiance. Also, we

1 do not have operational and administrative processes in place to maintain and  
2 order third-party loop facilities in a timely fashion.

3

4 **Q22. HAVE YOU IDENTIFIED ISSUES WITH RESPECT TO USING THIRD**  
5 **PARTY LOCAL LOOP PROVIDERS?**

6 A22. Yes. There are basically two ways that Allegiance could integrate a third-party's  
7 DS1 loop into its network, if such a third party vendor existed. If the loop  
8 provider were collocated in the same wire center as Allegiance, we could pay  
9 BellSouth or Verizon to provide a cross-connect between the two collocations.  
10 This would certainly add additional cost. In the alternative, the loop provider  
11 could bring the DS1 loop facility directly to our switch. However, as I have  
12 stated before in my discussion of transport facilities, for practical and economic  
13 reasons the Allegiance network is built on a DS3 level so the equipment in our  
14 switch site used to terminate facilities is only equipped to terminate DS3s not  
15 DS1s. Therefore, a single DS1 loop provided by a third party would require the  
16 establishment of a DS3 in order to deliver the circuit to our switch, resulting in an  
17 inefficient and costly arrangement.

18

19 **DATA VERIFICATION AND TRANSITION PLAN**

20

21 **Q23. IS ALLEGIANCE SATISFIED WITH THE ACCURACY OF THE DATA**  
22 **UTILIZED BY BELLSOUTH?**

1 A23. No. BellSouth has incorrectly identified Allegiance as having self-provisioned  
2 transport routes, erroneously claims Allegiance as a self-provisioner of high-  
3 capacity loops and wrongly claims Allegiance as a wholesale provider for both  
4 transport and loops when we have in fact provided no wholesale transport or  
5 loops in Florida and are not operationally ready to do so. If our experience is  
6 representative of how BellSouth has collated the data for other CLECs, it is clear  
7 that BellSouth has grossly overstated the facts with respect to self-provisioned  
8 and wholesale transport triggers in Florida. The Commission needs to establish a  
9 formal verification process that is route and location specific before it can rely on  
10 data such as BellSouth, or Verizon for that matter, uses in its testimony to  
11 determine routes that meet the FCC's triggers for non-impairment.

12 .

13 **Q24. WHAT TYPE OF A DATA VERIFICATION PROCESS SHOULD THE**  
14 **COMMISSION ESTABLISH?**

15 A24. Allegiance suggests that the Commission act as a clearinghouse and require each  
16 certified CLEC and/or transport or loop provider identified by BellSouth and  
17 Verizon to verify under oath the transport routes and loop locations which it self-  
18 provisions and those which it offers up for wholesale. This verified data then  
19 should become the basis for determining whether the FCC's triggers for non-  
20 impairment on any given transport route have been met.

21

1 **Q25. ARE THERE TRANSITION ISSUES THAT MUST BE ADDRESSED BY**  
2 **THE COMMISSION IF IT FINDS NO IMPAIRMENT ON A TRANSPORT**  
3 **ROUTE?**

4 A25. Yes. Should the Commission conclude that there is no impairment on certain  
5 dedicated transport routes or loop locations, Allegiance and other CLECs will  
6 need time to identify other providers, verify available capacity and groom existing  
7 services on to alternative facilities.

8

9 **Q26. WHAT TYPE OF TRANSITION PLAN WOULD BE APPROPRIATE?**

10 A26. Allegiance believes that the Commission should order that the existing month-to-  
11 month TELRIC prices for the routes for which no impairment is found be  
12 maintained for 12 months to give CLECs adequate time to negotiate new prices  
13 with Verizon and BellSouth or to make arrangements with other providers. In  
14 addition, the pricing in any existing longer-term contracts that are in place on the  
15 affected routes should be maintained through the end of the contract period.

16

17 **Q27. PLEASE SUMMARIZE YOUR TESTIMONY.**

18 A27. As I have demonstrated in my testimony, BellSouth has made so many errors in  
19 the assumptions and conclusions that they have drawn with respect to Allegiance  
20 that it certainly calls into serious question the reliability of the non-impairment  
21 conclusions they have reached with respect to all of the data. Consequently, the  
22 Commission should adopt the Allegiance proposal for verification of all transport

1 routes and loop locations before the Commission concludes that any transport  
2 routes or loop locations satisfy any of the triggers.

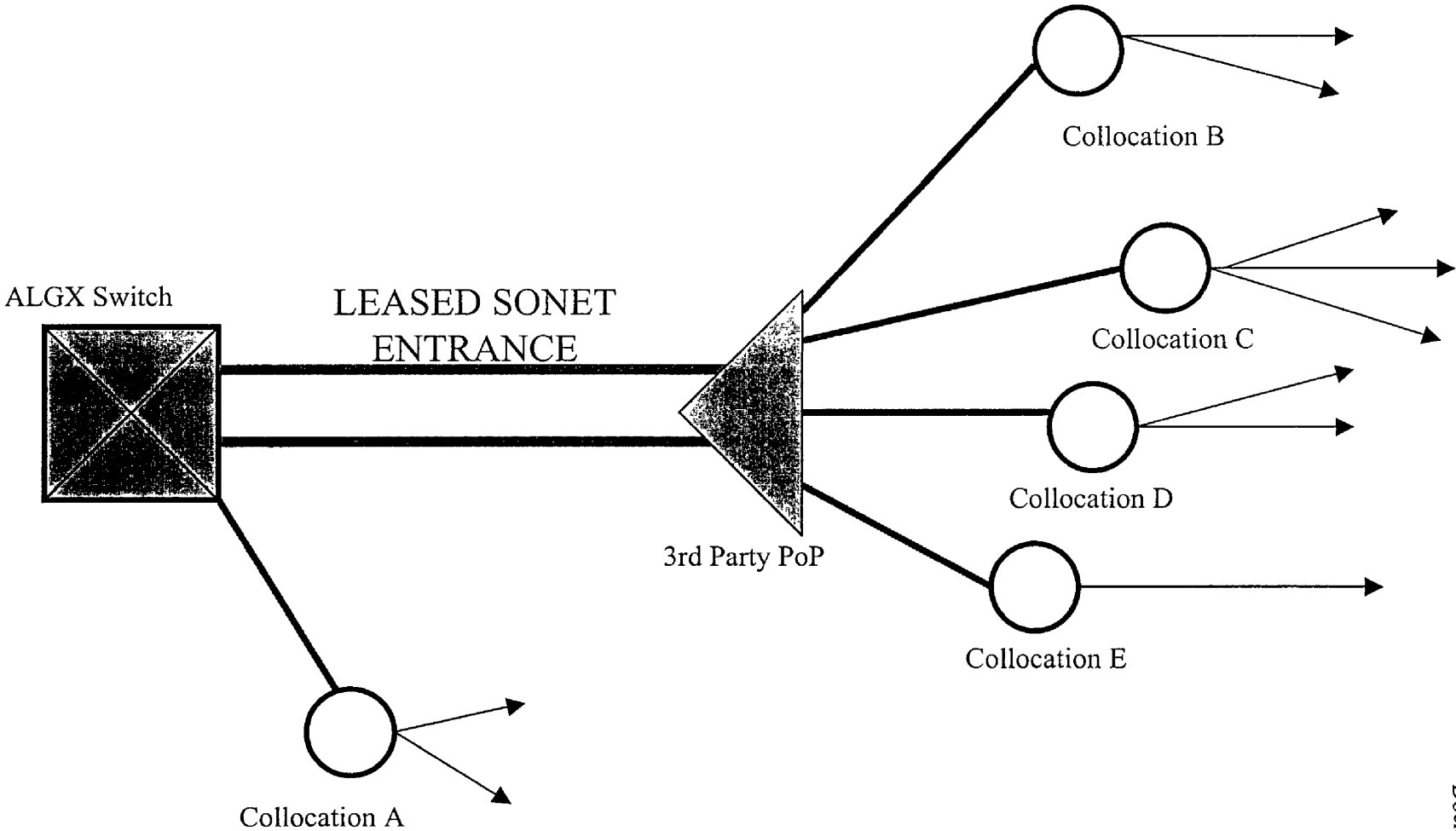
3

4 **Q28. DOES THIS CONCLUDE YOUR TESTIMONY?**

5 A28. Yes.



# TYPICAL DESIGN FOR ALLEGIANCE DISTRIBUTION NETWORK



- Leased OCn Facilities
- DS3 Facilities
- Loop facilities to customers