

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

In the Matter of the Petition by KMC Telecom III, )  
LLC, KMC Telecom V, Inc., and KMC Data, LLC, )  
for Arbitration of an Interconnection Agreement with ) Docket No. 031047-TP  
Sprint-Florida, Incorporated, Pursuant to Section 252(b) )  
of the Communications Act of 1934, as Amended )

**DIRECT TESTIMONY OF ROBERT E. COLLINS, JR.**

**ON BEHALF OF**

**KMC TELECOM III LLC, KMC TELECOM V, INC., AND KMC DATA,  
LLC**

June 11, 2004

DOCUMENT NUMBER-DATE  
06534 JUN 11 8  
FPSC-COMMISSION CLERK

**INTRODUCTION**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE RECORD.**

**A:** My name is Robert E. Collins, Jr. My business address is 1755 North Brown Road, Lawrenceville, Georgia 30043.

**Q: BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

**A:** I am employed by KMC Telecom Holdings, Inc. as Director of Operations, Southern Region.

**Q: BRIEFLY DESCRIBE YOUR RESPONSIBILITIES AT KMC.**

**A:** My primary responsibilities as Director of Operations at KMC include directing KMC's network engineering center, overseeing technical evaluation of new equipment, engineering, and network design of KMC's basic and enhanced telecommunications networks. Moreover, I oversee the company's construction, installation, provisioning, and maintenance of KMC's end-user and wholesale products and services, as well as technical support for KMC's network.

**Q: ON WHOSE BEHALF ARE YOU TESTIFYING HERE TODAY?**

**A:** I am testifying on behalf of KMC Telecom V, Inc., KMC Telecom III LLC, and KMC Data LLC. For simplicity, I will refer to these three KMC companies collectively as "KMC."

**Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

**A:** The purpose of my testimony is to provide operational support for many of the issues raised in this arbitration proceeding. Additional testimony on

1                   behalf of KMC is also being provided concurrently by Timothy J. Gates of  
2                   QSI Consulting, Inc. Issues not addressed in my testimony are covered in  
3                   his testimony. Specifically, Mr. Gates will provide testimony, or  
4                   supplement my testimony, on several issues, including the following: 2  
5                   (relating to IP-enabled traffic), 13(a) (relating to rates, terms, and  
6                   conditions for routine network modifications of loops), 13(b) (relating to  
7                   rates, terms, and conditions for routine network modifications of dedicated  
8                   transport), 14 (relating to Sprint's proposal to establish multiple POIs on  
9                   KMC's network), and 15 (relating to interconnection and compensation  
10                  requirements for ISP-bound traffic).

11   **Q:                   HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS**  
12                   **COMMISSION?**

13   **A:**                No, I have not.

14   **Q:                   PLEASE DESCRIBE THE KMC COMPANIES THAT ARE THE**  
15                   **PETITIONERS IN THIS PROCEEDING.**

16   **A:**                KMC V, KMC III and KMC Data are, collectively, nationwide facilities-  
17                   based providers of next-generation telecommunications infrastructure and  
18                   services, providing fiber-based, integrated data, voice, and Internet  
19                   communications services. They offer these services to business,  
20                   government and institutional and end-users, Internet service providers,  
21                   long distance carriers and wireless service providers. They are,  
22                   collectively, certified to provide telecommunications services in 49 states,  
23                   the District of Columbia, and Puerto Rico.

1 **Q: IS KMC PROVIDING SERVICES IN FLORIDA AT THIS TIME?**

2 **A:** Yes, KMC is a facilities-based telecommunications service provider that  
3 also provides service to customers through unbundled network elements  
4 leased from the incumbent local exchange carriers (“ILECs”), including  
5 Sprint-Florida, Incorporated (“Sprint”). KMC operates in BellSouth,  
6 Sprint and Verizon territories in Florida under certificates of public  
7 convenience and necessity granted by this Commission. KMC provides a  
8 wide variety of integrated voice, data and internet services to enterprises in  
9 the state of Florida.

10 **Q: HAS KMC CONSTRUCTED NETWORKS IN FLORIDA TO**  
11 **PROVIDE THESE SERVICES?**

12 **A:** Yes, KMC has built extensive networks in Daytona Beach, Ft Myers,  
13 Greater Pinellas, Melbourne, Pensacola, Sarasota and Tallahassee, as  
14 discussed in greater detail below.

15 **Q: PLEASE DESCRIBE KMC’S CURRENT**  
16 **TELECOMMUNICATIONS NETWORK IN FLORIDA.**

17 **A:** The telecommunications network utilized by KMC to provide service in  
18 Florida consists of fully functional central offices, that include Lucent  
19 5ESS switches, fiber optic transport equipment, digital cross-connect  
20 devices and fiber optic cabling throughout Daytona Beach, Ft Myers,  
21 Greater Pinellas, Melbourne, Pensacola, Sarasota and Tallahassee. This  
22 state-of-the-art equipment is used to deliver a wide variety of services to  
23 retail and wholesale customers. Services include, but are not limited to:

1 Primary Rate ISDN (PRI); Basic Rate ISDN (BRI); Voice, Data, Long  
2 Distance and point-to-point connectivity. In addition, KMC is currently  
3 collocated in the following five Sprint central offices in Florida.

4 **Two offices in Ft Myers:**

5 1520 Lee Street (FTMYFLXA)

6 3825 South Cleveland Avenue (FTMYFLXC)

7 **Three offices in Tallahassee:**

8 132 North Calhoun (TLHSFLXA)

9 124 Willis Road (TLHSFLXB)

10 1319 Blaire Stone Road (TLHSFL02).

11 **Q: PLEASE PROVIDE SOME BACKGROUND ON THIS**  
12 **PROCEEDING.**

13 **A:** KMC has an interconnection agreement with Sprint and has been  
14 operating under that agreement since it was approved by this Commission.  
15 Both parties have been negotiating a replacement interconnection  
16 agreement in good faith, and have in fact closed many issues. However, a  
17 number of issues remain unresolved. These issues are discussed in my  
18 direct testimony, as well as in the testimony of Mr. Gates.

19 **Q: HAVE THE PARTIES REACHED AGREEMENT ON ANY OF**  
20 **THE ISSUES IDENTIFIED IN THE COMMISSION'S ORDER**  
21 **ESTABLISHING PROCEDURE?**

22 **A:** Yes, the parties have reached agreement on the following issues: 3 – 12,  
23 16, 19, 20, and 22.

1   **Q:**               **PLEASE PROVIDE AN OVERVIEW OF THE REMAINING OPEN**  
2                       **ISSUES RAISED IN YOUR PETITION FOR ARBITRATION.**

3   **A:**               The remaining issues generally fall into one of several general groups.  
4                       First, KMC and Sprint disagree over the terms implementing Sprint’s  
5                       obligation to provide access to network elements in accordance with  
6                       applicable law (*see, for example*, Issue Nos. 13(a) and 13(b)). This is  
7                       particularly true with regard to the parties’ interpretation and application  
8                       of the FCC’s *Triennial Review Order*. Second, KMC and Sprint disagree  
9                       on several interconnection and related issues, such as the responsibility for  
10                      transport of Sprint-originated traffic to the KMC-designated Point of  
11                      Interconnection (“POI”) (*see* Issue Nos. 2, 14, and 15). Third, several  
12                      disagreements remain with regard to KMC’s right to collocate in Sprint’s  
13                      central offices, and Sprint’s obligations to provide services in connection  
14                      with that collocation (*see* Issue Nos. 18, 21(a), 21(b), and 23). Finally,  
15                      there is a group of miscellaneous issues that can best be described as  
16                      business issues, such as security deposits and performance assurance (*see*  
17                      Issue Nos. 1 and 17).

18  
19  
20  
21

**GENERAL PRINCIPLES: SECTION C OF THE AGREEMENT**

*Issue No. 1: Should the provisions of the interconnection agreement regarding security deposits apply to both parties?*

22  
23

**Q:                   WHAT IS KMC’S POSITION ON THIS ISSUE?**

1 **A:** KMC's position is that, to the extent Sprint insists on including a  
2 provision regarding security deposits in the interconnection agreement, the  
3 provision should be applied equally to both KMC and Sprint. Sprint, on  
4 the other hand, improperly asserts that it is neither appropriate, warranted,  
5 nor necessary to make the deposit provisions reciprocal. Sprint's position  
6 is manifestly discriminatory and assumes that KMC is not entitled to any  
7 assurance of future payment from Sprint.

8 **Q: WHY IS THIS ISSUE IMPORTANT TO KMC?**

9 **A:** This issue is important to KMC because, even more than Sprint, KMC  
10 needs a mechanism to ensure that it is reasonably assured of payment from  
11 Sprint for any services rendered by KMC. Sprint, for one thing, has more  
12 leverage than KMC since it has the ability to directly affect the service  
13 KMC provides to its customers. KMC's proposal is commercially  
14 reasonable and, indeed, reflects standard business practice.

15 **Q: HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

16 **A:** The Commission should find that the security deposit provisions of the  
17 interconnection agreement should be reciprocal, and that KMC is entitled  
18 to require a suitable form of security deposit. Specifically, the  
19 Commission should adopt the language proposed by KMC in section 6 of  
20 the proposed interconnection agreement. I note that the North Carolina  
21 Utilities Commission, in a Recommended Arbitration Order dated March  
22 2, 2004, held that the deposit language in the interconnection agreement  
23 between BellSouth and ITC DeltaCom should be reciprocal (*see In the*

1                    *Matter of Petition for Arbitration of ITC DeltaCom Communications, Inc.*  
2                    *with BellSouth Telecommunications, Inc. Pursuant to the*  
3                    *Telecommunications Act of 1996, Docket No. P-500, Sub 18,*  
4                    *Recommended Arbitration Order (rel. Mar. 2, 2004)).*

5  
6                    **INTERCONNECTION ISSUES: SECTION F OF THE AGREEMENT**

7  
8                    ***Issue No. 15:** What are the requirements for  
9                    interconnection and compensation for the  
10                  transport of Sprint end user originated ISP-  
11                  bound traffic between Sprint's originating  
12                  local calling area and a POI outside Sprint's  
13                  local calling area?*

14                  **Q:                    WHAT IS KMC'S POSITION ON THIS ISSUE?**

15                  **A:**                    KMC and Sprint have already agreed to exchange ISP-Bound traffic  
16                    pursuant to the FCC's *ISP Remand Order*. This traffic exchange  
17                    agreement is memorialized in a Settlement Agreement entered into  
18                    between Sprint and KMC effective May, 2002. As explained at length by  
19                    Mr. Gates in his direct testimony, Sprint-originated ISP-bound traffic must  
20                    be exchanged and compensated pursuant to the FCC's *ISP Remand Order*,  
                      regardless of whether the KMC-designated POI is inside or outside the  
                      Sprint local calling area from which the traffic originates, subject only to  
                      the requirement that there be one POI in each LATA. In addition,  
                      contrary to Sprint's suggestion, KMC cannot be required to bear the costs  
                      of transporting Sprint-originated ISP-bound traffic to the designated POI.



1 **Q: WHAT IS THE OPERATIONAL SIGNIFICANCE OF THIS ISSUE**  
2 **TO KMC?**

3 **A:** Allowing Sprint to shift the costs of transport associated with ISP-bound  
4 traffic to KMC would saddle KMC with costs attributable to Sprint in  
5 contravention of federal law. This, in turn, would make it uneconomic for  
6 KMC to provide service in Florida.

7 **Q: HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

8 **A:** The Commission should adopt KMC's position and make clear that the  
9 originating carrier is responsible for all the costs incurred in transporting  
10 and terminating its originating traffic, including ISP-bound traffic.

11  
12  
13

**REPORTING STANDARDS/PERFORMANCE ASSURANCE:**  
**SECTION J OF THE AGREEMENT**

*Issue No. 17: What measures, standards and remedies, if any, should apply to Sprint's performance?*

14

15 **Q: WHAT IS KMC'S POSITION ON THIS ISSUE?**

16 **A:** Sprint's performance should be measured utilizing the same measures and  
17 standards as BellSouth's, or at least refined to incorporate the knowledge  
18 gained in the review of the BellSouth Service Quality Measurements.  
19 Since the BellSouth performance measures and standards were developed  
20 by the Commission with the participation and scrutiny of many carriers,  
21 they are more advanced than the Sprint metrics. In fact, because Sprint is  
22 not subject to scrutiny under section 271 of the Act and the related  
23 obligations, performance measurements and remedies are even more

1 critical to managing the competitive process in Sprint's territory than in  
2 BellSouth's territory. BellSouth's desire to gain (and preserve) entry into  
3 the long-distance markets provided (and continues to provide) an incentive  
4 for BellSouth to meet performance obligations specified under the Act.  
5 Sprint has no such "carrot," and thus performance metrics and  
6 performance remedies plans are the most efficient way to manage Sprint's  
7 parity obligations in the state of Florida. Without performance metrics  
8 and performance remedies, CLECs will be obligated to raise performance  
9 issues through arduous and litigious carrier-to-carrier dispute and  
10 complaint processes.

11 In addition, the Commission should ensure that Sprint's  
12 performance is satisfactory by subjecting Sprint to remedies similar to  
13 those that apply to BellSouth, on a *pro-rata* basis. Both ILECs are  
14 similarly situated in the wholesale/retail marketplace, and there is little or  
15 no reason to hold Sprint to any less rigorous standards. Sprint would not  
16 be subject to penalties should Sprint provide services in accordance with  
17 the law and the Commission's expectations.

18 **Q: IS THERE PRECEDENT FOR REQUIRING PERFORMANCE-**  
19 **BASED REMEDIES IN INTERCONNECTION AGREEMENTS,**  
20 **EVEN WHEN THERE IS A SEPARATE REMEDY PLAN?**

21 **A:** Yes. Sprint is already subject to a performance remedy/penalty plan in  
22 Nevada, pursuant to an order of the PSC in Docket No. 03-1041 . In  
23 addition, I understand that the New York PSC, in the AT&T v. Verizon

1 arbitration (Case 01-C-0095), ordered Verizon to compensate AT&T for  
2 substandard performance under the interconnection agreement, in addition  
3 to those penalties required under the pre-existing, industry-wide  
4 Performance Assurance Plan.

5 **Q: HOW SHOULD THE COMMISSION RESOLVE THIS ISSUE?**

6 **A:** The Commission should adopt KMC's position and impose performance  
7 measures, standards and remedies upon Sprint as proposed by KMC.

8  
9

**COLLOCATION: SECTION K OF THE AGREEMENT**

10

*Issue No. 18: Under what conditions, if any, should Sprint be required to provide shared cageless collocation space?*

11

12 **Q: WHAT IS KMC'S POSITION REGARDING THIS DISPUTE?**

13 **A:** KMC believes that it should be allowed to sublease a portion of its  
14 cageless collocation arrangement in instances where it has unused space  
15 available.

16 **Q: WHAT IS THE BASIS FOR YOUR POSITION?**

17 **A:** One of the principles underlying the FCC's collocation rules is that the  
18 ILECs should not be permitted or encouraged to foist unnecessary costs  
19 upon CLECs. It is my understanding that the FCC required the ILECs to  
20 make cageless collocation space available in single-bay increments, noting  
21 that CLECs should not be forced to purchase collocation space that is  
22 much larger than the CLEC requires. Underpinning the FCC's  
23 requirements was the FCC's intent to "reduce the cost of collocation for

1 competitive LECs,” as well as “reduce the likelihood of premature space  
2 exhaustion.” Precluding CLECs, such as KMC, from subleasing unused  
3 cageless collocation space, such as a portion of a rack, would be a waste of  
4 valuable collocation space, perhaps contributing to eventual space exhaust.  
5 Also, Sprint’s proposed prohibition would unfairly prevent KMC from  
6 recouping a portion of its collocation costs if the space it is leasing exceeds  
7 its current needs. In addition, given the likelihood that CLECs might be  
8 forced to rely upon alternative service providers for loops and transport as  
9 a result of the FCC’s *Triennial Review Order* implementation, it is  
10 imperative that CLECs have collocation terms that provide the flexibility  
11 necessary to manage relationships with alternative service providers,  
12 including the ability to share collocation space in order to access any  
13 available third party loops and transport. At bottom, Sprint’s refusal to  
14 allow KMC to sublease a portion of its cageless collocation space is  
15 inefficient, arbitrary and unnecessarily restrictive.

16 **Q: IS IT TECHNICALLY FEASIBLE TO SHARE A CAGELESS**  
17 **COLLOCATION SPACE?**

18 **A:** Yes, there are no technical impediments to sharing a cageless collocation  
19 space. In fact, industry advances have resulted in the development of  
20 equipment that has a much smaller footprint and requires less power.

21 **Q: HOW SHOULD THE COMMISSION RESOLVE THIS DISPUTE?**

1    **A:**            The Commission should require Sprint to allow KMC to sublease a  
2                    portion of its cageless collocation space in the event KMC is unable to  
3                    fully utilize its cageless collocation space.

4

*Issue No. 21(a): Should KMC be allowed to provision cross-connects within its collocation space without application or additional charges by Sprint?*

5

6    **Q:**            **HAVE THE PARTIES REACHED AGREEMENT ON THIS ISSUE?**

7    **A:**            KMC believes that this issue has been resolved, in that KMC will be  
8                    allowed to provision its own cross-connects within its own collocation  
9                    space without being required to submit a collocation application or being  
10                   subject to additional Sprint charges.

11

*Issue No. 21(b): What limitations, if any, apply to KMC's ability to cross-connect with other collocated carriers?*

12

13   **Q:**            **DO THE PARTIES AGREE ON THE SCOPE OF SPRINT'S**  
14                    **OBLIGATION TO PROVIDE CO-CARRIER CROSS-CONNECTS?**

15   **A:**            Yes. KMC believes that this issue has been resolved, in that KMC will be  
16                    allowed to self-provision cross-connects to adjacent collocators at no  
17                    charge, and cross-connect to non-adjacent collocators via Sprint-provided  
18                    cross-connects at rates to be set by the Commission in the pending docket.

19

*Issue No. 23: Under what conditions, if any, may KMC utilize spare capacity on an existing interconnector's entrance facility for the purpose of providing an entrance facility to its collocation arrangement?*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21

**Q: WHAT IS YOUR POSITION ON THIS ISSUE?**

**A:** KMC should be allowed to utilize spare capacity on an existing interconnector's entrance facility for the purpose of connecting to its collocation arrangement as long as it is technically feasible.

**Q: WHY IS IT IMPORTANT THAT KMC BE ALLOWED TO USE SPARE CAPACITY ON PRE-EXISTING ENTRANCE FACILITIES?**

**A:** Permitting KMC to use spare capacity on pre-existing entrance facilities that had been previously deployed by another interconnector is economically sound. It simply does not make sense to force KMC to incur the significant costs of deploying parallel entrance facilities when its collocation needs can be fully addressed by leasing spare capacity on already existing entrance facilities. Moreover, leasing spare capacity on existing facilities will avoid potentially long delays associated with new deployment. In addition, it will conserve ports on Sprint's central office equipment, and thus should be welcomed by Sprint. Finally, disallowing an CLEC to utilize the entrance facilities of another carrier is completely inconsistent with the FCC's expectations in the *Triennial Review Order*. As CLECs enter the arduous process of preparing their networks to respond to the *Triennial Review Order's* possible de-listing of certain

1                   UNE loops and transport, it is imperative that the Commission thwart any  
2                   attempt by the ILECs to limit the ability of CLECs to access alternative  
3                   services that may be available.

4    **Q:                   DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

5    **A:                   Yes, it does.**