

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **DIRECT TESTIMONY**

3 **OF**

4 **JIMMY R. DAVIS**

5

6 **Q. Please state your name, place of employment, position and business address.**

7 A. My name is Jimmy R. Davis. I am employed by Sprint/United Management
8 Company as a Senior Manager -- Network Costing at 6450 Sprint Parkway,
9 Overland Park, Kansas 66251. I am appearing in this proceeding on behalf of
10 Sprint-Florida, Incorporated (hereafter referred to as "Sprint" or the "Company").

11

12 **Q. What is your educational background?**

13 A. I received a Bachelor of Science Degree in Civil Engineering from North Carolina
14 State University in Raleigh, North Carolina. In 1990, I received a Master of
15 Business Administration Degree from East Carolina University, in Greenville,
16 North Carolina. I have also received telephony related continuing education
17 through company sponsored technical training in Planning, Network, and Field
18 Operations.

19

20 **Q. What is your work experience?**

21 A. After a two-year tour in Building Engineering, I transferred to the Network
22 Planning Department of Carolina Telephone in Tarboro, North Carolina where I
23 had responsibility for that company's Capital Recovery Program. There my job
24 functions involved statistically based mortality studies of telephone physical

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1 property, depreciation expense budgeting, property valuations, and cost studies
2 including capital planning. From 1989 to 1993, I served as Carolina Telephone's
3 Technical Training Manager where I had responsibility for providing network
4 related technical skills training to that company's craft and lower level
5 management employees. After a two-year assignment in the Corporate Training
6 Organization, I was assigned, in 1995, to a Customer Services Manager Position in
7 Jacksonville, North Carolina. There I was responsible for the turn-up and
8 maintenance of Network and Outside Plant for approximately 115,000 access
9 lines. I was also responsible for installation and maintenance of residential and
10 small business services including high-speed data (special) services. In 1998, I
11 transferred to Kansas City where I continued to work in the Customer Services
12 Organization spending the majority of that time as a Standards and Process
13 Manager responsible for the Sprint Local Telephone Division's National Standard
14 Methods and Procedures for Outside Plant Construction and Maintenance
15 Operations. I then transferred to my current position in June of 2001, where I
16 represent Sprint's ILEC and CLEC operations in performing and analyzing cost
17 studies for collocation, non-recurring charges, and special projects involving
18 government mandates.

19
20 **Q. Have you previously testified before a state regulatory commission?**

21 **A. Yes. I have testified in the states of Florida and Missouri representing Sprint's**
22 **ILEC and CLEC operations.**

23

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. My testimony deals with the costing issues of this arbitration. I will address issues
3 28, 29 and 49 as they relate to cost.

4

5 **Issue 28. How should cooperative testing be conducted and what charges should**
6 **apply, if any?**

7

8 **Q. Has this issue been resolved by the parties?**

9 A. Yes. It is my understanding that the parties have resolved this issue and it is no longer
10 being disputed. To the extent this understanding is incorrect, Sprint reserves the right
11 to file testimony addressing this issue.

12

13 **Issue 29. What rates, terms and conditions should apply to routine network**
14 **modifications on UNE's available under this agreement?**

15

16 **Q. Which UNEs is this issue associated with?**

17 A. This issue relates to loop and transport UNEs.

18

19 **Q. What is Sprint's position on Issue 29?**

20 A. Sprint makes "routine" network modifications under the normal course of
21 business. In the majority of situations, this work is performed without the need for
22 additional charges beyond the standard monthly recurring and non-recurring
23 charges for the associated service. However, Sprint is proposing language in the

1 new interconnection agreement stating that FDN will compensate Sprint for the
2 costs of network modifications made on behalf of FDN to the extent that costs are
3 not contemplated or recovered in the Florida PSC approved unbundled loop and
4 transport monthly recurring and non-recurring charges.

5
6 **Q. What activities identified by the FCC as routine modifications does Sprint**
7 **perform for CLECs at no additional charge?**

8 A. As can be seen from the attached rate list (Exhibit JRD-1), Sprint performs up to
9 three cable pair rearrangements in ready access terminals (discussed in detail
10 below), installs smart jacks, and line cards all without additional charges. These
11 costs were included in the monthly recurring and non-recurring rates approved by
12 the Florida PSC (in Docket 990649B-TP) for loop and transport UNEs.

13
14 **Q. The FCC listed “rearrangement or splicing of cable” in the Triennial Review**
15 **Order (par 634) as a routine network modification. What cable**
16 **rearrangements does Sprint routinely make when provisioning service for its**
17 **retail and wholesale customers?**

18 A. Sprint routinely rearranges cable to enable the provisioning of service to a desired
19 location by way of above ground “ready access” terminals. Ready access
20 terminals include the black colored terminals seen attached to aerial telephone
21 cable as well as the pedestals connected to buried telephone cable seen sticking up
22 out of the ground in the public right-of-way. The ability to make rearrangements
23 is necessary for efficient use of outside plant facilities; therefore, such activities

1 are considered standard operating procedure and are performed under the normal
2 course of business. Under normal situations, a single loop can be provisioned to a
3 desired location by an installation technician through a series of no more than 3
4 cable pair rearrangements in ready access terminals.

5

6 **Q. Does Sprint charge CLECs extra for cable rearrangement consisting of no**
7 **more than 3 cable pair rearrangements in ready access terminals?**

8 A. No. Cable rearrangements such as those described above are performed under the
9 normal course of business. As seen on the attached rate list (Exhibit JRD-1), the
10 cost of up to three cable pair rearrangements utilizing ready access terminals are
11 already included in the loop NRCs.

12

13 **Q. What are the implications if more than three cable pair rearrangements**
14 **utilizing ready access terminals are necessary in order to provision the**
15 **requested service?**

16 A. Facility modifications involving more than three pair rearrangements for a single
17 loop in ready access terminals require a level of work beyond what an installation
18 technician performs for provisioning a loop or transport service. This level of
19 work requires that an outside plant engineer open a work authorization, study cable
20 records, design an alternative facility path, and possibly engineer the installation of
21 new facilities. This level of work also entails having cable splicing personnel
22 perform rearrangement for entire cable sections which would involve ensuring that
23 service to customers on existing working facilities is not interrupted. These costs

1 were not contemplated or included in the monthly recurring or non-recurring
2 charges approved by the Florida PSC under Docket 990649B-TP.

3

4 **Q. Why weren't the cost of rearrangements of more than three cable pairs**
5 **contemplated or included in the monthly recurring or non-recurring charges**
6 **approved by the Florida PSC under Docket 990649B-TP?**

7 A. As stated previously, the approved non-recurring charges only account for up to
8 three cable pair rearrangements which are performed by an installation technician.
9 Meanwhile the approved monthly recurring charges approved under Docket
10 990649B-TP assume that all of the necessary fiber cable, telephone poles, conduit,
11 manholes, DLCs (including the exact amount of required cards), copper loop
12 facilities, and customer terminating equipment (including smart jacks) are put in
13 place during a single construction job on a scale that meets the total demand for all
14 services by all customers at any given point in time. The approved MRCs
15 therefore did not anticipate the cost of going back into an existing network to
16 perform complex rearrangements relative to a single customer request for service.

17

18 **Q. Although the cost of complex rearrangements are not included in Sprint's**
19 **approved non-recurring or monthly recurring rates, can standard prices for**
20 **complex arrangements be developed?**

21 A. No. Complex rearrangements of cable facilities in the existing network do not
22 lend themselves to standard pricing due to the high variability of the activities
23 involved. For example, there may or may not be existing cable that could use to

1 establish the rearranged facility. The number of cables sections involved in the
2 rearrangement will vary thus causing fluctuations in cost. The mixture of aerial,
3 buried and/or underground facilities will vary. The rearrangements of
4 underground facilities involve entering manholes which adds substantially to the
5 cost due to pumping water, purging gases, traffic control and entering pressurized
6 splice enclosures. In addition, the number of customers with working services that
7 have to be rearranged without service interruptions will vary which also leads to
8 wide variations in cost. These combined factors do result in costs that are too
9 varied to enable the development of standard prices.

10

11 **Q. How does Sprint propose to charge FDN for complex arrangements?**

12 A. Due to the wide variability of cost associated with complex cable rearrangements
13 in the existing network as outlined above, the best approach for pricing complex
14 rearrangements requested by FDN and intended exclusively for their use is pricing
15 on an individual case basis.

16

17 **Q. What other network modification activities may result in additional charges
18 to a CLEC?**

19 A. The installation of doublers/repeaters would result in additional charges if they are
20 added exclusively for FDN. Sprint tests each request for service that would
21 require the addition of a repeater/doubler against the criteria discussed below.

22 Those that meet the criteria are treated as "Special Construction".

23

1 **Q. What are the criteria that determines that a network modification is “special**
2 **construction” resulting in extra charges to the end customer?**

3 A. Consistent with section E14.2.7 of Sprint’s PSC approved “Access Service Tariff”
4 for the state of Florida effective January 1, 1997, special construction is required
5 when suitable facilities are not available to meet a customer's order for service and
6 one or more of the following conditions exist:

7

8 a) Sprint **has no other requirement** for the facilities constructed at the
9 customer's request.

10 b) The customer requests that service be furnished using a type of facility, or via
11 a route, other than that which Sprint would otherwise utilize in furnishing the
12 requested service.

13 c) The customer requests the construction of more facilities than required to
14 satisfy the initial order for service; and submits a mutually agreed upon facility
15 forecast.

16 d) The customer requests construction be expedited resulting in added cost to
17 Sprint.

18

19 **Q. Does Sprint charge its own customers for special construction in the same**
20 **manner, at parity, that it is proposing to charge FDN?**

21 A. Yes. The “Access Service Tariff” referenced above is used to determine when a
22 customer ordering access services will be charged extra due to special
23 construction. Sprint applies the same standards for determining when to charge

1 CLECs for making routine network modifications to provide access to unbundled
2 loops and transport as it does for charging customers buying tariffed special access
3 services.

4
5 **Q. What are doublers and repeaters and why are they sometimes necessary?**

6 A. Doublers and repeaters are devices that enable the provisioning of DS1 service on
7 copper loops exceeding 12,000 feet in length and are necessary to fulfill orders
8 from CLECs. Although the TRO mentions both doublers and repeaters, Sprint
9 installs mostly doublers because they are compatible with digital subscriber line
10 (DSL) services. By adding a doubler, the DS1 service can be extended on a
11 copper loop to a distance of around 24,000 feet.

12
13 **Q. Were doublers included in the monthly recurring and non-recurring rates for
14 DS-1 loop and transport UNEs approved under Docket 990649B-TP?**

15 A. No. As indicated above, doublers are not needed unless the copper portion of the
16 loop exceeds 12,000 feet in length. The least-cost, forward-looking carrier serving
17 area (CSA) design used for MRC development, reflects a cost in which the copper
18 portion of the loop is designed to be shorter than 12,000 feet to eliminate the need
19 for doublers; therefore, none of the material, engineering or installation cost of
20 adding doublers was contemplated or included in either of Sprint's monthly
21 recurring or non-recurring charges approved by the Florida PSC under Docket
22 990649B-TP.

23

1 **Q. How does the reality of adding doublers and repeaters impact Sprint's ability**
2 **to recover its costs?**

3 A. In reality, Sprint has to go back into an existing network to convert bare copper
4 into a DS1 service. If the copper loop involved is longer than 12,000 feet, a
5 doubler is added. These costs are incurred for very small quantities of demand and
6 at times for a single unit of demand as ordered by FDN in this case. This is the
7 polar opposite of the assumptions behind Sprint's approved MRCs and NRCs in
8 that a forward looking network eliminates the need for doublers and further,
9 reflects a unit cost derived from facilities which are built to meet the total demand
10 for all services using a single construction job. Consistent with its well established
11 special construction policies, Sprint is not opposed to having to add doublers
12 where there is sufficient demand for DS1 service over time to ensure cost recovery
13 and will not charge CLECs anything extra for the installation of doublers in these
14 situations. However, there are certain circumstances where doublers are installed
15 that are not expected to generate sufficient demand over the life of the asset to
16 achieve cost recovery. Those situations are known as "special construction". In
17 paragraph 640 of the TRO the FCC states that the pricing rules allow an ILEC to
18 recover its costs. To achieve cost recovery in limited situations where an exiting
19 network has to be modified to provide services under special construction (as
20 defined earlier), it is necessary for Sprint to charge CLECs for the installation of
21 doublers (and repeaters) through NRCs.

22

1 **Q. Has Sprint developed standard rates for the installation of repeaters and**
2 **doublers under special construction?**

3 A. Yes, Sprint has developed standard NRCs for the installation of repeaters and
4 doublers which take into account the cost of material, engineering, and installation
5 labor. These standard prices along with supporting work papers are attached as
6 Exhibit JRD-1.

7

8 **Q. What costing support does Sprint offer for its standard rates for the**
9 **installation of doublers as shown on Exhibit JRD-1?**

10 A. In addition to a Rate List, Exhibit JRD-1 also contains a "Study Calculations"
11 work sheet and a "Work Activity Detail" support paper. The Work Activity Detail
12 contains the results of an examination of all available work activities associated
13 purely with the installation of repeaters/doublers in Sprint's network in Florida.
14 The engineering and installation labor is summarized along with the number of
15 repeater/doubler housings installed. As can be seen under the "Engineering
16 Hours" column of the Work Activity Detail of Exhibit JRD-1, it took on average
17 13.85 hours of engineering time per doubler/repeater. Likewise, as can be seen
18 under the "Installation Hours" column of the Work Activity Detail that it took on
19 average 13.42 hours of installation labor to install each doubler/repeater.

20

21 **Issue 49 What charges, if any, should apply to a request made by FDN to coordinate**
22 **conversions after normal working hours, or on Saturdays, Sundays, or Sprint**
23 **holidays?**

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Q. Has this issue been resolved by the parties?

A. Yes. It is my understanding that the parties have resolved this issue and it is no longer being disputed. To the extent this understanding is incorrect, Sprint reserves the right to file testimony addressing this issue.

Q. Does this conclude your direct testimony?

A. Yes.

ROUTINE MODIFICATION OF FACILITIES

Rate List

NRC/MRC

A. Rearrangement of Cable

- 1. Rearrangement of Up to 3 Pairs per UNE Loop Ordered *Included in UNE NRC/MRC*
- 2. Rearrangements Requiring More Than 3 Pairs per UNE Loop Ordered *ICB*

B. Dedicated Repeater/Doubler Installation Cost (incl. 4 slot housing and 1 card), per location

- 1. Repeater Equipment Case w/ Repeater Card (for T-1 applications)
 - a) Where Special Construction Does Not Apply (Card Installation Only) *Included in UNE NRC/MRC*
 - b) Where Special Construction Applies, Non Recurring Charge
 - Florida \$ 2,351.12
- 2. Doubler Equipment Case w/ Doubler Card (for HDSL applications)
 - a) Where Special Construction Does Not Apply (Card Installation Only) *Included in UNE NRC/MRC*
 - b) Where Special Construction Applies, Nonrecurring Charge
 - Florida \$ 2,601.28

C. Smart Jack

Included in UNE NRC/MRC

D. Line Card Installation

Included in UNE NRC/MRC

	Engineering			Installation			Materials			Total Materials and Labor	Common Cost Factor	Total Cost Plus Common
	Hours	Labor Rate	Total	Hours	Labor Rate	Total	Repeater/ Doubler Housing	Card	Total Materials			
- Repeater Enclosure and Card	14.00	\$ 46.55	\$ 651.70	13.00	\$ 43.95	\$ 571.35	\$ 785.90	\$ 69.24	\$ 845.14	\$ 2,068.19	13.68%	\$ 2,351.12
- Doubler Enclosure and Card	14.00	\$ 46.55	\$ 651.70	13.00	\$ 43.95	\$ 571.35	\$ 785.90	\$ 279.30	\$ 1,065.20	\$ 2,288.25	13.68%	\$ 2,601.28

Notes:

The work order detail tab shows support for the Engineering and Installation work times.

The labor rates are from Sprint's UNE Docket 990649B-TP

The material cost for the repeater/doubler housing and card are Sprint's material cost for these items.

The common factor of 13.68% was approved by the Florida PUC in UNE Docket 990649-TP and affirmed in Collocation Docket (981834/990321-TP)

Activity No.	District	Buried/Aerial/UG	Activity Description	Housing Quantity	Engineering Hours (600192)	Installation Hours (600092)
39170284	Winter Park	Buried	Installation of Repeater Housing	1		8.00
39162528	Naples	Buried	Installation of Housing Apparatus (2 slot) and Range Extender	1	34.00	5.50
39164509	NMOR	Buried	Adtran Dual Cable Housing and HDSL Range Extender	1	10.25	-
					1.51	1.31
					25.85	29.69
39172840	Winter Park	Buried	Adtran 4 Slot Housing w/Adtran H4R Repeater	1	18.00	
39173401	Spring Lake	Buried	Adtran 4 Slot Housing w/Adtran H4R Repeater	1	24.50	
39177245	Naples	Buried	Adtran Housing w/Adtran H4R Repeater	1	24.00	
39159954	Winter Park	UG	Installation of OSP Housing (10 Slot) and Doubler Card	1	17.91	22.19
					6.09	7.56
39164007	Winter Park	Buried	Installation of HRE 458 OSP Housing (10 Slot) and Doubler Card	1	16.00	7.50
39159184	Winter Park	Buried	Installation of OSP Housing (20 slot) and Doubler Cards (4)	1	16.00	2.00
39146038	Winter Park	Buried	Installation of HRE 458 OSP Housing (10 Slot) and Doubler Card	1		14.00
					8.00	34.00
39147465	Winter Park	Buried/UG	Installation of OSP Housing (10 Slot), Doubler Card and 25' Cable Stub	1	-	26.47
					6.94	2.81
					-	34.53
39167382	Kissimmee	Buried	ADC 12 Slot Enclosure w/ADC HDU-404 Doubler	1	19.26	
39169742	Kissimmee	Buried	ADC 12 Slot Enclosure w/ADC HDU-404 Doubler	1	12.50	
39127793	Casselbury	Buried	ADC HRE 458 OSP Housing (10 Slot) w/HDU-409 Doubler Card	1		4.00
39156018	Casselbury	Buried	ADC HRE 458 OSP Housing (10 Slot)	1		5.00
39147906	Winter Park	UG	ADC HRE 458 OSP Housing (10 Slot) w/HDU-409 Doubler Card	1	10.00	8.00
					16.00	
39168504	SHRD	Buried	Charles Ind. 12 Slot Repeater w/ADC HDU-409 Doubler	1	-	2.76
39171375	Altamonte Springs	Buried	ADC Outdoor Enclosure (8 slot) w/HDSL Range Extender	1	8.00	9.00
39119337	Winter Park	Buried	ADC HRE 458 OSP Housing (10 Slot)	1		9.48
					-	10.79
						8.52
						9.71
39134213	Avon Park	Buried	Charles Industries 12 Slot Repeaters (4), Repeater Mounts (4), Westell Repeaters (2)	4		32.01
					51.51	21.22
39163459	STCD	Buried	Charles Industries Repeater Housing (12 slot) w/ADC HDU-409 Doubler	1	8.00	5.00
						1.00
			Totals	24	332.32	322.05
			Per Doubler/Repeater		13.85	13.42

Note: All Work Activities are Florida Work Activities