

1                   **BEFORE THE COMMONWEALTH OF KENTUCKY**

2                   **PUBLIC SERVICE COMMISSION**

3                   **REBUTTAL TESTIMONY OF STEVEN E. TURNER**

4                   **ON BEHALF OF**  
5                   **AT&T COMMUNICATIONS OF THE SOUTH CENTRAL**  
6                   **STATES, INC. AND TCG OHIO, INC.**

7                   **CASE NO. 2001-105**

8                   **JULY 9, 2001**

9   **I.    INTRODUCTION AND QUALIFICATIONS**

10 **Q.   PLEASE STATE YOUR NAME AND EMPLOYER.**

11 A.   My name is Steven E. Turner.  Currently, I head my own telecommunications and  
12       financial consulting firm, Kaleo Consulting.

13 **Q.   PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

14 A.   I hold a Bachelor of Science degree in Electrical Engineering from Auburn  
15       University in Auburn, Alabama.  I also hold a Masters of Business Administration  
16       in Finance from Georgia State University in Atlanta, Georgia.

17 **Q.   PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE.**

18 A.   From 1986 through 1987, I was employed by General Electric in their Advanced  
19       Technologies Department as a Research Engineer developing high-speed graphics  
20       simulators.  I joined AT&T in 1987 and, during my career there, held a variety of  
21       engineering, operations, and management positions.  These positions covered the  
22       switching, transport, and signaling disciplines within AT&T.  From 1995 until  
23       1997, I worked in the Local Infrastructure and Access Management organization

1 within AT&T. It was during this tenure that I became familiar with the many  
2 regulatory issues surrounding AT&T's local market entry, and specifically with  
3 the issues regarding the unbundling of incumbent local exchange company  
4 ("ILEC") networks. I formed Kaleo Consulting in January 1997. I consult  
5 primarily on regulatory issues related to facilities-based entry into local exchange  
6 service and, using financial models to advise companies on how and where to  
7 enter telecommunications markets.

8 **Q. HAVE YOU TESTIFIED IN OTHER REGULATORY PROCEEDINGS?**

9 A. Yes. I have filed testimony or appeared before commissions in the states of  
10 Alabama, Arkansas, California, Colorado, Delaware, Florida, Georgia, Hawaii,  
11 Illinois, Kansas, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi,  
12 Missouri, Nebraska, Nevada, New York, Ohio, Oklahoma, Pennsylvania, Texas,  
13 Washington, and Wisconsin. Additionally, I filed testimony with the Federal  
14 Communications Commission ("FCC") regarding Southwestern Bell Telephone  
15 Company's ("SWBT") compliance with Section 271 of the Telecommunications  
16 Act of 1996 (the "Act"). A copy of my resume is attached as Exhibit SET-1.

17 **II. PURPOSE AND SUMMARY OF TESTIMONY**

18 **Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY.**

19 A. The purpose of my testimony is to highlight BellSouth's inadequate provision of  
20 interconnection and access, and to address certain aspects of the direct testimony  
21 of Ms. Cox, Mr. Latham, Mr. Milner, and Mr. Williams and the affidavit of Mr.  
22 Gray to assist this Commission in determining whether BellSouth fully  
23 implements the Competitive checklist requirements of Section 271(e)(2)(B) for

1 two specific areas: (1) digital subscriber line (“xDSL”) (Checklist Item 4); and  
2 (2) collocation (Checklist Item 1).

3 **Q. PLEASE SUMMARIZE THE RELEVANT FACTS AND YOUR**  
4 **CONCLUSIONS RELATING TO BELL SOUTH’S PROVIDING OF**  
5 **INTERCONNECTION AND ACCESS TO UNEs AS THEY RELATE TO**  
6 **xDSL SERVICES.**

7  
8 A. The current marketplace demands that competitive local exchange carriers  
9 (“CLECs”) be able to offer customers advanced services, as well as a combination  
10 (bundle) of voice and advanced services. BellSouth is aggressively offering  
11 customers bundled voice and advanced services, while consistently precluding  
12 CLECs, such as AT&T, who use the unbundled network element platform  
13 (“UNE-P”) from offering customers this same option. This has the effect of  
14 chilling local competition for advanced services.<sup>1</sup> It appears that BellSouth  
15 intends to extend that policy position to the broadband services it offers over the  
16 fiber-fed, next-generation digital loop carrier (“NGDLC”) architecture.  
17 BellSouth’s actions significantly hinder CLECs’ ability to compete in the markets  
18 for voice, data, and bundled services.  
19 BellSouth’s refusal to allow for effective interconnection and, therefore,  
20 competition regarding xDSL is occurring because BellSouth has not fully

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<sup>1</sup> The FCC has recognized that UNE-P is the most effective broad-based strategy for serving most residential and small business customers. *See In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order, Fourth Further Notice of Proposed Rulemaking, CC Docket No. 96-98, FCC No. 99-238, Rel. November 5, 1999 (“UNE Remand Order”), ¶ 273 and n. 543.

1 unbundled the “(l)ocal loop transmission from the central office to the customer’s  
2 premises”<sup>2</sup> for the following reasons:

3 a. The FCC in its *Line Sharing Reconsideration Order*<sup>3</sup> reconfirmed that  
4 BellSouth must provide for “line splitting.” Line splitting occurs when a  
5 CLEC provides a customer with both voice and advanced services over a  
6 single line. Despite its statements to the contrary, BellSouth refuses to  
7 implement line splitting requirements in Kentucky except in the narrowest  
8 of circumstances. As a result, AT&T and other CLECs who want to  
9 provide a customer with a complete package of voice services using UNE-  
10 P and advanced services cannot do so. In addition, BellSouth has failed to  
11 implement electronic ordering for line splitting in accordance with FCC  
12 direction, precluding AT&T from providing bundled offerings of voice  
13 and advanced services to customers at commercial volumes. Bundled  
14 services are important now and will be central to the competitive  
15 marketplace in the foreseeable future. Thus, BellSouth’s refusal to comply  
16 with the FCC Orders on line splitting means BellSouth is not in  
17 compliance with the Section 271 checklist and continues to delay the  
18 development of a competitive market in the state of Kentucky.

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<sup>2</sup> Section 271(c)(2)(B)(iv) of the Act.

<sup>3</sup> *In the Matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket Nos. 98-147 and 96-98, FCC No. 01-26 (rel. Jan 19, 2001) (“*Line Sharing Reconsideration Order*”).

1           b.     BellSouth, like all ILECs, is aggressively deploying NGDLC.<sup>4</sup> BellSouth  
2           uses this technology to provide the “local loop transmission” between the  
3           customer’s premises and the central office. BellSouth, however, does not  
4           provide CLECs, such as AT&T, with equivalent access to loops that use  
5           NGDLC technology despite BellSouth’s statements to the contrary. As a  
6           result, CLECs seeking to provide bundled voice and advanced services in  
7           competition with BellSouth are faced with three choices: (1) employ  
8           traditional copper loops to deliver inferior service quality assuming such  
9           loops are available, (2) engage in cost prohibitive remote terminal  
10          collocation in an effort to replicate the loop architecture deployed by  
11          BellSouth assuming it is technically feasible, or (3) forego competition for  
12          the customer served by NGDLC loop technology. Of course all three  
13          choices, for all practical purposes, have the same result – BellSouth retains  
14          its monopoly control of the market BellSouth’s restrictions in this area are  
15          inconsistent with the requirements of FCC rules and Sections 251 and 271  
16          of the Act, and allow BellSouth to remain a monopoly provider of  
17          combined voice and advanced services to Kentucky consumers.

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<sup>4</sup> NGDLC is a telecommunications component that allows carriers to use fiber from the central office out to a remote terminal. At the remote terminal, the NGDLC allows for the fiber to be connected with the copper that continues the loop out to the customer’s premises. The “next generation” aspect of NGDLC is that by simply using different plug-in cards, the telecommunications carrier is able to provide voice service only, advanced service only, or combined voice and advanced services. Prior to the deployment of NGDLC, the data service was provided by a separate device known as an xDSL access multiplexer (“DSLAM”). The DSLAM capability now has been integrated onto a card within the NGDLC, permitting easier provisioning of advanced services.

1 **Q. PLEASE SUMMARIZE THE RELEVANT FACTS AND YOUR**  
2 **CONCLUSIONS RELATING TO BELLSOUTH'S PROVIDING OF**  
3 **ACCESS TO UNEs THROUGH COLLOCATION.**  
4

- 5 A. For collocation, BellSouth has not demonstrated that it is in compliance with the  
6 requirements of Section 271(c)(2)(B) in that the terms and conditions BellSouth  
7 has implemented for collocation fail to comply with the requirements of FCC  
8 guidelines and, therefore, negatively impact CLECs' ability to efficiently obtain  
9 interconnection and access to unbundled elements consistent with the  
10 requirements of the Act. BellSouth's testimony discusses in great volume what  
11 collocation options BellSouth supposedly offers. BellSouth's testimony ignores,  
12 of course, what BellSouth does not offer and why the terms, conditions and prices  
13 it imposes on collocation arrangements are discriminatory. Specifically:
- 14 a. BellSouth may unilaterally modify critical terms and conditions related to  
15 collocation without approval by this Commission or negotiation with  
16 collocators.
  - 17 b. BellSouth's recovery of "extraneous expenses" is neither consistent with  
18 TELRIC cost principles nor consistent with FCC rules.
  - 19 c. BellSouth fails to provide for shared collocation in a form that is  
20 consistent with that required by the FCC's *Advanced Services Order*.<sup>5</sup>

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<sup>5</sup> *In The Matter Of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket, No. 98-147, *First Report and Order and Further Notice of Proposed Rulemaking*, FCC 99-48 (rel. Mar. 31, 1999) ("Advanced Services Order")

1 d. BellSouth fails to provide for adjacent off-site collocation even though this  
2 arrangement is provided by similarly situated ILECs and permitted within  
3 the definition of the FCC's *Advanced Services Order*.

4 In summary, absent BellSouth bringing these activities into compliance with the  
5 Act and FCC guidelines, BellSouth has not met the requirements of the  
6 competitive checklist as it pertains to issues of collocation.

7 **III. xDSL**

8 **Q. WHAT ARE xDSL SERVICES AND WHY IS IT IMPORTANT TO THE**  
9 **COMMISSION'S ASSESSMENT OF BELLSOUTH'S COMPLIANCE**  
10 **WITH SECTION 271 REQUIREMENTS RELATING TO**  
11 **INTERCONNECTION?**  
12

13 A. Consumers want both voice and data services. xDSL allows a customer to receive  
14 those services and in the future will also provide for the delivery of voice and  
15 video, in addition to high-speed data. "Line Splitting" or "Line Sharing" allows  
16 the customer to receive both voice and advanced services over a single phone line  
17 – often called "bundled services." CLECs must be able to provide those services  
18 in order to compete with BellSouth.

19 Because of the importance of advanced services in relation to competition, the  
20 FCC requires a Regional Bell Operating Company ("RBOC"), in connection with  
21 any Section 271 application, to demonstrate that it provides CLECs with the  
22 ability to offer bundled voice and data services using the local loop. The FCC's  
23 recent *Line Sharing Reconsideration Order*, states:

24 We find that incumbent LECs have a *current obligation* to  
25 provide competing carriers with the ability to engage in line  
26 splitting arrangements . . . *incumbent LECs must allow*

1                    *competing carriers to offer both voice and data service*  
2                    *over a single unbundled loop.*<sup>6</sup>  
3

4                    Moreover, we expect Bell Operating Companies to  
5                    demonstrate, in the context of section 271 applications, that  
6                    they permit line splitting, by providing access to network  
7                    elements necessary for competing carriers to provide line  
8                    split services.<sup>7</sup>

9                    The FCC went on to find that:

10                    [T]he availability of line splitting will further speed the deployment of  
11                    competition in the advanced services market by making it possible for  
12                    competing carriers to provide voice and data offerings on the same line . . .  
13                    these offerings are especially attractive to residential and small business  
14                    customers.<sup>8</sup>  
15

16                    **Q.     WHAT ARE THE RELEVANT PORTIONS OF THE ACT RELATING TO**  
17                    **xDSL SERVICES?**

18  
19                    **A.**     Section 251(c)(3) of the Act requires BellSouth, in part, to: “provide, to any  
20                    requesting telecommunication carriers, for the provision of a telecommunications  
21                    service, *nondiscriminatory access* to network elements . . . on rates, terms and  
22                    conditions that are just, reasonable, and nondiscriminatory . . .” (emphasis added).  
23                    An unbundled loop, including a loop used in combination with switching that  
24                    provides xDSL and other advanced services, is a network element.<sup>9</sup>

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<sup>6</sup>                    *Line Sharing Reconsideration Order* at ¶ 18 (emphasis added).

<sup>7</sup>                    *Id.* at fn. 36.

<sup>8</sup>                    *Id.* at ¶ 23.

<sup>9</sup>                    *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, First Report and Order*, CC Docket No. 96-98, FCC No. 96-325, Rel. August 8, 1996, ¶¶ 380 and 382; and UNE Remand Order at ¶¶ 166-167.



1 Nondiscriminatory access to network elements requires that there is access to all  
2 of the features, functions and capabilities that are provided by that element.<sup>10</sup> The  
3 high frequency portion of the loop (“HFPL”) for advanced services is a loop  
4 capability.<sup>11</sup> The FCC also has determined that BellSouth has an obligation to  
5 provide a requesting carrier with access to all of the unbundled network element  
6 “features, functions and capabilities, in a manner that allows the requesting  
7 telecommunications carrier to provide *any telecommunications service that can be*  
8 *offered by means of that network element.*”<sup>12</sup> xDSL service is one of the  
9 telecommunications services that can be offered by means of the loop.<sup>13</sup> Thus,  
10 BellSouth is required to make available to CLECs the features, functions and  
11 capabilities necessary to provide xDSL service.

12 **Q. WHAT HAS BEEN BELLSOUTH’S APPROACH TOWARDS xDSL**  
13 **SERVICES?**

14  
15 A. BellSouth forecloses meaningful competition through use of two strategies –  
16 refusal to provide operational processes for CLECs to engage in line splitting and  
17 refusal to unbundle loops based on NGDLC technology. The former policy  
18 effectively prevents using central-office based technology and the latter prevents  
19 the same type of competition from emerging when BellSouth uses remote

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<sup>10</sup> 47 U.S.C. § 153(29) and FCC Rules 51.307(b) and 51.5.

<sup>11</sup> *In the Matters of Deployment of Wireline Services Offering Advanced telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order in CC Docket No. 98-147, Fourth Report and Order in CC Docket No. 96-98 (FCC Docket No. 99-355, Rel. December 9, 1999 (“Line Sharing Order”) at ¶ 17.

<sup>12</sup> FCC Rule 51.307(b) (emphasis added).

<sup>13</sup> Line Sharing Order at ¶¶ 13, 17, and 25.

1 terminal deployed electronics. Together they represent “business as usual” for  
2 BellSouth – continuation of its monopoly.

3 **A. Failure to Operationalize Line Splitting is a Clear Barrier to the**  
4 **Development of Competition**

5  
6 **Q. IS BELLSOUTH REQUIRED TO PROVIDE LINE SPLITTING?**

7 A. Yes. As previously indicated, because of consumer demand for advanced services  
8 and bundled voice and advanced services, the FCC requires that BellSouth permit  
9 line splitting. The FCC has repeatedly made clear that ILECs must make line  
10 splitting available to comply with the unbundling requirements of the Act.

11 **Q. DOES BELLSOUTH OFFER LINE SPLITTING IN KENTUCKY?**

12 A. No, other than on a discriminatory basis. BellSouth will make Line Splitting  
13 available for a new customer *only* if a CLEC provides its own splitter.<sup>14</sup> However,  
14 this does not meet the requirements of offering line splitting on a  
15 nondiscriminatory basis. BellSouth provides xDSL services to new customers  
16 and allows CLECs to provide xDSL services to customers when BellSouth  
17 continues to provide the voice service (“line sharing”). BellSouth’s refusal to  
18 permit CLECs to provide voice and advanced services to new customers through  
19 line splitting is plainly and unreasonably discriminatory. The *Line Sharing Order*  
20 does not authorize this discrimination. Indeed, the FCC explicitly recognized in  
21 the *Line Sharing Order* that competitive carriers are entitled to “obtain  
22 combination of network elements and use those elements to provide circuit

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<sup>14</sup> Direct Testimony of Cynthia K. Cox on behalf of BellSouth Telecommunications, Inc., Case No. 2001-105, May 18, 2001, p. 46.

1 switched voice service *as well as data services.*<sup>15</sup> Moreover, the impact of  
2 BellSouth denying AT&T and other CLECs with access to line splitting via  
3 BellSouth splitters is that customer service and choice will be negatively  
4 impacted.

5 **Q. COULD YOU EXPLAIN HOW CUSTOMER SERVICE AND CHOICE**  
6 **WILL BE NEGATIVELY IMPACTED?**

7  
8 A. Yes. One of the concerns consumers who choose a combination of voice and data  
9 services have is whether implementing this arrangement will negatively impact  
10 their voice service. Acquiring advanced data services can take some time.  
11 However, consumers cannot afford to have their voice service out of service other  
12 than for a brief period. In my opinion, this is precisely why BellSouth is so eager  
13 to offer CLECs access to a BellSouth owned splitter for line sharing; the  
14 disruption to BellSouth voice service is minimized. Similarly, if only one party is  
15 involved in the provision of the voice service through line splitting, including the  
16 insertion of the splitter to provide for access to the DSL services would minimize  
17 any outage for voice service. I would expect that the customer's service would be  
18 disrupted for no more than a couple of minutes. BellSouth is very willing to  
19 provide the splitter for line sharing primarily because it is still the voice provider  
20 and does not want a service outage for its voice customer as a result of a lengthy  
21 cutover process.  
22 However, if the CLEC must insert its own splitter – as BellSouth requires for new  
23 customers in a line splitting arrangement – multiple jumpers or cross-connects

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<sup>15</sup> *Line Sharing Order* at ¶ 47 (emphasis added).

1 must be run to extend the unbundled loop and unbundled switch port into the  
2 collocation arrangement where they would have to be cross-connected through a  
3 splitter and establish a connection back to the switch again. Moreover, this cross-  
4 connect work must be coordinated between two companies – BellSouth and the  
5 CLEC. These additional cross-connects, additional cost, and additional delays in  
6 service are what clearly indicate that BellSouth is discriminating against CLECs  
7 that want to provide voice *and* data service (line splitting) as opposed to CLECs  
8 that are willing to only provide data service and allow BellSouth to retain the  
9 voice service monopoly (line sharing). This type of discrimination is precisely  
10 what the federal Act forecloses prior to Section 271 relief for the incumbent.

11 **1. BellSouth Has Not And Will Not Provide Line Splitters**

12 **Q. WHAT IS THE FIRST REASON WHY YOU BELIEVE BELL SOUTH**  
13 **HAS FAILED TO MEET ITS OBLIGATIONS REGARDING LINE**  
14 **SPLITTING?**

15  
16 A. As briefly illustrated above, BellSouth refuses to provide line splitters in most  
17 circumstances, precluding line splitting on a nondiscriminatory basis.<sup>16</sup>

18 **Q. WHAT IS A LINE SPLITTER?**

19 A. Line splitting requires the use of a splitter. A splitter is a passive electronic filter  
20 that is attached to the loop that is used to split or separate signals on the basis of  
21 their transmission frequencies. The splitter enables the low-frequency voice  
22 signals on the loop to be directed to a voice circuit switch and the high-frequency  
23 data signals on that loop to be delivered to a packet switching network. There is

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<sup>16</sup> Cox Direct at 47 and Williams Direct at 18-20.

1 no technical reason why BellSouth cannot add a splitter to a UNE-P loop that the  
2 CLEC is already using to provide a Kentucky consumer bundled voice and  
3 advanced services.

4 **Q WHY DO YOU CONCLUDE THAT BELL SOUTH HAS NO TECHNICAL**  
5 **REASON NOT TO PROVIDE CLECS USING UNE-P WITH A**  
6 **SPLITTER?**

7  
8 A. BellSouth's technical capability to provide line splitters for CLEC use in the  
9 UNE-P environment is shown by the fact that although BellSouth claims it does  
10 not have a legal obligation to provide a line splitter when it engages in line  
11 sharing with another CLEC, it is willing to do so and, in fact, has done so. But  
12 when a CLEC wants to provide line splitting with UNE-P so that a customer  
13 could obtain voice and advanced services over the same line, BellSouth uses its  
14 "lack of legal obligation" to refuse to provide CLECs with the splitter to serve  
15 new customers. Thus, BellSouth is willing to provide the splitter to CLECs when  
16 BellSouth continues to provide the customer with voice service. However, for a  
17 new customer, if BellSouth is not providing the voice service, then BellSouth  
18 refuses to provide the splitter and requires the CLEC to provide one. This is,  
19 obviously, not an issue of technical capability. Rather it is blatant discrimination  
20 in direct violation of Section 251(c)(3) of the Act.

21 **Q. WHAT IS THE IMPACT OF BELL SOUTH'S REFUSAL TO PROVIDE**  
22 **THE LINE SPLITTER TO CLECS?**

23  
24 A. Without BellSouth's insertion of the splitter, the CLEC is effectively precluded  
25 from competing for BellSouth customers who wish to obtain voice and advanced  
26 services over a single local loop. The FCC has found that the costs of collocation

1 and the prospects of hot cuts, which would be necessary for the CLEC to provide  
2 the splitter, represent a clear impairment to voice service competition because of  
3 the need to disrupt the customer's service. The FCC also found in the *Line*  
4 *Sharing Order* that competing via a second line stifles competition for advanced  
5 services. Most consumers want one phone line for voice and advanced services.  
6 The bottom line is that BellSouth's policy of refusing to provide the splitter,  
7 except in a few instances, results in the customer's service being disrupted for no  
8 justifiable reason other than to thwart the ability of a CLEC using UNE-P to  
9 compete in the advanced services market.

10 **Q. WHAT RATIONALE DOES BELL SOUTH PROVIDE FOR NOT**  
11 **PROVIDING THE SPLITTER FUNCTIONALITY TO UNE-P CLECS?**

12  
13 A. As I stated earlier, BellSouth asserts that it has no legal obligation to provide the  
14 splitter for line splitting. BellSouth bases this position on its interpretation of  
15 paragraphs 325 and 327 of the FCC's Texas 271 Order dated June 30, 2000. This  
16 rationale is flawed. The FCC in evaluating SBC's application for 271 relief only  
17 evaluated whether or not SBC had a *current* obligation to provide the splitter for  
18 line sharing and line splitting. However, the FCC also noted that this issue had  
19 yet to be fully evaluated by the FCC and that it should be in short order (*see*  
20 paragraph 328). Thus, no prohibition exists against ILECs providing splitters, and  
21 the issue in Kentucky remains one of discrimination.  
22 Indeed, the Texas Public Utility Commission considered whether SBC should  
23 provide access to incumbent owned line splitters after SBC had already received  
24 its Section 271 authority to provide long distance in Texas. In this review, the

1 Texas Public Utility Commission concluded that SBC *did* have a responsibility to  
2 provide access to its splitters for both line sharing as well as line splitting.<sup>17</sup> The  
3 arbitrators in this proceeding specifically noted in their ruling:

4 The Arbitrators find that based upon the evidence in this  
5 record there is no technical distinction between line sharing  
6 and line splitting, as the splitter provides access to the same  
7 functionality of the loop in both contexts. **The Arbitrators**  
8 **agree with AT&T that it is discriminatory for SWBT to**  
9 **provide the splitter in a line sharing context while not**  
10 **providing the splitter in a line splitting context.** The  
11 Arbitrators believe that SWBT's policy will have the effect  
12 of severely limiting the number of data CLECs with which  
13 a UNE-P provider can partner in order to offer advanced  
14 services. (Emphasis Added)<sup>18</sup>

15 BellSouth continues the same type of discrimination that the Texas Public  
16 Utilities Commission corrected in Texas – the very state that BellSouth points to  
17 for its support that providing the splitter for line splitting is not required. Again,  
18 BellSouth provides access to the splitter when BellSouth is the voice provider.  
19 But, BellSouth, in its continued effort to undermine the utility of the UNE-P, has  
20 determined that it will not provide the splitter when a CLEC wants to serve a new  
21 customer. It is in this regard that the Kentucky Public Service Commission should  
22 determine that BellSouth is not in compliance with the Act's requirement to  
23 provide nondiscriminatory access to unbundled loops, just as the Texas Public

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<sup>17</sup> *Petition of Southwestern Bell Telephone Company for Arbitration with AT&T Communications of Texas, L.P., TCG Dallas, and Teleport Communications, Inc. Pursuant to Section 252(B)(1) of the Federal Communications Act of 1996*, Docket No. 22315, Texas Public Utilities Commission Order, March 14, 2001.

<sup>18</sup> *Petition of Southwestern Bell Telephone Company for Arbitration with AT&T Communications of Texas, L.P., TCG Dallas, and Teleport Communications, Inc. Pursuant to Section 252(B)(1) of the Federal Communications Act of 1996*, Docket No. 22315, Texas Public Utilities Commission Arbitration Award, September 13, 2000.

1 Utilities Commission did, because it will not provide access to line splitters for  
2 new customers.

3 **Q. IS IT TRUE THAT IN EACH OF THE STATES WHERE A REGIONAL**  
4 **BELL OPERATING COMPANY (RBOC) HAS BEEN GRANTED**  
5 **SECTION 271 RELIEF AN INCUMBENT HAS NOT BEEN REQUIRED**  
6 **TO PROVIDE A SPLITTER FOR LINE SPLITTING?**

7  
8 A. Yes, this is true. However, it is important to understand the circumstances  
9 surrounding each state. *First*, the Texas Section 271 Order was issued while the  
10 FCC requirements for line splitting were being developed. The FCC made clear  
11 that SBC had an obligation to provide line splitting, but many of the operational  
12 issues surrounding line splitting, such as splitter ownership, were simply too  
13 undeveloped for the FCC to rule against SBC's entry into long distance in Texas.  
14 However, as I pointed out earlier, shortly thereafter, the Texas Public Utilities  
15 Commission did, in fact, rule that SBC had to make SWBT-owned splitters  
16 available to CLECs engages in line splitting.

17 *Second*, the Kansas-Oklahoma Section 271 Order was issued on January 19, 2001  
18 – precisely the same day that the *Line Sharing Reconsideration Order* was issued  
19 by the FCC. As such, the clear requirements for an ILEC to provide line splitting  
20 over UNE-P and whether SBC was providing discriminatory treatment to CLECs  
21 in Kansas and Oklahoma were not fully evaluated at the time the Kansas-  
22 Oklahoma Section 271 Order was issued. Moreover, the requirements of the *Line*  
23 *Sharing Reconsideration Order* were not in effect at the time of evaluation of the  
24 Kansas-Oklahoma application for Section 271 relief.

25 *Third*, the only remaining states that BellSouth can point to are Verizon states:  
26 New York (December 21, 1999) and Massachusetts (April. 16, 2001). There is a



1 critical distinction between the standard that Verizon was evaluated against and  
2 the standard that BellSouth should be evaluated against: *discrimination*. In  
3 Massachusetts and New York, Verizon does not provide access to Verizon-owned  
4 splitters for line sharing or line splitting. In other words, Verizon took the  
5 position early on that if CLECs wanted access to splitters, they would have to  
6 provide them on their own. Therefore, Verizon, unlike BellSouth, is not  
7 discriminating against one group of CLECs (those that want to use line splitting)  
8 in favor of another group of CLECs (those that want to use line sharing). As  
9 such, any reliance on the Massachusetts and New York Section 271 Orders to  
10 support the position that BellSouth does not have to provide splitters for line  
11 splitting is misplaced. BellSouth is clearly providing discriminatory access to  
12 unbundled loops for different classes of CLECs based upon whether BellSouth  
13 continues to provide voice service or not.

14 **Q. WHY SHOULD BELL SOUTH BE REQUIRED TO PROVIDE THE**  
15 **SPLITTER?**

16  
17 A. As the FCC's UNE Remand Order determined, "attached electronics", with the  
18 exception of DSLAMs are regarded as a part of the loop.<sup>19</sup> As indicated  
19 previously, a splitter is a passive electronic filter that is attached to the loop in  
20 order to split or separate the signals on the basis of their transmission frequencies.  
21 Thus, splitters are a part of the local loop, and ILECs are required to unbundle the  
22 local loop.

23 **Q: ARE BELL SOUTH'S ARGUMENTS AGAINST PROVIDING THE**  
24 **SPLITTER EVEN CONSISTENT WITH BASIC ENGINEERING**  
25 **PRINCIPLES?**  
26

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<sup>19</sup> UNE Remand Order at ¶175.

1 A. No. BellSouth's argument that the splitter is not part of the loop is inconsistent  
2 with principles of telephone engineering. It is undisputable that bridge taps are  
3 routinely installed in the ILEC's loop plant, and the FCC has expressly recognized  
4 the right of a purchaser of a loop element to insist that bridge taps be removed,  
5 even where the ILEC does not ordinarily perform such removals for itself because  
6 it is not providing advanced services to those customers. It is likewise  
7 indisputable that load coils – which in fact are nothing but low-pass filters – may  
8 be part of the loop, and the FCC has expressly recognized the right of a purchaser  
9 of a loop element to insist that load coils be removed.<sup>20</sup> Yet BellSouth denies its  
10 obligation to provide a splitter, claiming it cannot be part of a loop, even though  
11 insertion of a splitter is effectively nothing more than a bridge tap that separates a  
12 single copper facility into two paths and provides filtering and electrical  
13 protection for the transmission on for each path.

14 **Q. SO IS IT FAIR TO SAY THAT IN YOUR OPINION THERE IS NO**  
15 **TECHNICAL REASON FOR BELL SOUTH TO REFUSE TO PROVIDE**  
16 **CLECS USING THE UNE-P WITH A SPLITTER?**  
17

18 A. That is correct. As I indicated previously, BellSouth's technical capability to  
19 provide line splitters for CLEC use in the UNE-P environment is shown by the  
20 fact that BellSouth provides a line splitter when it engages in *line sharing* with  
21 another CLEC.<sup>21</sup> This is, obviously, not an issue of technical capability. Rather it  
22 is blatant discrimination in direct violation of Section 251(c)(3) of the Act.

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<sup>20</sup> UNE Remand Order at ¶¶172-173.

<sup>21</sup> Cox Direct at 45-46.

1 **Q. WHAT IS THE IMPACT OF THE DISCRIMINATION YOU JUST**  
2 **DESCRIBED?**

3  
4 A. The obvious impacts of BellSouth's discriminatory refusal to permit line splitting  
5 has been to permit BellSouth to "lock-up" the xDSL market before CLECs have a  
6 chance to provide bundled services.

7 **Q. PLEASE EXPLAIN YOUR PRIOR ANSWER.**

8 A. As I noted before, a carrier's ability to provide bundled voice and advanced  
9 services is becoming essential to the carrier's ability to compete. Critically, line  
10 splitting is especially attractive to residential and small commercial customers.  
11 But line splitting by other than BellSouth will *not* be attractive to consumers if  
12 their service must be disrupted when they switch their voice service from  
13 BellSouth to a UNE-P CLEC. Unless BellSouth provides the splitter, this is  
14 exactly what will happen.

15 **Q. WHY WOULD SERVICE BE DISRUPTED WHEN CONSUMERS**  
16 **CHANGE PROVIDERS IF BELLSOUTH REFUSES TO PROVIDE THE**  
17 **SPLITTER?**

18  
19 A. When a customer changes voice providers only and a splitter is present, all that is  
20 required is an electronic change modification in the local switch when the splitter  
21 is not removed. No rewiring is necessary, no technicians need to be dispatched to  
22 the central office or the customer's premises and no disruption is required.  
23 Removal of the splitter, however, "means that the loop and the port have to be  
24 disconnected from each other, and both the loop and the port then have to be run  
25 into the CLEC's collocation space where the loop can be hooked up to the

1 CLEC's splitter."<sup>22</sup> The physical effort to disconnect the loop and port and  
2 connect the loop and port in collocation space will require significant time.  
3 During that time, the consumer will have no service. This is in contrast to a  
4 customer who will not lose service if the BellSouth splitter remains in place. That  
5 is because only electronic changes are required under this scenario. Thus,  
6 BellSouth should comply with the following FCC guidance:

7 [B]ecause no central office wiring changes are necessary in a conversion  
8 from line sharing to line splitting, *we expect incumbent LECs to work with*  
9 *competing carriers to develop streamlined ordering processes. . .that*  
10 *avoid voice and data service disruption and make use of the existing*  
11 *xDSL-capable loop.*<sup>23</sup>

12 **Q. GIVEN THAT BELLSOUTH CURRENTLY PROVIDES SPLITTERS AND**  
13 **REMOVAL OF THE SPLITTER WOULD CAUSE SERVICE**  
14 **DISRUPTIONS, SHOULD BELLSOUTH BE OBLIGATED TO PROVIDE**  
15 **SPLITTERS?**

16  
17 A. Yes. The only rationale for BellSouth's position to refuse to provide the splitter,  
18 therefore, has been to reduce competition.

19 **2. BellSouth Continues to Impede Line Splitting by Refusing OSS**  
20 **Access**

21  
22 **Q. WHAT IS THE SECOND REASON THAT YOU BELIEVE BELLSOUTH**  
23 **HAS FAILED TO MEET ITS OBLIGATIONS REGARDING LINE**  
24 **SPLITTING?**

25  
26 A. One of the crucial issues involved with line splitting is BellSouth's obligation  
27 under FCC orders to provide nondiscriminatory access to BellSouth's operational  
28 support systems ("OSS"). Today, when BellSouth provides bundled voice and  
29 advanced services to one of its customers, the pre-ordering, ordering, provisioning

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<sup>22</sup> Cox Direct at 46.

1 and maintenance is done electronically. Thus, BellSouth must provide electronic  
2 OSS for CLEC line sharing orders. As the FCC stated recently:

3 [I]ncumbent LECs are required to make *all necessary*  
4 *network modifications to facilitate line splitting, including*  
5 *providing nondiscriminatory access to OSS* necessary for  
6 pre-ordering, ordering, provisioning and maintenance and  
7 repair, and billing for loops used in line splitting  
8 arrangements.<sup>24</sup>

9  
10 Further:

11 [B]ecause line splitting is an existing legal obligation,  
12 ILECs must allow competitors to order line splitting  
13 immediately, whether or not a fully electronic interface is  
14 in place.<sup>25</sup>

15  
16  
17 **Q. DOES BELLSOUTH PROVIDE ELECTRONIC OSS FOR CLEC LINE**  
18 **SPLITTING ORDERS?**

19  
20 A. No, not at the present time.

21  
22 **Q. WHAT DO YOU BELIEVE IS THE IMPACT OF BELLSOUTH NOT**  
23 **PROVIDING ELECTRONIC OSS FOR LINE SPLITTING?**

24  
25 A. Until electronic OSS for CLEC line splitting are available, each and every CLEC  
26 customer order for bundled services must be handled manually. There is no  
27 indication how long it would take to process such an order or if the order would  
28 be processed correctly. In the meantime, BellSouth continues to obtain new  
29 xDSL customers while AT&T and other CLECs who want to engage in line

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<sup>23</sup> Line Sharing Order at ¶ 22.

<sup>24</sup> *Line Sharing Reconsideration Order* at ¶ 30 (emphasis added).

<sup>25</sup> *Id.* at fn. 36 (emphasis added).

1 splitting are forced to sit on the sidelines until BellSouth decides when electronic  
2 ordering for line splitting will be available.<sup>26</sup>

3 **3. BellSouth Continues to Impede Line Splitting in Several Other**  
4 **Ways**

5  
6 **Q. ARE THERE ANY ADDITIONAL REASONS WHY YOU BELIEVE**  
7 **BELLSOUTH HAS FAILED TO MEET ITS OBLIGATIONS**  
8 **REGARDING LINE SPLITTING?**

9  
10 A. Yes. In addition to its failure to comply with express requirements of the FCC to  
11 provide splitters and electronic OSS, BellSouth continues to engage in other  
12 anti-competitive behavior relating to line splitting.

- 13 a. BellSouth does not deploy splitters a line at a time; and  
14 b. BellSouth has indicated that it may not provide the same level of support  
15 for UNE-P line splitting as it does for UNE-P voice services;<sup>27</sup> and  
16 c. BellSouth discontinues providing advanced services to a customer that  
17 elects to receive its voice service from a CLEC.

18 **Q. WHY SHOULD BELLSOUTH DEPLOY SPLITTERS ON A LINE AT A**  
19 **TIME BASIS?**

20  
21 A. Commissions in Illinois, Michigan, and Texas have ordered splitters to be  
22 deployed on a line at a time basis.<sup>28</sup> BellSouth currently deploys the splitter in

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<sup>26</sup> In fact, BellSouth has issued press releases indicating that in Georgia it had already captured 215,000 customers by the end of 2000 while it anticipates reaching 600,000 customers by the end of 2001. *In re: Investigation of BellSouth Telecommunications, Inc., Provision of Unbundled Network Elements for xDSL Service Providers*, Docket No. 11900-U; Georgia Public Service Commission Hearing Transcript at 80-1.

<sup>27</sup> This position is especially meritless because the combination of elements used is precisely the same with the only possible difference being that BellSouth requires that the loop-port combination pass through the CLEC's collocation.

<sup>28</sup> Please see Arbitration Order dated August 17, 2000 in ICC Docket Nos. 00-0312/0313 in the arbitration between Ameritech Illinois and Covad Communications Company and Rhythms Links,

1 increments of 8, 24 and 96 ports (lines).<sup>29</sup> Cox Direct at 45. There is no technical  
2 reason, however, why the splitter cannot be provisioned a line at a time. Such an  
3 arrangement would prevent the CLEC from having to expend resources for  
4 capabilities it may not use and would allow BellSouth to more efficiently utilize  
5 the splitters that it deploys. By providing splitters a line at a time, BellSouth could  
6 deploy the splitter as the CLEC obtains the customer rather than providing a  
7 CLEC with an entire shelf of splitters that may remain unused.

8 **Q. WHAT DO YOU MEAN THAT BELLSOUTH DOES NOT PROVIDE THE**  
9 **SAME LEVEL OF SUPPORT FOR UNE-P LINE SPLITTING AS IT DOES**  
10 **FOR UNE-P VOICE SERVICES?**

11  
12 **A.** BellSouth does not support UNE-P when it is part of a line splitting configuration.  
13 In its ex-parte to the FCC, BellSouth indicated: “if a splitter is on a loop or is to  
14 be attached to a loop, a loop and port will lose its status as a UNE-P.” See Exhibit  
15 SET-2 (BellSouth Ex Parte filed with the FCC August 16, 2000, in CC Docket  
16 No. 96-98). It is unclear exactly what BellSouth means by this statement. As  
17 indicated previously, however, the splitter is nothing more than a passive  
18 electronic device that is part of the loop so that UNE-P with a splitter on the loop

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Inc., p. 18, for support that Ameritech must provide both line at a time and shelf at a time line splitting capability when Ameritech chooses to deploy line splitters. See also *Petition of Southwestern Bell Telephone Company for Arbitration with AT&T Communications of Texas, L.P., TCG Dallas, and Teleport Communications, Inc. Pursuant to Section 252(B)(1) of the Federal Communications Act of 1996*, Docket No. 22315, Texas Public Utilities Commission Order, March 14, 2001. See also *In the matter of the application of Ameritech Michigan for approval of cost studies and resolution of disputed issues related to certain UNE offerings*, Case No. U-12540, Michigan Public Service Commission Order, March 7, 2001.

<sup>29</sup> The problem here is that by requiring all particular splitters to be dedicated to particular carriers (whether in blocks of 8, 24 or 96), the customer is hardwired to a particular DSL provider. This means that whenever the retail customer seeks to change service providers, particularly the DSL provider, both the voice and the data service must be interrupted to permit retermination of the loop.

1 is no different than when UNE-P is used solely to provide voice service. The line  
2 sharing configuration employed by BellSouth is virtually indistinguishable from  
3 that employed when a UNE-P CLEC adds DSL to the loop. There is no basis,  
4 therefore, to claim that UNE-P cannot be supported in the same manner as  
5 traditional voice service provided by BellSouth. Indeed, if BellSouth were to  
6 operate in this manner, it would constitute unreasonable discrimination foreclosed  
7 by the Act and this Commission. Nevertheless, to remove all doubt, the  
8 Commission should direct that BellSouth provide the same support for the voice  
9 portion of a UNE-P line splitting configuration that is provided when UNE-P is  
10 used only for voice services and vigorously enforce the requirement.

11 **Q. IS THERE AN ISSUE WITH THE RATES BELL SOUTH CHARGES**  
12 **CLECS FOR UNE-P THAT IS USED TO PROVIDE LINE SPLITTING?**

13 **A.** Yes. BellSouth charges CLECs the recurring rates for an unbundled loop and  
14 unbundled port and the non-recurring rate for a loop-port “switch as is”  
15 combination for UNE-P that is part of a line splitting configuration<sup>30</sup>. However,  
16 because BellSouth must provide the CLEC with the same loop that was part of the  
17 existing UNE-P so that it can be used for line splitting, CLECs should only be  
18 required to pay the recurring rate for a loop-port “switch as is” combination<sup>31</sup>.

19 **Q. WHAT DO YOU MEAN THAT BELL SOUTH SHOULD NOT BE**  
20 **PERMITTED TO DISCONTINUE PROVIDING ADVANCED SERVICES**  
21 **TO A CUSTOMER THAT ELECTS TO RECEIVE ITS VOICE SERVICE**  
22 **FROM A CLEC?**  
23

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<sup>30</sup> Williams Direct at p. 21.

<sup>31</sup> *Line Sharing Reconsideration Order*, ¶19



1 A. BellSouth's current practice is to discontinue data service to a customer that  
2 changes voice service to a CLEC.<sup>32</sup> A retail customer placed in this untenable  
3 position would clearly decide not to change voice carriers. Otherwise, the  
4 customer faces the disruption of its data service until they are able to locate a new  
5 data provider. Thus, this practice is discriminatory and stifles competition.

6 **B. Failure To Facilitate Line Sharing Impedes The Development Of**  
7 **Competition**

9 **Q. PLEASE DEFINE "LINE SHARING."**

10  
11 A. Line sharing exists where BellSouth continues to provide the voice portion of the  
12 service to the end user customer over the loop while the CLEC provides the data  
13 portion of the service using the HFPL. Remote site line sharing is the same  
14 according to the FCC except that the technology for permitting this form of line  
15 sharing is implemented at the remote terminal (normally via NGDLC as described  
16 in an earlier footnote) rather than at the central office.

17 **Q. IS BELLSOUTH REQUIRED TO LINE SHARE WITH CLECS?**

18 A. Yes, even when the customer is served by an NGDLC configuration. In the *Line*  
19 *Sharing Reconsideration Order* the FCC clarified that fiber-fed digital loop  
20 carrier ("DLC") must be unbundled for line sharing to encourage competitors to  
21 provide xDSL services. The requirement to provide line sharing, as established in  
22 the Line Sharing Order, "applies to the entire loop where the incumbent has  
23 deployed fiber in the loop (e.g. where the loop is served by a remote terminal

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<sup>32</sup> Cox Direct at p. 46.

1 (“RT”).”<sup>33</sup> The FCC stated that it did not intend to prevent an ILEC from  
2 providing a CLEC with access to the fiber portion of a DLC loop for line sharing  
3 purposes just because the word “copper” was used in the rule implementing the  
4 *Line Sharing Order*, Rule § 51.319(h)(1).<sup>34</sup>

5 Instead, the FCC required the ILEC to unbundle “the high frequency portion of  
6 the local loop *even where the incumbent LEC’s voice customer is served by DLC*  
7 *facilities*.”<sup>35</sup> The *Line Sharing Reconsideration Order* also states that CLECs  
8 must have the option of access the high frequency portion of the loop at the  
9 remote terminal as well as at the central office.<sup>36</sup> The FCC concluded that it  
10 would be inconsistent with “the intent of the statutory goals behind sections 706  
11 and 251 of the 1996 Act to allow incumbent LECs to limit a CLECs ability to  
12 provide xDSL services due to increasing deployment of fiber-based networks.”<sup>37</sup>

13 **Q. IS BELLSOUTH IN COMPLIANCE WITH YOUR UNDERSTANDING OF**  
14 **THE FCC’S LINE SHARING RECONSIDERATION ORDER?**

15  
16 A. No. For example, as recently as the May 3, 2001 BST-Line Splitting  
17 Collaborative Meeting, one of the critical questions that was discussed was  
18 whether BellSouth would consider permitting a CLEC to install integrated  
19 splitter/Digital Subscriber Line Access Multiplexer (“DSLAM”) cards into  
20 DSLAM capable BellSouth remote terminals to facilitate remote site line sharing.

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<sup>33</sup> *Line Sharing Reconsideration Order* at ¶ 10.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.* (emphasis added).

<sup>36</sup> *Id.* at ¶ 11.

<sup>37</sup> *Id.* at ¶ 13.

1 BellSouth's response was that it would not consider this option. Instead,  
2 BellSouth would only consider permitting CLECs to install discrete splitters at a  
3 remote terminal to enable CLEC line sharing from a collocation arrangement at  
4 the remote terminal. In other words, BellSouth was maintaining its position that it  
5 would only permit CLECs to line share over copper facilities by requiring that  
6 CLECs collocate at the remote terminal site to access the copper portion of the  
7 loop. BellSouth was not offering any reasonable implementation of the  
8 requirements of the *Line Sharing Reconsideration Order* that incumbents offer  
9 unbundled access to the high frequency portion of the loop even on loops that are  
10 served via fiber-fed DLC. In short, BellSouth's position on line sharing for fiber-  
11 fed DLC loops is in express violation of the FCC's requirements in the *Line*  
12 *Sharing Reconsideration Order*.

13 **Q. WHY HAS BELL SOUTH REFUSED TO ALLOW CLECS TO USE**  
14 **INTEGRATED SPLITTER/DSLAM CARDS AT REMOTE TERMINALS**  
15 **TO PROVIDE ADVANCED SERVICES?**

16 **A.** BellSouth takes the position that the integrated splitter/ DSLAM card performs a  
17 packet switching function, which pursuant to the UNE Remand Order, BellSouth  
18 does not have an obligation to provide to CLECs. However, a DSLAM,  
19 particularly one with an integrated splitter, is not performing a "packet switching"  
20 function, but rather, is performing a transport function. This device is an integral  
21 part of the unbundled loop and is essential to deliver the voice portion of the loop  
22 back to the central office voice switch, and the data portion of the loop back to the  
23 central office data switch which is a packet switch. The DSLAM has the ability to

1 receive a copper loop, split the low frequency voice signal from the high  
2 frequency data signal, and then transmit each of these two signals to their  
3 appropriate switch types: a circuit switch for the voice signal and a packet switch  
4 for the data signal. NGDLC, which was defined earlier, is now being deployed by  
5 BellSouth in such a manner that integrated splitter/DSLAM cards can be installed  
6 into the NGDLC in such a way that voice and data service combinations can  
7 easily be provisioned to end customers. Thus, contrary to BellSouth's  
8 conclusions, the integrated splitter/DSLAM card is not performing a packet  
9 switching function.

10 **C. Access to Fiber-Fed Remote Terminals on an Unbundled Basis**  
11

12 **Q. HOW SHOULD ACCESS TO FIBER-FED DIGITAL LOOP CARRIER**  
13 **LOOPS BE PROVIDED?**

14  
15 A. The traditional loop plant is clearly changing, as BellSouth and other ILECs are  
16 deploying new loop technologies that enable them to utilize more efficient loop  
17 architectures. To be found in compliance with checklist items 2, 3, and 4,  
18 BellSouth must provide unbundled access to its fiber-fed remote terminals, also  
19 known as Next Generation Digital Loop Carrier (NGDLC) architecture.

20 **Q. PLEASE EXPLAIN WHY IT IS IMPORTANT TO PROVIDE**  
21 **UNBUNDLED ACCESS TO NGDLC.**

22  
23 A. This is a critical time in the deployment of competition for advanced services,  
24 especially as ILECs begin rapidly to deploy next-generation loop technology.<sup>38</sup>

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<sup>38</sup> See Morgan Stanley Dean Witter Industry Overview, *Telecom-Wireline: DSL ... It's Going Well* (Nov. 7, 2000) ("*Morgan Stanley DSL Report*") ("[w]e expect Q4 [2000] to show a dramatic

1 The addition of next-generation electronics in the ILEC's loop plant enables  
2 greater bandwidth to be transmitted between the customer's premises and the  
3 central office, but it does *not* change the loop's basic function of supplying  
4 transmission between the customer premises and the ILEC's central office. And  
5 the central office remains the place where CLECs can practically and  
6 economically obtain access to their customers' telecommunications transmissions  
7 so that they can provide the telecommunications services of their choosing.

8 Next-generation loop electronics, such as line cards with DSLAM functionality  
9 and splitters, which enable a CLEC to provide advanced services even if NGDLC  
10 has been deployed in the network, are incorporated within the functionality of the  
11 unbundled loop network element itself.<sup>39</sup> Thus, the electronics, such as a line card  
12 with DSLAM functionality, that are used with the next-generation architecture  
13 "*simply provide a transmission channel to facilitate delivery of specific services*  
14 *to the end user.*"

15 BellSouth's attempts to preclude CLECs from accessing the next-generation loop  
16 architecture are merely the latest step in its unceasing efforts to avoid its  
17 fundamental unbundling obligations. Adopting BellSouth's position would allow  
18 it and its affiliate to be the only entities able to offer advanced services in a cost-

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acceleration in DSL deployment. We estimate 704,000 net adds by the big four, twice the installs of any previous quarter, and up 56% sequentially").

<sup>39</sup> See *UNE Remand Order* ¶ 175 ("[b]ecause excluding such equipment from the definition of the loop would limit the functionality of the loop, we include the attached electronics ... within the loop definition").

1 effective manner that does not compromise the quality of service the customer  
2 receives.<sup>40</sup>

3 **Q. WHAT THEN SHOULD THIS COMMISSION REQUIRE TO ENSURE**  
4 **THAT BELLSOUTH IS IN COMPLIANCE WITH THE COMPETITIVE**  
5 **CHECKLIST WITH REGARDS TO NGDLC?**  
6

7 **A.** Prior to finding BellSouth to be in compliance with section 271, and in particular  
8 checklist item 4, this Commission should require BellSouth to provide unbundled  
9 access to its NGDLC assets. Without such a requirement, competition for all  
10 telecommunications services will be drastically reduced because of cost and  
11 service quality issues. Without access to the entire loop in a next-generation  
12 network – which consists of copper distribution, the fiber feeder facilities running  
13 from the remote terminal to the central office, and all associated loop electronics  
14 at the remote terminal and central office – competitors will not have meaningful  
15 access to the signals necessary to offer competitive services.

16 **1. The Act and the FCC’s Prior Decisions Require that BellSouth**  
17 **Provide Access to the Entire Unbundled Loop, Regardless of**  
18 **the Technology It Deploys.**

19 **Q. ON WHAT BASIS DO YOU BELIEVE THE ACT AND FCC MAKE IT**  
20 **CLEAR THAT NGDLC SERVED LOOPS MUST BE UNBUNDLED THE**  
21 **SAME AS ANY OTHER LOOP?**  
22

---

<sup>40</sup> This is hardly a new strategy. The FCC, in determining that the loop is a UNE, recognized that “[b]ecause of the size of their networks, incumbent LECs enjoy advantages of scope that competitors cannot replicate.” *UNE Remand Order* ¶ 183; *see also id.* ¶ 209 (finding that “self-provisioning subloop elements, like the loop itself, would materially raise entry costs, delay broad-based entry, and limit the scope and quality of the competitive LEC’s service offerings”).

1 A. In the 1996 Act, Congress required ILECs to provide requesting carriers with  
2 nondiscriminatory access to “a facility or equipment used in the provision of a  
3 telecommunications service,” including all “features, functions, and capabilities  
4 that are provided by means of such facility or equipment.”<sup>41</sup> Guided by the 1996  
5 Act, the FCC recognized that granting CLECs unbundled access to the local loop  
6 was paramount for the future of local competition, finding that “under any  
7 reasonable interpretation of the ‘necessary’ and ‘impair’ standards of section  
8 251(d)(2), loops would be subject to the section 251(c)(3) unbundling  
9 obligations.”<sup>42</sup>

10 The FCC has repeatedly recognized that there are two essential principles that lie  
11 at the heart of the definition of the unbundled loop element:

- 12 • *First*, the essential function of the loop is to provide *transmission functionality*  
13 needed for a customer to send and receive information between his or her  
14 location and the network of the service provider.<sup>43</sup>

---

<sup>41</sup> 47 U.S.C. § 151(29) (defining a “network element”); 47 U.S.C. § 251(c)(3) (discussing the duty of incumbent LECs to provide unbundled access to network elements); *see also Local Competition Order* ¶ 258 (“[w]e adopt the concept of unbundled elements as physical facilities of the network, together with the features, functions, and capabilities associated with those facilities”); *UNE Remand Order* ¶ 175 (“[t]he definition of a network element is not limited to facilities, but includes features, functions, and capabilities as well”).

<sup>42</sup> *UNE Remand Order* ¶ 163; *Local Competition Order* ¶¶ 377-378 (providing access to unbundled local loops to competitive LECs is “critical to encouraging market entry,” because “preventing access to unbundled loops would either discourage a potential competitor from entering the market, ... denying those consumers the benefits of competition, or cause the competitor to construct unnecessarily duplicative facilities, thereby misallocating societal resources”).

<sup>43</sup> *See* 47 C.F.R. § 51.319(a) (“[t]he local loop network element is defined as a *transmission facility* between a distribution frame (or its equivalent) in an incumbent LEC central office and an end-user customer premises”) (emphasis added); *Local Competition Order* ¶ 380 (“[t]he local loop element should be defined as a *transmission facility*”) (emphasis added); *see also Line Sharing Order* ¶ 18 (competitive carriers “may access unbundled loop functionalities, such as non-voiceband transmission frequencies”).

- *Second, and equally important, in order to support full-fledged competition, the local loop, as a transmission path, must be both service and technology neutral and must “apply to new as well as current technologies.”*<sup>44</sup>

The 1996 Act, the FCC implementing rules and their governing principles on access to the local loop boils down to one simple statement:

*CLECs are entitled to access an unbundled loop element that consists of all features, functions, and capabilities that provide transmission functionality between a customer’s premises and the central office, regardless of the technologies used to provide, or the services offered over, such facilities.*

This straightforward analysis by the FCC clearly indicates that next-generation loop technologies architecture does not alter a CLEC’s right (or its compelling need) to access the entire loop as an unbundled element at the central office.

Nothing about next-generation loop architecture changes the basic characteristics or functionality of the loop element. As the FCC has properly held: “[u]sing the loop to get to the customer is fundamental to competition.”<sup>45</sup>

**Q. DO YOU ALSO BELIEVE THAT THE ELECTRONICS ASSOCIATED WITH THE NGDLC MUST ALSO BE UNBUNDLED?**

---

<sup>44</sup> See *UNE Remand Order* ¶ 167 (emphasis added); *Local Competition Order* ¶ 292 (“section 251(c)(3) requires incumbent LECs to provide requesting carriers with all of the functionalities of a particular element, so that requesting carriers can provide *any telecommunications services* that can be offered by means of the element”) (emphasis added).

<sup>45</sup> *Line Sharing Order* ¶ 30; see also *UNE Remand Order* ¶ 171 (defining the unbundled loop element in such a way as to “ensure that the competitor will be able to gain access to the entire loop”); *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, *Memorandum Opinion and Order, and Notice of Proposed Rulemaking*, FCC 98-188, ¶ 54 (rel. Aug. 7, 1998) (“*Advanced Services Order*”) (“[t]he incumbent LECs’ obligation to provide requesting carriers with fully functional conditioned loops extends to loops provisioned through remote concentration devices such as digital loop carriers (DLC)”).



1 A. Yes. Line cards are needed to provide customers with Plain Old Telephone  
2 Services (“POTS”) and DSL service. Specifically, line cards with DSLAM  
3 functionality and Optical Concentration Devices (OCDs) allow transmission of  
4 communications when placed in next-generation loop architectures. The  
5 electronics associated with the next-generation loop architecture, such as line  
6 cards, should – indeed must – be considered part of the loop.

7 **Q. DO YOU HAVE ANY SUPPORT FOR THIS CONCLUSION?**

8  
9 A. Yes. The FCC, in the recent *Line Sharing Reconsideration Order*, noted that  
10 ILECs are required to unbundle the high frequency portion of *the local loop*, and  
11 that the definition of the local loop as a “transmission facility between a  
12 distribution frame ... and the loop demarcation point at an end user customer  
13 premises,” was intended to ensure that the definition was technology neutral.<sup>46</sup>  
14 Congress had good reason to subject ILEC advanced services facilities to  
15 unbundling requirements of Section 251(e). Consumers are increasingly  
16 demanding voice and high-speed data services over a single line. ILECs are  
17 already satisfying that demand today and have made it clear that the ability to  
18 offer bundled voice and data services a significant competitive advantage. If  
19 UNE-based CLECs are denied access to local loops for advanced services simply  
20 because they are served by NGDLC, they would be unable to compete for  
21 consumers that increasingly demand a single voice/data offering. Thus, the  
22 Commission should reject BellSouth’s efforts to avoid that mandate.

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<sup>46</sup> *Id.*

1                   **2.     BellSouth does not Provide Equivalent Access to Loops Served**  
2                   **by NGDLC.**

3                   **a.     Physical Collocation Is Generally Unavailable and**  
4                   **Uneconomic.**

5     **Q.    IS COLLOCATION AT THE REMOTE TERMINAL AN OPTION FOR**  
6     **ACCESSING CUSTOMERS WHO ARE SERVED BY NGDLC AS**  
7     **PROPOSED BY BELL SOUTH?**  
8

9     **A.**    It is true that collocation is an option for accessing serving to customers behind  
10            NGDLC, but as will be discussed below, it is a hollow offer. Even if physical,  
11            adjacent, and virtual collocation may be useful to some competitors in limited  
12            circumstances (and thus should remain a supplemental unbundling obligation that  
13            is available as an option), remote terminal collocation is *not* a practical mass-  
14            market solution and cannot provide a substitute for access to an entire loop. A  
15            CLEC wishing to serve a customer served by NGDLC at a remote terminal would  
16            have to collocate at EVERY remote terminal rather than at the central office. Yet  
17            a remote terminal may only serve several hundred customers while a central office  
18            can serve 10,000 customers. Because one central office can serve several remote  
19            terminals, the expense of collocation at each and every remote terminal to reach  
20            customers would be cost-prohibitive. The FCC itself recently recognized this fact  
21            in the *Line Sharing Reconsideration Order*, stating that as fiber deployment by  
22            ILECs is increasing, “collocation by competitive LECs at remote terminals is  
23            likely to be costly, time consuming, and often unavailable.”<sup>47</sup> At present,  
24            according to the May 3, 2001 BST-Line Splitting Collaborative Meeting,

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<sup>47</sup> *Line Sharing Reconsideration Order* at ¶ 13.

1 collocation is the *only* option that BellSouth is offering to CLECs that want access  
2 to unbundled loops served by fiber-fed remote terminals.

3 **Q. WHAT ABOUT ADJACENT COLLOCATION AS A SOLUTION FOR**  
4 **ACCESSING THESE LOOPS?**

5  
6 A. As I indicated above, due the costs for collocation at remote terminals, this is not  
7 an option for mass-market competition. Adjacent collocation amounts to  
8 essentially an overbuild of the incumbent's network. In this arrangement, the  
9 CLEC would construct its own remote terminal adjacent to BellSouth's remote  
10 terminal and supply cable copper sub-loops from the Bellsouth remote terminal  
11 over to the CLEC remote terminal. Although this is most likely the manner in  
12 which BellSouth would implement the collocation provision for access to copper  
13 at the remote terminal because "internal" collocation space at remote terminals is  
14 seldom available, the prospects for adjacent collocation are no better than physical  
15 internal collocation at the remote terminal<sup>48</sup>. In fact, they are worse.

16 But adjacent collocation would force competitors to rebuild the incumbent LECs'  
17 network to achieve ubiquity, which is prohibitively expensive and has already  
18 been rejected by the FCC.<sup>49</sup> Adjacent collocation not only requires significant  
19 expense for the more complicated collocation itself, but may (and often will) also  
20 require CLECs to go through the time-consuming and costly process of obtaining  
21 rights of way and permits to construct adjacent facilities. Moreover, competitors

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<sup>48</sup> Pursuant to BellSouth's proposal, "adjacent" collocation would be the only legitimate method or access loops served by fiber-fed next-generation DLC because internal space at the remote terminal would be unavailable.

<sup>49</sup> *UNE Remand Order* ¶ 6.

1 must also deal with obstacles such as neighborhood aesthetics and possible zoning  
2 restrictions. And even though the costs of adjacent collocation are *greater* than  
3 the costs of physical collocation, there is no corresponding increase in the number  
4 of potential customers a CLEC can serve. Thus, adjacent collocation is not a  
5 mass-market substitute for access to an entire unbundled loop.

6 **b. Spare Copper Is Not a Substitute for an Entire Next-**  
7 **Generation DLC Loop.**

8 **Q. CAN BELLSOUTH PROVIDE THE CLECS WITH ACCESS TO SPARE**  
9 **COPPER LOOPS RUNNING IN PARALLEL WITH LOOPS SERVED BY**  
10 **THE NGDLC AS AN OPTION TO PROVIDE XDSL SERVICE?**  
11

12 **A.** No. Spare copper does not provide CLECs with a viable alternative to the entire  
13 unbundled loop. Spare copper loop capabilities do not match those offered by the  
14 fiber-fed remote terminal loops. Fiber-fed loops provide a far superior service  
15 quality for transmitting voice and data compared to copper. This is precisely one  
16 of the reasons BellSouth is replacing copper loops with fiber-fed NGDLC. Yet,  
17 BellSouth is only agreeing to let CLECs use loops that even BellSouth will not  
18 use. Furthermore, DSL technologies are distance-sensitive. That means that the  
19 DSL service quality can change based on the length of copper between the  
20 customer's modem and the DSLAM. The longer the copper segment of the loop,  
21 the slower the speeds the customer can attain with DSL. If a remote terminal  
22 with NGDLC is placed 12,000 feet from a central office serving a customer an  
23 additional 12,000 feet from the remote terminal, a parallel copper loop from the  
24 central office that is serving such a customer would need to be 24,000 feet long.  
25 A 24,000 foot copper loop is not equal in quality to the fiber-fed next-generation  
26 DSL copper sub-loop that is 12,000 feet. In fact, in this example line sharing

1 normally would not be possible on the 24,000-foot loop based on existing  
2 engineering standards.

3 In sum, there are no viable alternatives to the unbundling of the entire loop. Thus,  
4 this Commission cannot, consistent with the Act's pro-competition and  
5 nondiscrimination requirements, allow BellSouth and its unregulated data affiliate  
6 to be the only entities that can effectively use the incumbent LEC's new loop  
7 architecture. Doing so would merely allow BellSouth to increase the scope of its  
8 current monopoly. Clearly, the Act bars such behavior.

9 **Q. ARE THERE OTHER BENEFITS TO THE USE OF NGDLC LOOPS?**

10  
11 A. Yes. The use of fiber-fed next-generation DLC eliminates the need for loop  
12 qualification and loop conditioning. In contrast, the spare copper loops available  
13 to competitors may contain load coils or other DSL inhibitors that would either  
14 prevent DSL deployment or require conditioning for which BellSouth has sought  
15 to impose large non-recurring charges. Thus, long copper loops that require  
16 conditioning are not "equal in quality" to fiber-fed next-generation DLC loops  
17 that do not require such conditioning.

18 **Q. PLEASE SUMMARIZE YOUR DISCUSSION REGARDING**  
19 **UNBUNDLED ACCESS TO NGDLC LOOPS?**

20  
21 A. It has become increasingly apparent that competitors in the local telephone  
22 business must be able to offer customers both voice and data services together as a  
23 package in order to be able to compete effectively with ILECs and their affiliates.  
24 BellSouth, however, has consistently precluded CLECs, such as AT&T, from

1 effectively offering such a competitive package using the UNE-platform, chilling  
2 local competition in the process. It appears that BellSouth intends to extend that  
3 policy position to the broadband services it offers over the fiber-fed next-  
4 generation DLC architecture. BellSouth's refusal to effectively provide for the  
5 addition of xDSL capabilities to UNE-P voice service prevents CLECs' from  
6 competing in the markets for voice services, data services, and bundles of  
7 services. BellSouth is also currently resisting providing UNE Loop-Switch Port  
8 combinations through loops that are served via a remote terminal configuration  
9 *and* used in an integrated voice/data offering. BellSouth insists that the voice  
10 portion of the loop behind the remote terminals in the combined voice/data offer  
11 come to a CLEC collocation arrangement. This is simply nothing more than  
12 another attempt for BellSouth to thwart UNE Loop-Switch Port combinations.

13 Clearly, such a practice essentially precludes UNE-P providers from reaching any  
14 customer who obtains data services over the fiber-fed next-generation DLC  
15 architecture. Absent regulatory action, the use of next-generation loop plant by  
16 incumbent LECs will allow them to thwart competition for customers who want  
17 voice and data services over a single loop as swiftly, seamlessly, reliably, and  
18 economically as when an ILEC and its affiliate provide voice and data services.

19 **Q. PLEASE SUMMARIZE YOUR TESTIMONY ON xDSL.**

20 A. Each and every BellSouth restriction or refusal to comply with the applicable  
21 FCC rulings, discussed above, serves no purpose other than to either increase  
22 AT&T's costs to provide xDSL service or prevent AT&T from providing xDSL  
23 service altogether. AT&T wants to reach all Kentucky telecommunications

1 customers, including those who want bundled services. But BellSouth has done  
2 all that it can do to prevent this from occurring. By limiting access to splitters,  
3 refusing to modify its OSS for electronic processing of line splitting orders, as  
4 well as imposing upon AT&T additional restrictions for access to xDSL  
5 customers, BellSouth has accomplished its objective: If these conditions are not  
6 changed, BellSouth is and will remain the monopoly provider of advanced  
7 services in Kentucky.

8 **IV. COLLOCATION**

9 **Q. PLEASE DESCRIBE BELL SOUTH'S OBLIGATIONS UNDER THE ACT**  
10 **TO PROVIDE COLLOCATION TO CLECs.**

11  
12 A. Section 271(c)(2)(B)(i) and (ii) of the Act, respectively, require ILECs to provide  
13 “[i]nterconnection in accordance with the requirements of sections 251(c)(2) and  
14 252(d)(1),” and “[n]ondiscriminatory access to network elements in accordance  
15 with the requirements of sections 251(c)(3) and 252(d)(1).”

16 Section 251(c)(2) of the Act provides that BellSouth must make available:

17 “[I]nterconnection with the local exchange carrier’s  
18 network ... at any technically feasible point within the  
19 carrier’s network; that is at least equal in quality to that  
20 provided by the local exchange carrier to itself or to any  
21 subsidiary, affiliate, or any other party to which the carrier  
22 provides interconnection; and on rates, terms and  
23 conditions that are just, reasonable, and  
24 nondiscriminatory.”

25  
26 CLECs use collocation as one of the primary methods of interconnection. Thus,  
27 Section 251(c)(2) of the Act compels BellSouth to provide for collocation (or  
28 more appropriately central office space) to achieve interconnection at any

1 technically feasible point within BellSouth's network at the same level of quality  
2 that it provides central office space to itself.

3 47 U.S.C. § 251(c)(3) requires that BellSouth provide CLECs access to UNEs.  
4 This access must be provided in a "nondiscriminatory" manner at "any technically  
5 feasible point on rates, terms, and conditions that are just, reasonable, and  
6 nondiscriminatory." Collocation is key for CLECs to have the ability to access  
7 UNEs.

8 **Q. WHAT IS THE FCC'S POSITION WITH REGARD TO COLLOCATION**  
9 **IN MEETING THE § 271 CHECKLIST?**

10  
11 A. The FCC has recognized the importance of collocation to interconnection and  
12 UNE access. The FCC stated in its Texas 271 Order,<sup>50</sup> "[t]he provision of  
13 collocation is an essential prerequisite to demonstrating compliance with checklist  
14 item (i) of the competitive checklist." The FCC stated further that to allow  
15 compliance with item (i), "a BOC must have processes and procedures in place to  
16 ensure that all applicable collocation arrangements are available on terms and  
17 conditions that are '*just, reasonable, and nondiscriminatory*' in accordance with  
18 section 251(c)(6) and our implementing rules."<sup>51</sup>

19 **Q. DO YOU AGREE WITH MR. MILNER'S ASSERTION (DIRECT, P. 26,**  
20 **LINES 18-19) THAT BELL SOUTH PROVIDES COLLOCATION TO**  
21 **CLECS ON TERMS AND CONDITIONS THAT ARE JUST,**  
22 **REASONABLE, AND NON-DISCRIMINATORY?**  
23

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<sup>50</sup> See *Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Texas*, Memorandum Opinion and Order, 15 FCC Red 18354, ¶ 64 (Texas 271 Order).

<sup>51</sup> Texas 271 Order at ¶ 64 (emphasis added).



1 A. No. BellSouth fails to provide for nondiscriminatory terms and conditions for  
2 collocation consistent with the Act and the FCC's rules. BellSouth has failed to  
3 provide the basic essentials of just, reasonable, and nondiscriminatory  
4 interconnection and access to UNEs that are required by the competitive checklist  
5 items listed in Section 271 of the Act for the following reasons:

6 a. BellSouth has the ability to unilaterally modify critical terms and  
7 conditions related to collocation without approval by this Commission or  
8 negotiation with collocators.

9 b. BellSouth's recovery of "extraneous expenses" is neither consistent with  
10 TELRIC cost principles nor consistent with FCC rules.

11 c. BellSouth fails to provide for shared collocation in a form that is  
12 consistent with that required by the FCC's *Advanced Services Order*.<sup>52</sup>

13 d. BellSouth fails to provide for adjacent off-site collocation even though this  
14 arrangement is provided by similarly situated ILECs and permitted within  
15 the definition of the FCC's *Advanced Services Order*.

16 **A. Unilateral Control Of Collocation Process.**

17 **Q. MR. GRAY STATES (P. 5) THAT BELLSOUTH WILL "NOT CHANGE**  
18 **ANY EXISTING COLLOCATION ARRANGEMENTS OR PROCEDURES**  
19 **FOR PROCESSING REQUESTS UNDER ANY EXISTING**  
20 **COLLOCATION CONTRACTS DURING THE LIFE OF SUCH**  
21 **CONTRACTS UNLESS THE FCC, OR A STATE COMMISSION, ISSUES**  
22 **NEW RULES REGARDING COLLOCATION." DO YOU AGREE?**  
23

---

<sup>52</sup> *In The Matter Of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket, No. 98-147, *First Report and Order and Further Notice of Proposed Rulemaking*, FCC 99-48 (rel. Mar. 31, 1999) ("*Advanced Services Order*")

1 A. No. BellSouth believes that it has the unilateral right to change its Collocation  
2 Handbook in any manner and at any time it chooses. In addition, because the  
3 BellSouth Collocation Handbook and Tariff are more detailed than the  
4 interconnection agreements and contain the generally available terms and  
5 conditions that are more up to date with the FCC *Advanced Services Order*  
6 requirements various state commissions' orders regarding collocation, CLECs  
7 must often rely upon the handbook and tariff for the terms and conditions that  
8 control collocation.

9 The problem, therefore, is that the BellSouth Collocation Handbook permits  
10 BellSouth to determine the terms and conditions for collocation without any  
11 Commission approval or CLEC input. In fact, BellSouth has and will continue to  
12 use its handbook to implement its unilateral interpretation on Commission orders  
13 relating to collocation. The end result is that BellSouth has and will continue to  
14 use its Collocation Handbook to *unilaterally* control collocation, and, therefore,  
15 interconnection and access to UNEs in Kentucky.

16 **Q. CAN YOU PROVIDE AN EXAMPLE OF BELLSOUTH'S UNILATERAL**  
17 **CHANGES TO ITS COLLOCATION TERMS AND CONDITIONS?**

18  
19 A. Yes. For example, BellSouth states at the beginning of Version 9.2 (the most  
20 recent version at the time of this filing) of its Collocation Handbook that:

21 This handbook is updated with version 9.2 effective  
22 November 1, 2000 in order to make the following changes  
23 to the Central Office Physical Collocation Contract:  
24 Inclusion of PSC rules from all states in order to  
25 consolidate all states into one contract. Deletion of a  
26 separate Florida Central Office Physical Collocation  
27 Contract. This update also makes the following corrections  
28 to the Remote Site Collocation Contract: Inclusion of PSC

1 rules from all states in order to consolidate all states into  
2 one contract; addition of a rate element chart per state.

3 Importantly, BellSouth believes that it may change its handbook not only to  
4 reflect new Commission orders, but for whatever reason BellSouth deems  
5 appropriate regardless of its impact on CLECs.

6  
7 **Q. DO YOU HAVE AN EXAMPLE OF BELL SOUTH'S UNILATERAL**  
8 **CONTROL OF THE COLLOCATION PROCESS THAT IS SPECIFIC TO**  
9 **AT&T?**

10  
11 **A.** Yes. One of the best examples is BellSouth's insistence on where the Point of  
12 Termination ("POT") frame is placed relative to the collocation cage. It is  
13 AT&T's preference to place the POT frame inside its own collocation cage.  
14 However, because AT&T's interconnection agreement language is silent on the  
15 specifics of this situation, BellSouth places the frame outside of the cage,  
16 approximately 50 feet from the collocation arrangement<sup>53</sup>. AT&T has experienced  
17 situations where if AT&T does not agree with BellSouth on the placement of this  
18 frame – a frame that AT&T is responsible for purchasing – BellSouth will halt the  
19 collocation construction. BellSouth thus unilaterally changes its practices and  
20 imposes its own interpretation of interconnection agreement language on CLECs  
21 without recourse for the CLEC. BellSouth does the same thing with its unilateral  
22 interpretation of FCC rules.

23  
24 **Q. IS THERE ANOTHER OPTION FOR ORDERING COLLOCATION IN**  
25 **KENTUCKY?**  
26

---

<sup>53</sup> In earlier collocation arrangements, BellSouth was more than willing to allow AT&T to place the POT frame within its collocation cage.

1 A. Yes. In Kentucky, BellSouth offers another option for ordering collocation --  
2 BellSouth's Access Services Tariff for Expanded Interconnection Service (EIS).<sup>54</sup>  
3 The Access Services Tariff provides for many of the same terms and conditions  
4 for collocation that are found in BellSouth's Collocation Handbook. However,  
5 BellSouth can discriminate against CLECs by forcing them to rely upon the terms  
6 and conditions in the Collocation Handbook, which are different than those  
7 contained in the tariff, if their interconnections agreement has not been updated to  
8 reflect new Commission orders, court decisions and FCC decisions. CLECs  
9 should be allowed to access all available options for collocation in a  
10 nondiscriminatory manner without having to take on the risk on BellSouth  
11 changing those terms and conditions at its own discretion.

12 **B. "Extraneous Expenses"**

13 **Q. IS BELL SOUTH'S RECOVERY OF "EXTRANEIOUS EXPENSES"**  
14 **CONSISTENT WITH TELRIC COST PRINCIPLES AND FCC RULES?**  
15

16 A. No. In Version 8 of BellSouth's Collocation Handbook, BellSouth incorporated  
17 the following provision:

18 Should BellSouth discover that unexpected major  
19 renovation or upgrade will be required in order to facilitate  
20 physical collocation, BST will share the costs of these  
21 expenses among collocators benefiting from such work  
22 based on the number of square feet being requested. Major  
23 renovation may include, but not be limited to, ground plane  
24 addition, asbestos abatement, mechanical upgrade, major  
25 HVAC upgrade, separate egress, ADA compliance.<sup>55</sup>  
26

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<sup>54</sup> See Affidavit of Wayne Gray, Exhibit AWG-1 (Kentucky Access Services Tariff; Effective: October 9, 2000; hereinafter "Access Services Tariff").

<sup>55</sup> BellSouth Collocation Handbook, Version 8, June 17, 1999, Effective July 17, 1999, § 3.21.

1 It is important to note that this same exact provision is not found in the BellSouth  
2 Collocation Handbook Version 9.2. Based on other provisions contained in  
3 Version 9.2 of the handbook, and AT&T's actual experiences, however,  
4 BellSouth is continuing to require collocators to pay for costs similar to these in  
5 nature.

6 Payment of these types of costs is not appropriate because it is inconsistent with  
7 TELRIC principles. TELRIC requires that the costs for UNEs or interconnection  
8 (of which collocation is a part) be based on the long-run incremental cost based on  
9 total demand. Thus, heating, ventilating and air conditioning ("HVAC") cost, for  
10 example, should be based on the cost of providing HVAC systems to the entire  
11 central office and prorated to the users of the central office either on the amount of  
12 space occupied or by another mechanism tied directly to the heating or air  
13 conditioning required in the space. Requiring the collocator to pay for the  
14 upgrade of the HVAC system simply because the collocator had the most recent  
15 need for HVAC does not reflect the TELRIC approach. This charge is also  
16 discriminatory towards the collocator because the collocator is not receiving the  
17 same cost efficiency benefits that BellSouth is enjoying. The same could be said  
18 for many of the other areas that are included in the list of items for which  
19 BellSouth may charge for "extraneous expenses."

20 **Q. WHAT IS THE MOST COMMON "EXTRANEIOUS EXPENSES" ISSUE**  
21 **FACED BY CLECS?**

22 A. The most common issue that AT&T and all other CLECs are experiencing with  
23 this discriminatory approach to cost recovery is with BellSouth's DC power  
24

1 augments and charges. BellSouth's Collocation Handbook and BellSouth's  
2 practices require charging the collocator, on an "individual case basis," for the  
3 cost of the DC power augment when BellSouth does not have sufficient capacity  
4 in its DC power plant to provide DC power to the collocation arrangement.<sup>56</sup>

5 **Q. IS BELL SOUTH INVOKING A DOUBLE RECOVERY FOR ITS OWN**  
6 **COST?**

7  
8 **A.** Yes. Not only does BellSouth charge a CLEC on nonrecurring charge for the  
9 augment to the DC power plant, but BellSouth also charges collocators generally  
10 for the recurring costs to recover BellSouth's initial investment in the DC power  
11 plant.<sup>57</sup> Double recovery (recovering the nonrecurring purchase of the augmented  
12 DC power plant and recovering BellSouth's general investment in the entire DC  
13 power plant through non-recurring charges) is plainly inconsistent with TELRIC  
14 and is not permitted according to Section 252(d)(2) of the Act.

15 **Q. DO YOU HAVE AN EXAMPLE OF BELL SOUTH CHARGING AT&T**  
16 **FOR DC POWER AUGMENTS?**

17  
18 **A.** Yes. BellSouth routinely charges AT&T large nonrecurring charges related to  
19 cabling and DC power augments *in addition* to the recurring DC Power

---

<sup>56</sup> BellSouth Collocation Handbook, Version 9.2, Section 6.7, subsection 7.8.2 notes: "If BellSouth has not previously invested in power plant capacity for collocation at a specific site, CLEC-1 has the option to add its own dedicated power plant; provided, however, that such work shall be performed by a BellSouth Certified Supplier who shall comply with BellSouth's guidelines and specifications. Where the addition of CLEC-1's dedicated power plant results in construction of a new power plant room, upon termination of CLEC-1's right to occupy collocation space at such site, CLEC-1 shall have the right to remove its equipment from the power plant room, but shall otherwise leave the room intact." There is no place that I could locate in the Collocation Handbook that handled the flip side of this provision: when BellSouth has not previously invested in power plant capacity for collocation and the CLEC does not want to avail itself of the option of building its own power plant.

<sup>57</sup> BellSouth Collocation Handbook, Version 9.2, § 6.7, subsection 7.8.1.

1 Consumption rate, which is the only charge BellSouth should be allowed to  
2 charge for recovering its investment in the DC power plant. Specifically, in  
3 Lexington, Kentucky, BellSouth imposed a nonrecurring charge of \$46,000 on  
4 AT&T to extend DC power into AT&T's collocation cage. AT&T does not  
5 know, however, how much of that is for cabling versus the quantity that is for  
6 upgrading the power plant. However, based on my experience in these types of  
7 costs, it appears the majority of the \$46,000 is likely going towards upgrading the  
8 power plant, which leads to the double-recovery discussed above. In short,  
9 BellSouth's rates for DC power are inconsistent with the Act and FCC guidelines  
10 as BellSouth's DC power cost recovery via individual case basis augment charges  
11 are not reviewed by this Commission and are inconsistent with TELRIC  
12 principles.

13 **Q. HOW HAVE OTHER COMMISSIONS DEALT WITH THE RECOVERY**  
14 **OF THESE COSTS?**

15  
16 **A.** In Texas, SWBT is not permitted to charge collocators for DC power augments in  
17 any form. SWBT must recover the investment in the DC power plant on a  
18 nondiscriminatory basis and recover the cost for the total demand placed on the  
19 power plant (SWBT's and collocators' demand). In Texas, however, SWBT is  
20 prohibited from charging for DC power augments – the only rate that SWBT can  
21 and does charge is the recurring DC Power Consumption rate.

22  
23 **B. Shared Collocation.**

1 **Q. DO YOU AGREE THAT BELL SOUTH PROVIDES FOR SHARED**  
2 **COLLOCATION IN A FORM THAT IS CONSISTENT WITH THAT**  
3 **REQUIRED BY THE FCC'S *ADVANCED SERVICES ORDER*?**  
4

5 A. No. BellSouth is not providing shared collocation in a manner consistent with the  
6 *Advanced Services Order*. BellSouth's affiant, Mr. Gray, claims that CLECs may  
7 choose shared collocation. The type of collocation Mr. Gray describes, however,  
8 does not meet the requirements of the *Advanced Services Order*. Indeed, Mr.  
9 Gray's affidavit and BellSouth's Collocation Handbook describe "Shared  
10 (Subleased) Caged Collocation"<sup>58</sup> in the same way that the FCC describes it in the  
11 *Advanced Services Order* as subleased collocation and not shared collocation.

12 **Q. HOW DOES THE FCC DESCRIBE SHARED COLLOCATION?**

13 A. The FCC defines "shared collocation" as:

14 [A] caged collocation space shared by two or more  
15 competitive LECs pursuant to terms and conditions agreed  
16 to by the competitive LECs. In making shared cage  
17 arrangements available, incumbent LECs may not increase  
18 the cost of site preparation or nonrecurring charges above  
19 the cost for provisioning such a cage of similar dimensions  
20 and material to a single collocating party. In addition, the  
21 incumbent must prorate the charge for site conditioning and  
22 preparation undertaken by the incumbent to construct the  
23 shared collocation cage or condition the space for  
24 collocation use, regardless of how many carriers actually  
25 collocate in that cage, by determining the total charge for  
26 site preparation and allocating that charge to a collocating  
27 carrier based on the percentage of the total space utilized by  
28 that carrier. In other words, a carrier should be charged  
29 only for those costs directly attributable to that carrier.<sup>59</sup>

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<sup>58</sup> BellSouth Collocation Handbook, Customer Guide, CG-COLH-001, Issue 9.2, November, 2000, § 6.3, subsection 3.4.

<sup>59</sup> FCC *Advanced Services Order* ¶ 41.



1 The FCC briefly references “subleased” collocation and states that the incumbent  
2 ILEC cannot prevent a caged collocation user from allocating a portion of its cage  
3 to another collocator. However, the emphasis of this paragraph is that incumbent  
4 ILECs must make shared collocation arrangements available, must construct the  
5 collocation cage, and must not increase the cost of site preparation or  
6 nonrecurring charges above the cost for provisioning such a cage of similar  
7 dimensions and material to a single collocating party. The Shared (Subleased)  
8 Caged Collocation section of BellSouth’s Collocation Handbook, however, does  
9 not contain provisions covering shared cage collocation.<sup>60</sup>

10 In addition, FCC rules also require that the ILEC prorate the charge for site  
11 conditioning and preparation undertaken by the ILEC to construct the shared  
12 collocation cage or condition the space for collocation use, regardless of how  
13 many carriers actually collocate in that cage. This result is determined by the total  
14 charge for site preparation and allocates that charge to a collocating carrier based  
15 on the percentage of the total space utilized by that carrier.<sup>61</sup> The FCC’s purpose  
16 for this requirement is to permit a collocator to occupy space within a cage that  
17 had been constructed generally for multiple collocators.

18 It is important for this Commission to recognize that several ILECs already have  
19 tariff language implementing the shared collocation (or common collocation as it  
20 is sometimes defined) definition outlined by the FCC in the *Advanced Services*

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<sup>60</sup> BellSouth Collocation Handbook, Customer Guide, CG-COLH-001, Issue 9.2, November, 2000, § 6.3, subsection 3.4.

<sup>61</sup> FCC *Advanced Services Order* ¶ 41.

1           *Order*. Specifically, SWBT in Texas, Missouri, Kansas, and Oklahoma provides  
2           for shared collocation in tariffs for these states. Pacific Bell provides for shared  
3           collocation in California. Ameritech provides for shared collocation in at least  
4           Michigan. Further, Verizon provides for shared collocation (referred to as  
5           SCOPE in its tariffs) throughout its former NYNEX and Bell Atlantic territories.  
6           There is absolutely no reason for BellSouth not to make this form of collocation  
7           available in Kentucky as well.

8           **C.     Off-Site Collocation.**

9           **Q.     HOW DOES BELL SOUTH FAIL TO PROVIDE FOR ADJACENT OFF-**  
10           **SITE COLLOCATION EVEN THOUGH THIS ARRANGEMENT IS**  
11           **PROVIDED BY SIMILARLY SITUATED ILECS AND PERMITTED BY**  
12           **THE FCC'S *ADVANCED SERVICES ORDER*.**

13  
14           A.     BellSouth does not offer this type of collocation as required by the *Advanced*  
15           *Services Order*. The FCC *Advanced Services Order* requires ILECs to permit  
16           adjacent space collocation to the extent it is technically feasible.<sup>62</sup> Given that part  
17           of the overall intent of the FCC *Advanced Services Order* is to make more central  
18           office space available for collocation (via cageless collocation, shared collocation,  
19           and subleased collocation), adjacent space collocation is the FCC's attempt to  
20           ensure that CLECs always have an option for acquiring interconnection and  
21           access to UNEs within the ILEC's central office.

22           BellSouth permits adjacent on-site collocation but not adjacent off-site  
23           collocation. The FCC *Advanced Services Order* does not explicitly require or  
24           prohibit offsite adjacent location. Adjacent space collocation, however, is

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<sup>62</sup>     FCC *Advanced Services Order* ¶ 44.

1 intended to ensure interconnection and access to UNEs when space is unavailable  
2 inside the central office. This intent supports providing adjacent off-site  
3 collocation.

4 Several ILECs already provide for adjacent off-site collocation. Specifically,  
5 SWBT in Texas and Pacific Bell in California have testified that they are already  
6 providing off-site adjacent collocation arrangements for CLECs. Moreover,  
7 SWBT has terms and conditions for adjacent off-site collocation in its tariffs for  
8 the states of Texas, Missouri, Kansas, and Oklahoma. Further, Ameritech  
9 provides for adjacent off-site collocation in Michigan. In short, this is a form of  
10 collocation that is already being provided for in other similarly situated networks,  
11 and there is no reason why BellSouth should not also make this same form of  
12 collocation available in Kentucky.

13 **V. CONCLUSION**

14 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

15 A. My testimony establishes that BellSouth fails to comply with the Section 271  
16 checklist because of its practices relating to xDSL and collocation. These issues  
17 are very important to competition, and BellSouth's failure to meet its legal  
18 obligation has adversely impacted CLEC entry and ability to compete. For these  
19 reasons, the Commission should find that BellSouth does not yet comply with  
20 Section 271 checklist requirements (i) and (iv).

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

22 A. Yes.

**Exhibit SET-1**  
**Curriculum Vitae**

## STEVEN E. TURNER

400 Preston Glen Circle Suite 101  
Canton, Georgia 30114

678-493-9700 (Voice)  
678-493-9701 (FAX)

### **KALEO CONSULTING EMPLOYMENT EXPERIENCE:**

#### **TELECOMMUNICATIONS AND FINANCIAL CONSULTANT (Jan 1997-Present)**

- Provide expert testimony on technical issues surrounding the unbundling and interconnection to incumbent Local Exchange Company (ILEC) networks. The testimony includes analysis of ILEC unbundling and interconnection per the Telecommunications Act of 1996 (Section 271) as well as other technical issues of local market entry. Further, the testimony includes evaluating and conducting unbundled element and interconnection cost studies.
- Provide expert testimony on the level and extent of facilities-based competition in the local market place. This testimony which quantitatively and economically evaluates the extent of competition results in an assessment of ILEC compliance with Section 271 proceedings.
- Develop models to aid companies in developing market entry plans for the local telecommunications market. This assistance includes evaluating what market entry alternatives as well as which geographies provide the best profit opportunities for the new entrant.

### **AT&T EMPLOYMENT EXPERIENCE:**

#### **DISTRICT MANAGER - CONNECTIVITY NETWORK PLANNING - LI&AM (Feb 1996-Dec 1996)**

- Managed the development of AT&T's Infrastructure Plans of Record for the Southwest region. These plans entailed defining the right mix of built and leased infrastructure to meet AT&T's local offer needs at the least cost.
- Managed AT&T's dedicated access inventory in the Southwest region. This effort involved identifying the optimum supplier(s) in each market for AT&T's access needs to meet both financial and strategic objectives.

#### **MANAGER - STRATEGIC ACCESS PLANNING - Access Strategic Planning (Nov 1994-Feb 1996)**

- Managed the development of strategic models to analyze alternatives for entering the local market. These models considered various technologies for entering local that would optimize the contribution to AT&T from a revenue, expense, and capital perspective.

#### **RE-ENGINEERING MANAGER - Network Operations (Jul 1994-Oct 1994)**

- Directed a CCS-NSD management-union team in re-engineering the engineering, provisioning, and maintaining of the Operator Services network. Delivered a re-engineered process that reduced operational expense significantly while mitigating the impacts on customers and employees.

#### **PROJECT MANAGER/SYSTEM ENGINEER - CCS Centralized Test Center (Jan 1992-Jun 1994)**

- Coordinated implementation plans and system development for new services and network elements in the Common Channel Signaling (CCS) Network. The planning scope included provisioning, monitoring, and maintaining the T1.5 facilities for the CCS signaling circuits.
- Acquired funding (development, capital, and head count) through writing and defending business cases in support of projects for new services or network elements in the CCS Network. Upon approval, coordinated the implementation of system development and capital projects affecting the CCS Centralized Test Center.

## **AT&T EMPLOYMENT EXPERIENCE (cont.):**

### **DEPARTMENTAL QUALITY MANAGER - Network Operations (Jan 1990-Jan 1992)**

- Developed the Network Operations Quality Management System and implemented it into an organization of 5000 people. Implementation required gaining organizational support for staffing and training 40 Quality Specialists and managing their efforts in transferring the quality technology into Network Operations.

### **OPERATIONS SUPERVISOR - Regional Network Service Center (Nov 1988-Dec 1989)**

- Managed the Regional Network Service Center serving AT&T customers in the Southeastern United States through correcting their service troubles. Responsibilities included leading a team of 20 associates who responded to over 2000 customer troubles per month and escalating with Local Exchange Companies to remove barriers to trouble resolution.

### **4ESS SWITCH ENGINEER - Network Engineering Services (Dec 1987-Nov 1988)**

- Identified current levels of asset utilization, analyzed future needs, and developed a capital budget to purchase and provision the necessary equipment to efficiently meet customer needs. Managed the implementation of over \$10M in capital projects.

## **GENERAL ELECTRIC EMPLOYMENT EXPERIENCE:**

### **RESEARCH AND DESIGN ENGINEER - Simulation and Control Systems (Jun 1986-Dec 1987)**

- Designed and developed a major sub-system for a high-speed graphics simulator supporting both defense and commercial customers.
- Designed and developed a Very Large-Scale Integrated (VLSI) Chip with over 80,000 transistors used in the video display sub-system for the high-speed graphics simulator.

## **ACHIEVEMENTS:**

- Developed the strategic planning system used throughout AT&T Connectivity Planning that identifies the mix of connectivity options (Wireless, CATV, LEC) that AT&T should implement within a market. This model is being used to determine AT&T's local market entry strategy for the entire country.
- Re-engineered the Operator Services operations processes through a collaborative effort of management and union employees yielding \$19.9 million in operational expense savings annually while making the new organization more customer responsive.
- Planned and implemented a modification to the CCS Network data collection architecture resulting in operational expense savings of \$7.3 million per year.
- Significantly advanced the implementation of Total Quality Management in Network Operations through the Quality Specialist strategy initiative begun in 1990.
- Completed development of a Win Back Program for non-AT&T customers who called the Regional Network Service Center in error. This program generated over \$1.6 million in new revenue for AT&T in 1989.
- Designed and developed a Management Information System enabling the measurement of asset utilization in switching equipment at any point in time. The use of the information provided with this system and the resulting changes in engineering practices reduced Network Operations under-utilized switching assets by approximately \$250 million.
- Re-engineered the installation process for switching equipment resulting in a 70% reduction in the installation interval.

- Designed and developed the largest VLSI chip with General Electric at that time in only five months.

**EDUCATION:**

**August 1990:**           **Masters of Business Administration Degree - Finance**  
Georgia State University  
Atlanta, Georgia

**December 1986:**       **Bachelor of Science Degree - Electrical Engineering**  
Auburn University  
Auburn, Alabama

**Exhibit SET-2**  
**BellSouth Ex Parte**



**BELLSOUTH**

BellSouth  
Suite 900  
1123-21st Street, N.W.  
Washington, D.C. 20006-3261

kat@voert.levitz@bellsouth.com

Kathleen B. Levitz  
Vice President-Federal Regulatory

202 463-4113  
Fax 202 463-4198

August 16, 2000

EX PARTE

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> St. SW  
Washington, D.C. 20554

RECEIVED  
AUG 16 2000  
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OFFICE OF THE SECRETARY

**STAMP and RETURN**

Re: CC Docket No. 98-98

Dear Ms. Salas:

This is to inform you that on August 15, 2000 Steve Klimacak, Tommy Williams, Randy Sanders, Jonathan Banks, and I, representing BellSouth, met with Commission staff to discuss BellSouth's policies on line-splitting. The Commission staff participating in the discussion included Jake Jennings, Kathy Farroba, John Stanley, Jon Reel, and Jessica Rosenworcel of the Common Carrier Bureau's Policy and Program Planning Division and Andrea Kearney and Jim Carr of the Office of General Counsel. The attached document formed the basis for our discussion.

We are filing notice of this ex parte meeting in the docket identified above, as required by Section 1.1206(b)(2) of the Commission's rules. Please associate this notice with the record of that proceeding.

Sincerely,

*Kathleen B. Levitz*  
Kathleen B. Levitz

Attachment

- cc: Jake Jennings (w/o attachment)  
Kathy Farroba (w/o attachment)  
John Stanley (w/o attachment)  
Jessica Rosenworcel (w/o attachment)  
Jon Reel (w/o attachment)  
Andrea Kearney (w/o attachment)  
Jim Carr (w/o attachment)

**BellSouth Ex Parte**

**Line Splitting and UNE-P**

**August 15, 2000**

## Line Splitting and UNE-P

### 1. Line Splitting

- ❖ Paragraph 324 of the FCC's Order authorizing SBC to provide in-region InterLATA service defines line splitting as a situation where the voice and data service are being provided by competing carrier(s) – other than the incumbent LEC – over a single loop.
  
- ❖ In paragraph 325 of that Order the FCC further stated that incumbent LECs have an obligation to permit line splitting where the competing carrier purchases the entire loop and provides its own splitter. In paragraph 327 the FCC further stated that the incumbent LEC is not required to furnish the splitter.
  
- ❖ BellSouth is prepared to permit CLECs to do line splitting as long as competitive carriers provide their own splitter.
  
- ❖ Line splitting operational procedures must be developed.

## 2. UNE-P

- ❖ **UNE-P is a combination of a loop and a port.**
  
- ❖ **To access the high frequency spectrum on a loop, a data provider must use a splitter. A splitter, however, is not part of a loop. Consequently, if a splitter is on a loop or is to be attached to a loop, a loop and port will lose its status as a UNE-P.**
  
- ❖ **Line Splitting on UNE-P is thus a misnomer.**
  
- ❖ **BellSouth will accommodate line splitting with a loop and port that is delivered to a collocation space.**

### **3. Steps Necessary to Implement Line Splitting**

#### **A. Interconnection Agreements**

- ❖ **The voice provider will need an interconnection agreement that authorizes it to buy loops and ports.**
  
- ❖ **The voice provider, the data provider, or both the voice and data providers will need a collocation agreement and will also need authorization to order cross-connects.**

#### **B. Splitter Ownership**

- ❖ **BellSouth's proposed architecture is for the CLEC to own the splitter.**

### **C. OSS Ordering and Provisioning Systems**

- ❖ **BellSouth envisions that in the near future a minimum of two service requests will be required. Modifications of BellSouth's OSS's will be necessary.**

### **D. Agency Issues**

- ❖ **BellSouth proposes a single customer of record for line splitting.**
- ❖ **BellSouth does not wish to be in the middle of disputes between a competing voice and data provider.**

#### 4. Collocation Issues

- ❖ **BellSouth allows CLECs to sublease collocation space without any additional charges, unless the guest CLEC requires additional power or floor space.**
- ❖ **The guest CLEC's use of subleased collocation space must be consistent with the contractual obligations that exist between BellSouth and the host CLEC.**
- ❖ **BellSouth will permit CLECs to sublease a virtual collocation space. BellSouth proposes to have the host CLEC as its only point of contact.**
- ❖ **BellSouth currently provides in-office wiring between a shared collocation space and BellSouth-provided network elements.**

## 5. Pricing

	<u>Monthly</u>	<u>Non-recurring</u>
❖ Georgia, Zone 1		
❖ UNE-P (Conversion as-is only)	\$12.59	\$ 2.01
❖ Loop (No IDLC)	\$14.21	\$42.54
❖ Port	\$ <u>1.85</u>	<u>\$17.16</u>
❖ Total loop and port	\$16.08	\$59.70

❖ Collocation must be purchased in addition