

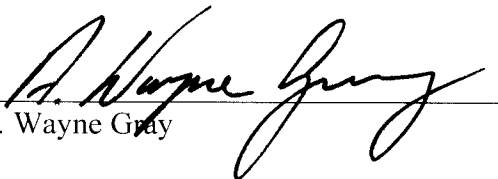
AFFIDAVIT

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared A. Wayne Gray, BellSouth Telecommunications, Inc., being by me first duly sworn deposed and said that:

He is appearing as a witness before the Kentucky Public Service Commission in "Investigation Concerning the Propriety of InterLATA Services by BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996," KY PSC Case No. 2001-105, and if present before the Commission and duly sworn, his testimony would be set forth in the annexed transcript consisting of 69 pages and 0 exhibit(s).


A. Wayne Gray

SWORN TO AND SUBSCRIBED BEFORE ME this
25th day of July, 2001.


NOTARY PUBLIC

MICHEALE F. HOLCOMB
Notary Public, Douglas County, Georgia
My Commission Expires November 3, 2001

1 **BELLSOUTH TELECOMMUNICATIONS, INC.**

2 **REBUTTAL TESTIMONY OF A. WAYNE GRAY**

3 **BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION**

4 **CASE NO. 2001-105**

5 **JULY 30, 2001**

6

7

8 Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH
9 BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH").

10

11 A. My name is A. Wayne Gray. I am employed by BellSouth as a Director-
12 Collocation in the Network Planning and Support Organization located at 675 W.
13 Peachtree Street, Atlanta, GA 30375.

14

15 Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

16

17 A. I graduated from Georgia Tech in 1979 with a Bachelor of Electrical Engineering
18 degree. In 1992, I graduated from Emory University with a Master of Business
19 Administration degree. I began working for Southern Bell in 1979 in the
20 Equipment Engineering organization in Miami, Florida. Throughout my 22-year
21 career with BellSouth, I have held various line and staff positions in Equipment
22 Engineering, Traffic Engineering (Capacity Management), Infrastructure Planning
23 and Project Management. Since November 1999, I have held the position of

1 Director-Collocation in the Network Planning and Support organization. In this
2 position, I am responsible for ensuring that BellSouth provisions collocation space
3 in the timeframes established by contractual agreements and governmental
4 mandates.

5

6 Q. ARE YOU THE SAME A. WAYNE GRAY, WHOSE AFFIDAVIT WAS
7 ATTACHED TO W. KEITH MILNER'S DIRECT TESTIMONY FILED IN
8 THIS PROCEEDING?

9

10 A. Yes.

11

12 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

13

14 A. The purpose of my testimony is to respond to the rebuttal testimony submitted by
15 AT&T Witness Steven E. Turner and WorldCom Witness Phillip A. Bomer
16 related to specific collocation issues.

17

18 **AT&T Witness Steven E. Turner's Comments**

19 Q. WHAT GENERAL OBSERVATIONS DO YOU HAVE ABOUT MR.
20 TURNER'S COMMENTS?

21

22 A. Mr. Turner makes a fundamental error by assuming that BellSouth offers
23 collocation pursuant to its Collocation Handbook. BellSouth does not. As a

1 result, Mr. Turner's comments from page 39 to page 49 are incorrect because they
2 are based on this erroneous assumption.

3

4 Q. THROUGHOUT HIS REBUTTAL TESTIMONY, MR. TURNER MAKES IT
5 SOUND AS IF BELLSOUTH'S COLLOCATION HANDBOOK IS THE
6 MEANS THROUGH WHICH BELLSOUTH ESTABLISHES A LEGALLY
7 BINDING OBLIGATION TO OFFER COLLOCATION IN KENTUCKY. IF
8 THIS IS NOT TRUE, HOW DOES BELLSOUTH OFFER COLLOCATION?

9

10 A. BellSouth's Collocation Handbook is only a resource guide designed to be helpful
11 to those CLECs (Competitive Local Exchange Carriers) contemplating collocation
12 with BellSouth. It describes BellSouth's various collocation offerings, provides
13 information regarding general terms and conditions, the ordering process, and
14 provisioning and maintenance activities. It is not a legally binding document and,
15 as such, does not control the rates, terms or conditions for BellSouth's collocation
16 offerings. BellSouth does not provide collocation pursuant to the Collocation
17 Handbook.

18

19 BellSouth does have a legally binding obligation to provide collocation pursuant
20 to Interconnection Agreements and the Kentucky Access Services Tariff (Gray
21 Aff., Exh. AWG-1)¹, which have been approved by the Kentucky Public Service
22 Commission ("Commission"). In addition, BellSouth currently has pending

1 before the Commission a Statement of Generally Available Terms and Conditions
2 (“SGAT”). This filing tracks the language in BellSouth’s Standard
3 Interconnection Agreement in Attachment 4 (Collocation), which complies with
4 all of the current orders, rules and regulations of the Federal Communications
5 Commission (“FCC”) and the Commission. Finally, BellSouth offers virtual
6 collocation in Kentucky pursuant to an effective FCC tariff (“FCC Virtual Tariff”,
7 Gray Aff., Exh. AWG-2).

8

9 Q. ON PAGES 41 AND 42, MR. TURNER ASSERTS THAT ON PAGE 5 OF
10 YOUR AFFIDAVIT, YOUR STATEMENT THAT BELLSOUTH WILL “NOT
11 CHANGE ANY EXISTING COLLOCATION ARRANGEMENTS OR
12 PROCEDURES FOR PROCESSING REQUESTS UNDER ANY EXISTING
13 COLLOCATION CONTRACTS DURING THE LIFE OF SUCH CONTRACTS
14 UNLESS THE FCC, OR A STATE COMMISSION, ISSUES NEW RULES
15 REGARDING COLLOCATION” IS INCONSISTENT WITH BELLSOUTH’S
16 COLLOCATION HANDBOOK. PLEASE RESPOND TO THIS COMMENT.

17

18 A. First, BellSouth’s Collocation Handbook is not the legally binding document by
19 which BellSouth provides collocation. In fact, page 1 of the Collocation
20 Handbook provides that “[i] f a collocator orders collocation service pursuant to
21 BellSouth’s Statement of Generally Available Terms and Conditions (SGAT), the

¹ The Kentucky Access Tariff attached as Exhibit AWG-1 to my affidavit is no longer current. A revised tariff became effective on May 22, 2001.

1 terms and conditions provided [t] herein² become a legally binding agreement.
2 However, to the extent that the CLEC enters into a separate agreement with
3 BellSouth for physical collocation, the terms and conditions of that agreement will
4 apply. The terms and conditions of BellSouth Virtual Collocation offering are
5 described in BellSouth's FCC #1 Tariff, section 20." As noted above, a CLEC
6 may order physical collocation pursuant to the Kentucky Access Services Tariff, a
7 SGAT (if a SGAT exists in that state) or its negotiated Interconnection
8 Agreement. There is nothing in the Collocation Handbook indicating that a
9 CLEC may order collocation pursuant to the rates, terms, and conditions of the
10 Collocation Handbook. In fact, if a CLEC were to send BellSouth a collocation
11 Application for physical collocation indicating that it was being submitted
12 pursuant to the Collocation Handbook, BellSouth would reject it and request that
13 the CLEC resubmit it based on the rates, terms and conditions contained in its
14 negotiated Interconnection Agreement, the Kentucky Access Services Tariff, or
15 pursuant to the state SGAT (if one is on file with the state commission).

16
17 Second, Mr. Turner is only quoting from a very limited portion of my discussion
18 on Page 5, which makes this issue more confusing than it really is. On Pages 5
19 and 6 (in Paragraph 6) of my affidavit, I make note that BellSouth has continued
20 to modify its collocation offerings to comply with the FCC's collocation orders,

² There appears to be a typographical error in the Collocation Handbook, which may account for part of the misunderstanding expressed by Mr. Turner in his rebuttal testimony. The word "herein" in the Collocation Handbook is in fact a typographical error and should have been reflected as "therein". I have shown it here as it should appear in the Collocation Handbook. This typographical error will be corrected in the upcoming revision to the Collocation Handbook.

1 the most recent of which is the FCC Memorandum Opinion and Order (Gray Aff.,
2 Exh. AWG-4). Furthermore, BellSouth will continue to operate in accordance
3 with the rules promulgated in the *Advanced Services Order*³ that the D.C. Circuit
4 Court vacated and remanded to the FCC for further consideration in *GTE Services*
5 *Corporation v. FCC*, 205 F.3d 416 (D.C. Cir. 2000). For any contracts that were
6 in existence prior to the D.C. Circuit Court's ruling that vacated and remanded
7 certain portions of the FCC's *Advanced Services Order*, BellSouth adopted a
8 policy that it would not change the pre-existing arrangements or procedures for
9 processing requests during the life of the pre-D.C. Circuit Court contracts unless
10 the FCC or a state commission issued new rules in response to the D.C. Circuit
11 Court's remand or the FCC determined that BellSouth's policy in this regard was
12 discriminatory. Upon issuance of new rules, BellSouth would seek to amend
13 existing contracts, in accordance with the terms of the contracts, to comply with
14 the new rules.

15
16 As Mr. Blau, BellSouth - Vice President of Executive and Federal Regulatory
17 Affairs, stated in his April 14, 2000, letter to Mr. Lawrence Strickling, Chief of
18 the FCC Common Carrier Bureau (Gray Aff., Exh. AWG-6), "Once a CLEC's
19 contract expires, BellSouth may propose new language consistent with the Court
20 of Appeals' decision that vacated portions of the Commission's rules that do not
21 conform to the Court of Appeals' decision that vacated portions of the

³ See First Report and Order and Future Notice of Proposed Rulemaking, *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, 14 FCC Rcd 4761 (1999)

1 Commission's rules established in the *First Report and Order*. Regarding
2 existing collocation arrangements that do not conform to the Court of Appeals'
3 decision, however, BellSouth will allow the equipment already installed in such
4 arrangements to remain in place and will grandfather the already installed
5 equipment in those arrangements under any new contract negotiated with the
6 CLEC. BellSouth's willingness to grandfather such arrangements that do not
7 conform to the Court of Appeal's decision is conditioned upon the Commission
8 not treating such a grandfather clause as discriminatory. Should the Commission
9 or a state commission assert that the grandfather clause is discriminatory or that
10 other CLECs can opt into the grandfather clause under Section 51.809(e) of the
11 Commission's rules, BellSouth reserves the right to terminate the grandfather
12 clause and require the removal of non-conforming collocation arrangements.”

13

14 Q. ON PAGE 42, MR. TURNER STATES THAT BELLSOUTH UNILATERALLY
15 CHANGES ITS COLLOCATION HANDBOOK. DO YOU AGREE WITH MR.
16 TURNER'S STATEMENT?

17

18 A. No. In addition to the erroneous assumption that BellSouth provides collocation
19 pursuant to its Collocation Handbook, Mr. Turner leaves the impression that
20 BellSouth can unilaterally change its legal obligations related to collocation. This
21 is incorrect. Physical collocation must be ordered by a CLEC pursuant to a
22 negotiated Interconnection Agreement or the Kentucky Access Services Tariff,

(“*Advanced Services Order*”), vacated in part, *GTE Servs. Corp. v. FCC*, 205 F.3d 416 (D.C. Cir.

1 while virtual collocation is made available pursuant to F.C.C. Tariff No. 1,
2 Section 20. The ability for a CLEC to order physical and/or virtual collocation
3 from the Kentucky SGAT will also become available once the Commission has
4 approved this document. BellSouth has entered into numerous Interconnection
5 Agreements with CLECs in Kentucky. Neither BellSouth nor the CLEC can
6 “unilaterally” change any of these agreements.

7
8 Q. CONTINUING ON PAGE 42, MR. TURNER ALLEGES THAT CLECS MUST
9 OFTEN RELY UPON THE COLLOCATION HANDBOOK FOR THE TERMS
10 AND CONDITIONS THAT CONTROL COLLOCATION. HOW WOULD
11 YOU RESPOND?

12
13 A. In addition to the erroneous assumption that BellSouth provides collocation
14 pursuant to its Collocation Handbook, Mr. Turner makes an assumption that the
15 CLECs rely upon the Handbook for the terms and conditions that control
16 collocation. This is simply not true. The legally binding document for the
17 provision of physical collocation is the negotiated Interconnection Agreement
18 between a CLEC and BellSouth or if the CLEC so chooses, it can elect to order
19 physical collocation in accordance with the rates, terms and conditions of the
20 Kentucky Access Services Tariff (or the Kentucky SGAT upon the Commission’s
21 approval of this document). For virtual collocation, the CLEC may order a virtual
22 collocation arrangement pursuant to the rates, terms and conditions of Section 20

2000);

1 of the F.C.C. Tariff No. 1 (or the Kentucky SGAT upon Commission approval of
2 this document).

3

4 Mr. Turner's allegation is somewhat puzzling to BellSouth. AT&T has recently
5 spent months negotiating a new Interconnection Agreement, including the
6 Attachment for Collocation, with BellSouth in Kentucky. If AT&T or BellSouth
7 really believed that the Collocation Handbook was the legally binding agreement
8 between the two parties, then why would AT&T or BellSouth invest so much time
9 and energy into negotiating new rates, terms and conditions for a new contractual
10 agreement? Mr. Turner's logic makes no sense.

11

12 In regard to Mr. Turner's comment that the Collocation Handbook contains
13 generally available terms and conditions that are more up to date with the FCC
14 *Advanced Services Order* requirements and various state commissions' orders
15 regarding collocation, this is incorrect. BellSouth's Standard Interconnection
16 Agreement is always the most up-to-date document available to a CLEC under
17 which it may request collocation. The Collocation Handbook may or may not be
18 in sync with BellSouth's Standard Interconnection Agreement depending upon
19 when it was last released. BellSouth does revise the Collocation Handbook from
20 time to time to incorporate required changes pursuant to new FCC and state
21 commission collocation orders, process improvements, and any typographical
22 and/or grammatical errors noted in the existing version of this document, but it is
23 not the most up to date document that is available to CLECs.

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Q. MR. TURNER STATES ON PAGE 42 THAT “THE BELLSOUTH COLLOCATION HANDBOOK PERMITS BELLSOUTH TO DETERMINE THE TERMS AND CONDITIONS FOR COLLOCATION WITHOUT ANY COMMISSION APPROVAL OR CLEC INPUT.” DO YOU AGREE?

A. No. In addition to the erroneous assumption that BellSouth provides collocation pursuant to its Collocation Handbook, Mr. Turner leaves the impression that BellSouth can determine the terms and conditions for collocation without any Commission approval or CLEC input. This is untrue. As stated on Page 2, Paragraph 4, of my affidavit, when the parties agree to obtain collocation via an Interconnection Agreement or Tariff [or via the Kentucky SGAT], the parties also agree to comply with all applicable federal, state or local laws, ordinances, rules or regulations. Over the years, BellSouth has modified its Standard Interconnection Agreement, as necessary, to comply with all applicable provisions of state and federal law and the requirements of the FCC and state commissions such as Kentucky. This agreement is used as a starting point in negotiations with CLECs. Its use ensures that the signed Interconnection Agreement, although negotiated, is compliant with all applicable federal, state or local laws, ordinances, rules or regulations.

In addition, every Interconnection Agreement for physical collocation, whether it is a new agreement, an amendment to an existing agreement, or a renegotiated

1 agreement between BellSouth and a CLEC, must be filed with the Commission
2 for its review and approval. While it is BellSouth's responsibility to incorporate
3 specific collocation requirements mandated by the FCC and Commission into
4 BellSouth's Standard Interconnection Agreement for physical collocation, it is the
5 responsibility of every CLEC, including AT&T, to negotiate the collocation
6 contract rates, terms and conditions into its Interconnection Agreement with
7 BellSouth. If a CLEC does not agree with the language contained in BellSouth's
8 Standard Interconnection Agreement, then it is up to the CLEC to propose its
9 language and negotiate what language should be included in its Interconnection
10 Agreement. If BellSouth and the CLEC cannot agree on mutually acceptable
11 contract language, then the CLEC has the option of bringing these disputed issues
12 before the state commission for resolution. If a CLEC does not pursue its right to
13 "negotiate" the rates, terms and conditions of an Interconnection Agreement for
14 physical collocation or does not wish to sign an Interconnection Agreement with
15 BellSouth, then it can still obtain physical collocation pursuant to the rates, terms,
16 and conditions of the Kentucky Access Services Tariff [or the Kentucky SGAT
17 upon Commission approval of this document]. Of course, virtual collocation may
18 be ordered by any CLEC pursuant to F.C.C. Tariff No. 1, Section 20 [or from the
19 Kentucky SGAT upon Commission approval of this document].

20
21

22 Q. ON PAGE 43, MR. TURNER CONTENDS THAT BELLSOUTH
23 UNILATERALLY CHANGED THE LOCATION OF THE POINT OF

1 TERMINATION (“POT”) FRAME. PLEASE COMMENT.

2

3 A. Mr. Turner now seeks to prove that BellSouth has unilaterally changed its
4 practices regarding the placement of POT frames relative to a collocation cage.
5 This is incorrect.

6

7 POT bays are used to establish the demarcation between collocated equipment and
8 BellSouth equipment both from a physical and an operational perspective. This
9 requires that both parties have access to the POT device for maintenance and
10 operational testing. If a collocator were to install POT equipment within a
11 secured cage, BellSouth would not have access to the device. It has therefore
12 been BellSouth's position that POT equipment should be located outside of a cage
13 in space that is accessible by both parties.

14

15 Some collocation cages may be able to support placement of POT bays within the
16 cage wall, which allows the collocator access from within the cage and BellSouth
17 access from outside the cage. However, such arrangements are often not practical
18 in spaces that are available to support caged collocation arrangements. When
19 assigning floor space for POT bays BellSouth attempts to balance proximity to the
20 caged equipment with the necessity to efficiently utilize all available floor space
21 within the central office.

22

23 AT&T's Interconnection Agreement with BellSouth calls for the POT frame to be

1 located in the cage wall as specified in Article 2.2.17, as follows:

2 The Point of Termination bay will be part of cage walls of AT&T's
3 designated space. The logistics and floor plan drawing will be
4 discussed at the first joint planning meeting as referenced in 2.2.18
5 below.
6

7 If there was a specific situation in which the POT frame had to be positioned at a
8 distance of 50 feet from the collocation arrangement, then there must have been a
9 physical limitation that necessitated it. However, BellSouth is aware of no such
10 dispute in Kentucky. If such a dispute should arise in Kentucky in the future,
11 AT&T has the ability to bring this issue before the Commission in an arbitration
12 proceeding. To date, AT&T has not raised this issue before the Commission in
13 arbitration or any other proceeding.
14

15 Therefore, contrary to Mr. Turner's allegations, BellSouth has not "unilaterally"
16 changed its practices regarding the placement of POT frames relative to a
17 collocation cage.
18

19 Q. ON PAGE 44, MR. TURNER ALLEGES THAT "BELLSOUTH CAN
20 DISCRIMINATE AGAINST CLECS BY FORCING THEM TO RELY UPON
21 THE TERMS AND CONDITIONS IN THE COLLOCATION HANDBOOK,
22 WHICH ARE DIFFERENT THAN THOSE CONTAINED IN THE TARIFF, IF
23 THEIR INTERCONNECTION AGREEMENT HAS NOT BEEN UPDATED TO
24 REFLECT NEW COMMISSION ORDERS, COURT DECISIONS AND FCC
25 DECISIONS." DO YOU AGREE WITH MR. TURNER?
26

1 A. Absolutely not. BellSouth does not ask CLECs to rely upon the terms and
2 conditions in the Collocation Handbook. A CLEC has the option of ordering
3 physical collocation pursuant to its negotiated Interconnection Agreement or the
4 Kentucky Access Services Tariff on a per Application basis. In addition,
5 BellSouth currently has pending before the Commission a Statement of Generally
6 Available Terms and Conditions (“SGAT”). This filing tracks the language in
7 BellSouth’s Standard Interconnection Agreement in Attachment 4 (Collocation),
8 and will offer another option under which a CLEC may order physical collocation.
9 Finally, BellSouth currently offers virtual collocation in Kentucky pursuant to an
10 effective FCC tariff, but with the approval of the Kentucky SGAT, CLECs will
11 have another option under which to order this type of collocation arrangement, as
12 well.

13
14 Q. MR. TURNER FURTHER STATES, “CLECS SHOULD BE ALLOWED TO
15 ACCESS ALL AVAILABLE OPTIONS FOR COLLOCATION IN A
16 NONDISCRIMINATORY MANNER WITHOUT HAVING TO TAKE ON THE
17 RISK OF BELLSOUTH CHANGING THOSE TERMS AND CONDITIONS AT
18 ITS OWN DISCRETION.” HOW DO YOU RESPOND?

19
20 A. As I explained in my previous response, the CLECs have many options from
21 which to choose when placing an order for collocation. For physical collocation,
22 a CLEC may choose to order an arrangement pursuant to its Interconnection
23 Agreement or the Kentucky Access Services Tariff. For virtual collocation, the

1 CLEC may order an arrangement pursuant to Section 20 of BellSouth's FCC
2 Tariff No. 1. Currently, BellSouth has pending before the Commission an SGAT
3 that will allow the CLECs another option under which both physical and virtual
4 collocation may be ordered. The freedom to choose which option a CLEC wishes
5 to order from on a per Application basis is nondiscriminatory, because these
6 options are made available to all CLECs.

7

8 Q. MR. TURNER ASSERTS ON PAGE 44 THAT BELL SOUTH SHOULD NOT
9 REQUIRE COLLOCATORS TO PAY FOR UNEXPECTED MAJOR
10 RENOVATION OR UPGRADE COSTS NECESSARY TO FACILITATE
11 PHYSICAL COLLOCATION. PLEASE COMMENT.

12

13 A. Mr. Turner argues that BellSouth should not be permitted to require collocators to
14 pay for unexpected major renovation or upgrade costs necessary to facilitate
15 physical collocation. This is untrue. Pursuant to the FCC's *Advanced Services*
16 *Order*, BellSouth can require collocators to share in the costs of major renovation
17 and/or upgrade costs that may be associated with, but not limited to, ground plane
18 additions, environmental hazard or hazardous materials abatement, major
19 mechanical upgrades, HVAC upgrades, ADA compliance, etc. This is in
20 compliance with the FCC's *Advanced Services Order*, Paragraph 51, which states
21 that:

22

23

24

. . . incumbent LECs must allocate space preparation, security
measures, and other collocation charges on a pro-rated basis so the
first collocator in a particular incumbent premises will not be

1 responsible for the entire cost of site preparation . . . In order to
2 ensure that the first entrant into an incumbent's premises does not
3 bear the entire cost of site preparation, the incumbent must develop
4 a system of partitioning the cost by comparing, for example, the
5 amount of conditioned space actually occupied by the new entrant
6 with the overall space conditioning expenses.
7

8 In the state of Kentucky, BellSouth assesses space preparation fees on both a
9 nonrecurring basis for Firm Order Processing and a monthly recurring basis for
10 Central Office Modifications, assessed per arrangement, per square foot, and
11 Common Systems Modifications, assessed per arrangement per square foot for
12 cageless collocation and per cage for caged collocation. These charges recover
13 the costs associated with preparing the collocation space, which includes the
14 survey, engineering of the collocation space, and the design and modification
15 costs for network, building and support systems. In addition to the space
16 preparation fees, BellSouth also charges the CLECs in Kentucky a monthly
17 recurring Floor Space fee, assessed per arrangement, per square foot, which
18 covers the expenses associated with lighting, HVAC, and other allocated expenses
19 related to the maintenance of the Premises.
20

21 Of course, the language contained in the CLEC's Interconnection Agreement
22 dictates the types of rates and charges that BellSouth is permitted to charge the
23 CLEC. Therefore, if a provision exists in the CLEC's Interconnection Agreement
24 that requires it to pay a portion of any unexpected major renovation or upgrade
25 expenses incurred by BellSouth to facilitate physical collocation, then BellSouth
26 would be allowed to assess these costs to the CLEC in accordance with the rates,

1 terms, and conditions contained in the agreement.

2

3 Q. CONTINUING ON PAGE 45, MR. TURNER INDICATES THAT THE
4 PAYMENT OF WHAT HE CALLS “EXTRANEIOUS EXPENSES” IS
5 INAPPROPRIATE BECAUSE THESE COSTS ARE INCONSISTENT WITH
6 TELRIC PRINCIPLES. PLEASE RESPOND TO MR. TURNER’S
7 ALLEGATION.

8

9 A. Yes. Mr. Turner is mistaken about this issue. BellSouth’s current space
10 preparation rate structure is consistent with TELRIC principles, and the rates are
11 based on forward-looking long-run incremental cost. This rate structure is
12 included in BellSouth’s Standard Interconnection Agreement, several signed
13 Interconnection Agreements and is currently under review by the Commission in
14 Administrative Case 382 (“An Inquiry into the Development of Deaveraged Rates
15 for Unbundled Network Elements”).

16

17 Q. CONTINUING ON PAGE 45, MR. TURNER CRITICIZES BELLSOUTH’S
18 RECOVERY OF HVAC COSTS. PLEASE COMMENT.

19

20 A. The current space preparation rates recover the costs of the survey, engineering,
21 design and modification of the network infrastructure, and building and support
22 systems to meet a collocator’s specified collocation requirements. Such
23 modification could include: augmenting air conditioning cooling capacity,

1 reworking ventilation ducts, adding cable racking, and adding or moving light
2 fixtures. Forward-looking investment dollars, based on actual central office
3 collocation projects, are used to develop recurring rates for space preparation.
4 Similar central office projects with similar investment dollars are done for
5 BellSouth's specific needs. The contract rates, which BellSouth pays its vendors,
6 are common to all space preparation work. It does not matter whether the
7 preparation work is in BellSouth's space or the collocator's space. Thus, the
8 collocator would pay monthly space preparation charges based on the amount of
9 space occupied and similar investment dollars to what BellSouth pays to prepare
10 its space.

11

12 Q. WOULD THE OTHER AREAS THAT MR. TURNER REFERS TO AS
13 "EXTRANEIOUS EXPENSES" ON PAGE 45 ALSO BE HANDLED IN THE
14 SAME MANNER AS THAT JUST DESCRIBED ABOVE?

15

16 A. Yes, they would be handled in the same manner.

17

18 Q. ON PAGE 46 OF HIS REBUTTAL TESTIMONY, MR. TURNER CLAIMS
19 THAT BELLSOUTH IS RECEIVING DOUBLE RECOVERY FOR ITS COSTS
20 OF PROVIDING DC POWER. PLEASE COMMENT.

21

22 A. AT&T claims that BellSouth is receiving double recovery of its power costs –
23 recovering the nonrecurring purchase of the augmented DC power plant and

1 recovering BellSouth's general investment in the entire DC power plant through
2 recurring charges. This is not true. Historically there have been two power
3 related physical collocation charges: a recurring power rate and an ICB non-
4 recurring power construction charge. The recurring rate included the AC utility
5 bill, maintenance, and plant replacement. It contained a 1.5 multiplier to
6 compensate for anticipated drain versus protection device size. The nonrecurring
7 power construction charge covered additional power capacity construction for
8 collocation customers and dedicated power cable feeders (when provided by
9 BellSouth). The non-recurring power construction charge for plant capacity was
10 pro-rated based on the nominal drain requested by the CLEC. BellSouth incurred
11 the balance that was not pro-rated, regardless of whether BellSouth benefited or
12 not. BellSouth now offers a standard recurring power rate that includes the old
13 recurring power rate and an incremental recurring amount to recover the non-
14 recurring power construction charge. CLECs who choose to adopt the standard
15 recurring power rate in their contract will no longer have a non-recurring power
16 construction charge.

17
18 As noted above, BellSouth's DC power rate is now a standard recurring rate based
19 on the number of fused amps and is consistent with Total Element Long Run
20 Incremental Cost ("TELRIC") principles. ICB pricing for power does not exist
21 with this rate structure. The rate is based on forward-looking long-run
22 incremental cost. This rate structure is included in BellSouth's Standard
23 Interconnection Agreement, several signed Interconnection Agreements, and is

1 being reviewed currently by the Commission in Administrative Case 382.

2

3 Q. IN FOOTNOTE 56 ON PAGE 46 OF HIS REBUTTAL TESTIMONY, MR.
4 TURNER APPARENTLY HAS A CONCERN AS TO HOW TO PROVISION
5 POWER IN A SITUATION “WHEN BELL SOUTH HAS NOT PREVIOUSLY
6 INVESTED IN POWER PLANT CAPACITY FOR COLLOCATION AND THE
7 CLEC DOES NOT WANT TO AVAIL ITSELF OF THE OPTION OF
8 BUILDING ITS OWN POWER PLANT”. PLEASE ADDRESS HIS
9 CONCERN.

10

11 A. Mr. Turner’s concern would appear to be much ado about nothing. Obviously,
12 AT&T has figured out how to provision power in the situation Mr. Turner has
13 described because AT&T has submitted applications and successfully ordered
14 power (along with numerous other CLECs) and subsequently powered its
15 collocation sites.

16

17 Q. MR. TURNER, ON PAGE 47 OF HIS TESTIMONY, CITES WHAT HE
18 CONTENDS IS A SPECIFIC EXAMPLE OF COUBLE RECOVERY. PLEASE
19 COMMENT.

20

21
22 A. Mr. Turner must be mistaken regarding the central office at issue because
23 Lexington, Kentucky is not in BellSouth’s service area. However, based on the
24 scant information provided in Mr. Turner’s testimony, he may be referring to
25 AT&T’s Application for collocation in the Louisville Armory Place Central

1 Office. Assuming this is correct and in an effort to be responsive to the question,
2 I will address the situation as it occurred in the Louisville Armory Place Central
3 Office.

4
5 In September 2000, BellSouth received an application from AT&T for a caged
6 collocation arrangement in the Louisville Armory Place Central Office. AT&T's
7 existing Interconnection Agreement provided that the power charges included
8 both nonrecurring power construction-related charges as well as monthly recurring
9 power usage charges. The estimate given to AT&T in the Application Response
10 included \$46,514 for the nonrecurring power costs. Of this amount, \$25,955 was
11 for provisioning the 225-amp power feeder cables from BellSouth's power board
12 to AT&T's BDFB located in their collocation space. The remaining \$20,559 was
13 for AT&T's prorated share of the costs of additional power capacity construction,
14 based on the nominal drain of 60 amps requested in its Application.

15
16 So, contrary to Mr. Turner's premise for alleged double recovery (i.e., that the
17 majority of the \$46,000 likely went toward upgrading the power plant), over half
18 of the charge was actually based on the costs to provision the large 225-amp
19 cables to AT&T collocation cage (an option AT&T chose, preferring to power its
20 equipment from its own BDFB rather than BellSouth's BDFB.). The remainder
21 of the charge is based on power plant augmentation, which is addressed in my
22 previous answer.

23

1 Q. AT THE BOTTOM OF PAGE 47, MR. TURNER STATES THAT IN TEXAS,
2 SWBT IS ONLY PERMITTED TO CHARGE THE RECURRING DC POWER
3 CONSUMPTION RATE. HOW DO YOU RESPOND?
4

5 A. As I have explained above, BellSouth now offers a standard power rate that
6 includes the costs to perform DC power augments. There is no longer a separate
7 ICB charge to the CLECs for DC power augments. Therefore, BellSouth is not
8 receiving double-recovery for any power augment charges.
9

10 Q. HOW DO MR. TURNER'S ALLEGATIONS ON POWER RATES IMPACT
11 BELLSOUTH'S COMPLIANCE WITH CHECKLIST ITEM ONE?
12

13 A. Because they are incorrect, Mr. Turner's allegations that BellSouth's DC power
14 rates are inappropriate should have no bearing on this Commission's deliberations
15 in this proceeding. All of BellSouth's collocation rates are cost-based and in
16 compliance with FCC Rules. Thus, BellSouth provides collocation at rates, terms,
17 and conditions that are just, reasonable and nondiscriminatory.
18

19 Q. ON PAGE 48, MR. TURNER STATES THAT "BELLSOUTH IS NOT
20 PROVIDING SHARED COLLOCATION IN A MANNER CONSISTENT WITH
21 THE *ADVANCED SERVICES ORDER* . . . INDEED, MR. GRAY'S AFFIDAVIT
22 AND BELLSOUTH'S COLLOCATION HANDBOOK DESCRIBE 'SHARED
23 (SUBLEASED) CAGED COLLOCATION' IN THE SAME WAY THAT THE

1 FCC DESCRIBES IT IN THE *ADVANCED SERVICES ORDER* AS
2 SUBLEASED COLLOCATION AND NOT SHARED COLLOCATION.” CAN
3 YOU COMMENT ON THIS ALLEGATION?
4

5 A. Yes. Paragraph 41 of the FCC’s *Advanced Services Order* states that:

6 First, we require incumbent LECs to make shared collocation cages
7 available to new entrants. A shared collocation cage is a caged
8 collocation space shared by two or more competitive LECs
9 ***pursuant to the terms and conditions agreed to by the competitive***
10 ***LECs.*** In making shared cage arrangements available, incumbent
11 LECs may not increase the cost of site preparation or nonrecurring
12 charges above the cost for provisioning such a cage of similar
13 dimensions and material to a single collocating party. . . The
14 incumbent may not place unreasonable restrictions on a new
15 entrant’s ability to contract with other competitive carriers to share
16 the new entrant’s collocation cage in a sublease-type arrangement.
17 In addition, if two or more competitive LECs who have
18 interconnection agreements with an incumbent LEC utilize a
19 shared collocation arrangement, the incumbent LEC must permit
20 each competitive LEC to order UNEs to and provision service from
21 that shared collocation space, regardless of which competitive LEC
22 was the original collocator. (Emphasis added)
23
24

25 BellSouth believes that its interpretation of the FCC’s *Advanced Services Order* is
26 correct, because the shared collocation cage is governed by the terms and
27 conditions agreed to by the CLECs, not by the terms and conditions of separate
28 agreements between each of these CLECs and BellSouth. In other words,
29 BellSouth will contract directly with one CLEC (“Host”) for the caged collocation
30 arrangement. This Host CLEC may then contract separately with other CLECs to
31 share the collocation cage. This is in compliance with the FCC’s *Advanced*
32 *Services Order* quoted above.

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Furthermore, BellSouth does not increase the price of site preparation or the non-recurring charges for a shared collocation arrangement above the cost for provisioning a cage of similar dimensions and material to a single collocating party. The charge for site conditioning and preparation undertaken by BellSouth to construct the shared collocation cage or condition the space for collocation use is prorated based on the number of collocators and the space used by each.

Q. MR. TURNER ASSERTS ON PAGE 49 THAT “THE SHARED (SUBLEASED) CAGED COLLOCATION SECTION OF BELLSOUTH’S COLLOCATION HANDBOOK . . . DOES NOT CONTAIN PROVISIONS COVERING SHARED CAGE COLLOCATION.” HOW WOULD YOU RESPOND TO THIS STATEMENT?

A. In addition to the erroneous assumption that BellSouth provides collocation pursuant to its Collocation Handbook, Mr. Turner leaves the impression that BellSouth does not offer shared caged collocation. This is incorrect. As noted above in my previous response, BellSouth believes that it has properly interpreted the FCC’s *Advanced Services Order* in regard to shared collocation. BellSouth is offering shared collocation in compliance with the *Order* and sees no basis in changing its position on this matter.

Q. ON PAGE 49, MR. TURNER INDICATES THAT THE “FCC RULES ALSO

1 REQUIRE THAT THE ILEC PRORATE THE CHARGE FOR SITE
2 CONDITIONING AND PREPARATION UNDERTAKEN BY THE ILEC TO
3 CONSTRUCT THE SHARED COLLOCATION CAGE OR CONDITION THE
4 SPACE FOR COLLOCATION USE, REGARDLESS OF HOW MANY
5 CARRIERS ACTUALLY COLLOCATE IN THAT CAGE . . . THE FCC’S
6 PURPOSE FOR THIS REQUIREMENT IS TO PERMIT A COLLOCATOR TO
7 OCCUPY SPACE WITHIN A CAGE THAT HAD BEEN CONSTRUCTED
8 GENERALLY FOR MULTIPLE COLLOCATORS.” PLEASE COMMENT.

9

10 A. BellSouth bills the charge for site conditioning and preparation undertaken by
11 BellSouth to construct the shared collocation cage or condition the space for
12 collocation use entirely to the Host CLEC. However, BellSouth does provide
13 information to the Host CLEC, which indicates how these costs should be
14 prorated, based on the number of collocators and the space used by each in the
15 shared collocation cage. This information enables the Host CLEC to bill the
16 Guest CLECs for their share of these costs.

17

18 BellSouth disagrees with Mr. Turner that the FCC’s purpose for this requirement
19 is to permit a collocator to occupy space within a cage that had been constructed
20 *generally* for multiple collocators. Nevertheless, BellSouth is applying the FCC’s
21 methodology for charging the CLECs that are sharing a caged collocation
22 arrangement for site conditioning and space preparation and is doing so consistent
23 with the space preparation rates approved by this Commission.

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Q. MR. TURNER ALLEGES ON PAGES 49 AND 50 THAT SINCE VARIOUS ILECS (I.E., SWBT, PACIFIC BELL, AMERITECH, AND VERIZON) HAVE IMPLEMENTED TARIFF LANGUAGE FOR SHARED COLLOCATION (OR COMMON COLLOCATION AS IT IS SOMETIMES DEFINED), “THERE IS ABSOLUTELY NO REASON FOR BELLSOUTH NOT TO MAKE THIS FORM OF COLLOCATION AVAILABLE IN KENTUCKY AS WELL.” DO YOU AGREE?

A. No. Just because other ILECs have opted to include a new type of collocation arrangement in their tariffs does not obligate BellSouth to do the same in Kentucky. BellSouth is under no FCC or Commission mandate to provide shared collocation (or common collocation) as Mr. Turner has defined it. BellSouth believes that its shared collocation offering complies with the FCC’s *Advanced Services Order* and as such, has no plans to change it.

Q. ON PAGE 50, MR. TURNER BEGINS A DISCUSSION ON “ADJACENT OFF-SITE” COLLOCATION. IN HIS DISCUSSION, HE STATES “BELLSOUTH DOES NOT OFFER THIS TYPE OF COLLOCATION AS REQUIRED BY THE *ADVANCED SERVICES ORDER*.” DO YOU AGREE?

A. I would agree with Mr. Turner that BellSouth does not provide “adjacent off-site” collocation. BellSouth provides “on-site” adjacent collocation. However, as Mr.

1 Turner admits, the “FCC Advanced Services Order does not explicitly require or
2 prohibit offsite adjacent collocation.” Although Mr. Turner contends that the
3 FCC’s intent supports providing adjacent off-site collocation and asserts that
4 some carriers initially interpreted the *Advanced Services Order* to allow both “on-
5 site” and “off-site” collocation (i.e., not on property that is adjacent to an ILEC’s
6 premises), the FCC clarified its intent in its *Collocation Reconsideration Order*.⁴

7 In Paragraph 40 of this *Order*, the FCC stated:

8 The [D.C. Circuit] court determined that section 251(c)(6)
9 authorizes us to require incumbent LECs to make collocation space
10 available on their premises beyond particular structures, such as
11 central offices, where space within the structures is legitimately
12 exhausted. The court also stated that our adjacent collocation “rule
13 clearly furthers the purpose underlying section 251(c)(6)” and is
14 “eminently reasonable.”
15

16 The FCC continued in Paragraph 42 of this *Order* with the following language:

17 Consistent with the court’s opinion, we conclude that the language
18 of section 251(c)(6) does not restrict mandatory physical
19 collocation to places within incumbent LEC structures. Instead,
20 section 251(c)(6) requires physical collocation “*at the premises of*
21 *the local exchange carrier.*” We find that this term encompasses
22 land owned, leased, or controlled by an incumbent LEC as well as
23 any incumbent LEC network structure on such land.
24
25

26 Finally, in Paragraph 44 of this *Order*, the FCC further clarified the definition of
27 “premises” in order to avoid any further confusion in regard to this matter:

28 “[P]remises” includes all buildings and similar structures owned,

⁴ Order on Reconsideration and Second Further Notice of Proposed Rulemaking in CC Docket No. 98-147, and Fifth Further Notice of Proposed Rulemaking in CC Docket No. 96-98, *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, 15 FCC Rcd 17806 (2000) (“*Collocation Reconsideration Order*”), *recon. Pending*.

1 leased, or otherwise controlled by the incumbent LEC that house
2 its network facilities, all structures that house incumbent LEC
3 facilities on public rights-of-way, and all land owned, leased, or
4 otherwise controlled by an incumbent LEC that is adjacent to these
5 structures. This definition, of course, excludes land and buildings
6 in which the incumbent LEC has no interest.
7

8 Based on the FCC's *Collocation Reconsideration Order*, it is clear to BellSouth
9 that it must only offer "adjacent collocation" as described above, which is **at the**
10 **premises of the local exchange carrier** (emphasis added). This includes
11 buildings and similar structures owned, leased, or controlled by BellSouth that
12 house network facilities, structures that house BellSouth's facilities on public
13 rights-of-way, and all land owned, leased or otherwise controlled by BellSouth
14 that is adjacent to these structures **at the premises of BellSouth** (emphasis
15 added). In other words, BellSouth must only offer "on-site" adjacent collocation
16 (which it does so). There is no FCC or Commission requirement that BellSouth
17 must provide "off-site" collocation to the CLECs when central office space is
18 exhausted.
19

20 Q. ON PAGE 51, MR. TURNER ARGUES THAT BECAUSE OTHER ILECS
21 PROVIDE FOR ADJACENT "OFF-SITE" COLLOCATION, THERE IS NO
22 REASON WHY BELLSOUTH SHOULD NOT ALSO MAKE THIS SAME
23 FORM OF COLLOCATION AVAILABLE IN KENTUCKY. DO YOU
24 AGREE?

25
26 A. No. The adjacent "off-site" collocation that is offered by SWBT and the other

1 ILECs mentioned by Mr. Turner is actually a narrowly defined extension of
2 adjacent “on-site” collocation. Specifically, these ILECs define adjacent “off-
3 site” collocation as a collocation site located on a property that is contiguous to or
4 within one standard city block of the ILEC’s central office. BellSouth has not
5 received any requests in its nine-state region for even “on-site” adjacent
6 collocation, which is offered by BellSouth. An “off-site” collocation offering
7 would be needed only in a case where (1) the central office has no available space
8 (currently all of the BellSouth central offices in Kentucky have space available for
9 collocation) and (2) there is no space anywhere on the BellSouth property
10 contiguously located outside that central office building where a collocator could
11 construct an enclosure.

12
13 As Mr. Turner admitted in his testimony, the FCC does not require “off-site”
14 adjacent collocation. Given the absence of a demand for “on-site” adjacent
15 collocation (as well as any other type of adjacent collocation) within BellSouth’s
16 nine-state region, the unlikely occurrence of circumstances in which “off-site”
17 adjacent collocation would even apply, and the lack of a regulatory mandate for
18 this type of service, supports BellSouth’s position that its existing collocation
19 offerings fully meet its 271 obligations.

20

21 **MCI/WorldCom Witness Phillip A. Bomer’s Comments**

1 Q. ON PAGE 9, MR. BOMER COMPLAINS ABOUT BELLSOUTH'S
2 INTERVALS FOR CAGELESS COLLOCATION. PLEASE RESPOND.

3

4 A In Kentucky, BellSouth provides physical collocation through negotiated
5 Interconnection Agreements and the Kentucky Access Services Tariff, Section
6 E20 ("Kentucky Access Tariff"). Virtual collocation is provided through
7 BellSouth Tariff F.C.C. No.1 ("FCC Virtual Tariff"), Section 20. As part of
8 obtaining collocation via Interconnection Agreement or tariff, the parties agree to
9 comply with all applicable federal, state or local laws, ordinances, rules or
10 regulations. For Kentucky, BellSouth uses the national default interval
11 established by the FCC in its *Collocation Order* and *Collocation Reconsideration*
12 *Order* for Incumbent Local Exchange Carriers ("ILECs"). In Paragraph 22 of the
13 *Collocation Reconsideration Order*, the FCC provides that,

14 ...we should adopt national standards for physical collocation provisioning
15 that will apply when the state does not set its own standards or if the
16 requesting carrier and incumbent LEC have not mutually agreed to
17 alternative standards. A state could set its own standards by statute,
18 through an existing or future rulemaking order, by enforcing a state tariff,
19 or by applying the precedent of a state arbitration decision."
20

21 In a letter dated April 4, 2001, Bonnie C. Kittinger, Commission Staff Attorney
22 ("State Standards Letter"), stated that "the Staff believes that BellSouth's tariff
23 does not constitute an affirmative determination of collocation intervals as
24 required by the Collocation Reconsideration Order and FCC Order granting
25 BellSouth a waiver ... Thus, the Commission believes that the most prudent
26 course of action is for BellSouth to file a revised collocation tariff reflecting the

1 intervals granted by the FCC in its February 21, 2001 order.” In compliance with
2 the Commission’s State Standards Letter, BellSouth filed an updated tariff to
3 reflect the collocation intervals ordered by the FCC in its recent Memorandum
4 Opinion and Order, CC Docket No. 98-147, released February 20, 2001, In Matter
5 of Deployment of Wire line Services Offering Advanced Telecommunications
6 Capability, ("FCC MO&O"). The revised tariff was approved by the
7 Commission, and became effective on May 22, 2001, thus putting into effect the
8 FCC’s national default standards for collocation provisioning in Kentucky.
9 BellSouth has developed, over the years, a Standard Interconnection Agreement
10 that is updated, as necessary, to comply with all applicable provisions of state and
11 federal law and the requirements of the FCC and state commissions such as
12 Kentucky. This Interconnection Agreement that BellSouth offers to all parties
13 seeking interconnection is used in negotiations with the CLECs, and its use
14 ensures that the signed Interconnection Agreement, although negotiated, is
15 compliant with the aforementioned provisions and requirements. The
16 Interconnection Agreement contains the cost-based rates by which BellSouth
17 provides Central Office Physical Collocation. The Kentucky Access Tariff and
18 negotiated Kentucky interconnection agreements establish BellSouth’s legally
19 binding obligation to provide collocation in accordance with Section 251(c)(6)
20 and Section 271(c)(2)(B)(i) of the Act as well as applicable FCC and Commission
21 provisions and requirements.

22
23

1 Q. ON PAGE 12, MR. BOMER CITES THE PHYSICAL CAGELESS
2 COLLOCATION PROVISIONING INTERVALS FOR SEVERAL OTHER
3 STATES IN THE BELLSOUTH REGION IN SUPPORT OF HIS ARGUMENT
4 FOR A SHORTENED INTERVAL. HOW DO YOU RESPOND?

5
6 A. Not only is the Commission under no mandate to adopt the national standard, it is
7 also not obligated to adopt the specific intervals ordered by another state
8 commission. Indeed, it is the responsibility of each state commission to determine
9 on its own merits the appropriate provisioning intervals for collocation within its
10 jurisdiction. As discussed above, the April 4, 2001 State Standards Letter,
11 representing the legal opinion of the Commission Staff, stated that the most
12 prudent course of action is for BellSouth to file a revised collocation tariff
13 reflecting the intervals granted by the FCC in its February 21, 2001 Order.
14 BellSouth filed its revised collocation tariff, in accordance with the State
15 Standards Letter, and that was approved by the Commission. BellSouth will
16 provision collocation in accordance with the approved tariff.

17
18 Q. ON PAGE 13, IN CITING HOW OTHER COMMISSIONS HAVE RULED
19 REGARDING PHYSICAL COLLOCATION INTERVALS, MR. BOMER
20 QUOTES THE ARBITRATION PANEL IN THE ITC^DELTACOM
21 PROCEEDING AS NOTING THAT “BELLSOUTH AGREES THAT
22 CAGELESS COLLOCATION DISPENSES WITH THE REQUIREMENT OF
23 DESIGNING AND BUILDING A CAGE OR ENCLOSURE FOR THE

1 COLLOCATED EQUIPMENT...THE SIMILARITIES BETWEEN CAGELESS
2 COLLOCATION AND VIRTUAL COLLOCATION ARE OBVIOUS. IT IS
3 ALSO OBVIOUS CAGED COLLOCATION REQUIRES MORE
4 INFRASTRUCTURE THAN EITHER CAGELESS COLLOCATION OR
5 VIRTUAL COLLOCATION. THUS, THE PROVISIONING INTERVAL FOR
6 CAGELESS COLLOCATION SHOULD BE LESS THAN THAT FOR CAGED
7 COLLOCATION...WE AGREE...THAT CAGELESS COLLOCATION
8 APPEARS SIMILAR TO VIRTUAL COLLOCATION AND RECOMMEND
9 THAT THE COMMISSION PROVIDE FOR 60 CALENDAR DAYS FOR
10 CAGELESS COLLOCATION PROVISIONING.” IS THIS TRUE?

11

12 A. No. The way Mr. Bomer quotes the Alabama Arbitration Panel’s discussion is a
13 little misleading. The Arbitration Panel’s discussion in In the Matter of Petition
14 of ITC^DeltaCom Communications, Inc. for Arbitration of Interconnection
15 Agreement with BellSouth Telecommunications, Inc Pursuant to Section 252(b)
16 of the Telecommunications Act of 1996, Docket 27091, Final Order on
17 Arbitration (“Alabama ITC^DeltaCom Arbitration Order”), as found on page 32,
18 accurately reads:

19

20 Both parties agree that cageless collocation dispenses with the requirement
21 of designing and building a cage or enclosure for the collocated
22 equipment. BellSouth contends that additional lighting, heating, and
23 HVAC may be necessary for cageless collocation. However, the
24 similarities between cageless collocation and virtual collocation are
25 obvious. It is also obvious caged collocation requires more infrastructure
26 than either cageless collocation or virtual collocation. Thus, the
27 provisioning interval for cageless collocation should be less than that for
28 caged collocation...We agree...that cageless collocation appears similar to
29 virtual collocation and recommend that the commission provide for 60

1 calendar days for cageless collocation provisioning.
2

3 As you can see, in his quote, Mr. Bomer attributes more to BellSouth than is
4 appropriate. BellSouth only agreed that cageless collocation dispenses with the
5 requirement of designing and building a cage – nothing more. Mr. Bomer’s quote
6 also blatantly omits BellSouth’s comments regarding the need for additional
7 lighting, heating and HVAC in provisioning cageless collocation. It even gives
8 the erroneous perception that BellSouth actually agreed with a 60 calendar day
9 provisioning interval when, in fact, BellSouth argued for a 90 business day
10 interval under ordinary circumstances and a 130 business day interval under
11 extraordinary circumstances, citing the need for space conditioning, additions or
12 upgrades to HVAC, upgrades of the power plant capacity, and power distribution
13 mechanism, and the build out of network infrastructure components.
14
15

16 Q. MR. BOMER, ON PAGE 13, THEN QUOTES THE ALABAMA
17 COMMISSION (IN THE ITC^DELTACOM PROCEEDING) AS HAVING
18 STATED THAT CAGELESS COLLOCATION, BY DEFINITION, SHOULD
19 BE MUCH EASIER TO PROVISION THAN CAGED COLLOCATION. DO
20 YOU AGREE WITH THAT ALLEGATION?
21

22 A. No, I do not agree with that allegation. BellSouth’s position then and now is that
23 the interval for provisioning cageless collocation should be substantially the same

1 as that established by the Alabama Public Service Commission for physical
2 collocation. This is because the work activities that BellSouth must perform are
3 substantially the same in either case. The fact that BellSouth does not have to
4 build a cage for a cageless arrangement in no way justifies a shorter interval.
5 BellSouth's provisioning interval for physical collocation is not controlled by the
6 time required to construct an arrangement enclosure. The construction of the cage
7 is performed concurrently with the provisioning of the physical collocation space
8 and thus does not result in significant additional time. Often the construction of
9 the cage can be completed in a single day. BellSouth must still perform the same
10 infrastructure work as necessary for a caged collocation arrangement, including
11 the completion of the space conditioning, adding to or upgrading HVAC for that
12 area, adding to or upgrading the power plant capacity and power distribution
13 mechanism, and building out network infrastructure components such as cable
14 racking and the number of cross-connects requested by the CLEC. The absence of
15 a cage has little, if any, bearing on the overall provisioning interval. Because
16 space preparation and network infrastructure work must be completed regardless
17 of the type of arrangement selected and because construction of a cage is
18 performed concurrently with, and not in addition to, those work activities, there is
19 no justification for shortening the interval for provisioning cageless physical
20 collocation.

21
22 Q. ALSO ON PAGE 14, MR. BOMER STATES THE COLLOCATION
23 PROVISIONING RULES IN OTHER STATES (TENNESSEE AND

1 LOUISIANA) TO SUPPORT MCI/WORLDCOM'S POSITION THAT THE
2 PROVISIONING INTERVAL FOR PHYSICAL CAGELESS COLLOCATION
3 SHOULD BE SHORTER THAN THAT FOR PHYSICAL CAGED
4 COLLOCATION. HOW DO YOU RESPOND?
5

6 A. Although Mr. Bomer is correct that the Tennessee Regulatory Authority did order
7 a shorter interval for provisioning cageless collocation in the state of Tennessee,
8 the Commission has already stated that it will be considering establishing a
9 distinct interval for physical cageless collocation in the near future. He is also
10 correct that the Louisiana Public Service Commission ("LPSC"), having
11 established the provisioning intervals as 90 calendar days for ordinary physical
12 collocation (caged and cageless) and 120 calendar days for extraordinary physical
13 collocation, stated that the LPSC would consider establishing a distinct interval
14 for physical cageless collocation. However, BellSouth maintains that there is no
15 appreciable difference between provisioning caged and cageless collocation,
16 except for designing and building a cage that would substantiate
17 MCI/WorldCom's assertion that the interval for cageless should be shortened.
18 Furthermore, the Commission is not obligated or required to adopt the specific
19 intervals ordered by any other state commission. Indeed, it is the responsibility of
20 each state commission to determine on its own merits the appropriate provisioning
21 intervals for collocation within its jurisdiction. As discussed above, the
22 Commission has already established physical collocation intervals for both caged
23 and cageless collocation. Until the Commission has determined that different
24 intervals are appropriate for physical collocation, BellSouth will continue to
25 comply with those intervals as established by the Commission. It is noteworthy
26 that the intervals approved by the FCC in its "waiver" do not distinguish between

1 caged and cageless collocation.
2

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Q. ON PAGE 15, MR. BOMER STATES THAT PURSUANT TO THE FCC
6 COLLOCATION ORDER, STATE COMMISSIONS HAVE SET INTERVALS
7 FOR PROVISIONING COLLOCATION THAT CAN BE MET BY RBOCS.
8 HE FURTHER STATES THAT IN THIS ORDER, THE FCC HELD THAT A
9 COLLOCATION METHOD USED BY ONE INCUMBENT LEC OR
10 MANDATED BY A STATE COMMISSION IS PRESUMPTIVELY
11 TECHNICALLY FEASIBLE FOR ANY OTHER INCUMBENT LEC.
12 LASTLY, MR. BOMER STATES THAT THE ALABAMA PUBLIC SERVICE
13 COMMISSION FOUND IN THE ITC^DELTACOM ARBITRATION ORDER
14 THAT THIS SAME PREMISE SHOULD APPLY TO PROVISIONING
15 INTERVALS. DO YOU AGREE?

16

17

A. No. First, the Alabama Public Service Commission (“APSC”) went much further
18 that the FCC when it determined that an interval ordered by other state
19 commissions should apply to the state of Alabama. The FCC clearly stated that
20 each state has the authority to set its own collocation provisioning intervals.
21 Further, the APSC could equally have elected to apply the intervals ordered by the
22 Florida Public Service Commission, for example, which are vastly different from
23 those ordered by the APSC. But, notwithstanding the APSC’s rationale in

1 concluding that it can apply the same premise to provisioning intervals as the FCC
2 applied to collocation arrangements (i.e., that the deployment by any ILEC of a
3 collocation arrangement gives rise to a rebuttable presumption in favor of a CLEC
4 seeking collocation in any ILEC premises that such an arrangement is technically
5 feasible), the APSC limited the application to cageless collocation. Mr. Bommer's
6 statement of the APSC's finding sweeps too broadly. The APSC stated that it
7 believed it could apply the aforementioned premise to provisioning intervals, but
8 this was only in the context of its discussion regarding cageless collocation. The
9 APSC went on to limit the application to cageless collocation in providing that
10 BellSouth should provision cageless collocation (only) within 60 calendar days of
11 a request.

12
13 It is important to note that the APSC even recognized the propriety of varying
14 intervals when, in the same conclusion, it provided a 90 calendar day provisioning
15 interval for cageless collocation in the event there are extenuating circumstances.
16 So even if the APSC believes in the proposition that a provisioning interval used
17 by one ILEC gives rise to a rebuttable presumption in favor of a CLEC that the
18 provisioning interval is feasible for any ILEC, the Commission has already
19 recognized that the presumption can be successfully rebutted with the evidence of
20 extenuating circumstances.

21
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23

1 Q. CONTINUING ON PAGE 15, MR. BOMER STATES THAT CAGED
2 COLLOCATION SHOULD BE PROVISIONED ACCORDING TO THE
3 DEFAULT STANDARD OF THE ORDER ON RECONSIDERATION AND
4 CAGELESS COLLOCATION SHOULD BE PROVISIONED WITHIN (60)
5 DAYS OF THE APPLICATION. DO YOU AGREE?
6

7 A. No. I disagree with Mr. Bomer on two points. First, for reasons I have already
8 provided in my previous answers, BellSouth does not agree that the Commission
9 should adopt the provisioning intervals for physical collocation as stated by Mr.
10 Bomer. The Commission Staff, in its legal opinion, stated that it believes the
11 most prudent course of action for BellSouth is to file a revised collocation tariff
12 reflecting the intervals granted by the FCC in its February 21, 2001 Order. Subject
13 to forecasting requirements, that FCC Order mandates physical collocation be
14 provisioned within 76 business days from the Application under ordinary
15 conditions and 91 business days from receipt of Application under extraordinary
16 circumstances.
17

18 BellSouth also disputes Mr. Bomer's allegation that the provisioning intervals
19 proposed by Mr. Bomer should begin upon the CLEC's filing of a collocation
20 initial Application; instead the provisioning interval should begin upon
21 BellSouth's receipt of the CLEC's Bona Fide Firm Order ("BFFO). For purposes
22 of provisioning, the CLEC's BFFO should be considered the acceptable
23 collocation application. BellSouth cannot finalize its collocation design

1 specifications until the CLEC has communicated its desire to proceed with its
2 collocation request (i.e., the BFFO) and BellSouth has obtained the collocator's
3 complete technical and spatial requirements. CLEC-specific building
4 construction and infrastructure provisioning can only begin after an accurate and
5 complete BFFO has been received in writing from the requesting collocator.
6 Moreover, since the interval for submitting the BFFO is within the CLEC's
7 control, BellSouth should not be penalized by an interval that a CLEC can extend
8 simply by delaying submission of its BFFO.

9

10 Q. ON PAGE 16, MR. BOMER ARGUES THAT THE PROVISIONING
11 INTERVAL FOR VIRTUAL COLLOCATION SHOULD BE NO MORE THAN
12 FOR CAGELESS COLLOCATION AND THAT CAGELESS AND VIRTUAL
13 COLLOCATION ARE SET UP PHYSICALLY THE SAME WAY. HE
14 FURTHER ASSERTS THAT THE PROVISIONING INTERVAL FOR BOTH
15 VIRTUAL AND CAGELESS SHOULD BE SHORTER THAN FOR CAGED
16 COLLOCATION BECAUSE CERTAIN CONSIDERATIONS RELATED TO
17 SPACE AVAILABILITY AND CONFIGURATION, AS WELL AS NOT
18 HAVING TO CONSTRUCT A CAGE, ARE DIFFERENT FOR CAGELESS
19 AND VIRTUAL COLLOCATION. WHAT IS BELL SOUTH'S POSITION ON
20 THIS ISSUE?

21

22 A. BellSouth's position is that the interval for provisioning cageless collocation
23 should be the same as the interval for caged collocation. The work activities that

1 BellSouth must perform are substantially the same for caged and cageless
2 collocation. The fact that BellSouth does not have to build a cage for a cageless
3 arrangement in no way justifies a shorter interval. BellSouth's provisioning
4 interval for physical collocation is not controlled by the time required to construct
5 an arrangement enclosure. The construction of the cage is done concurrent with
6 the provisioning of the physical collocation space and may not result in additional
7 time. Often this construction can be done in a single day. BellSouth still must do
8 the same infrastructure work as necessary for a caged collocation arrangement,
9 including the completion of the space conditioning, adding to or upgrading HVAC
10 for that area, adding to or upgrading the power plant capacity and power
11 distribution mechanism, and building out network infrastructure components such
12 as cable racking and the number of cross-connects requested by the CLEC. The
13 absence of a cage has little, if any, bearing on the overall provisioning interval.
14 Because space preparation and network infrastructure work must be completed
15 regardless of the type of physical collocation arrangement selected and because
16 construction of a cage is performed concurrent with and not in addition to those
17 work activities, there is no justification for shortening the interval for provisioning
18 cageless physical collocation.

19
20 The assertion that the provisioning interval for cageless collocation should be the
21 same as the interval for virtual collocation because the provisioning of cageless
22 collocation is physically similar to that of virtual collocation is equally without
23 merit. Cageless collocation is more closely related to a physical collocation

1 arrangement than a virtual arrangement. Likewise, the provisioning processes for
2 virtual collocation and cageless physical collocation are significantly different. In
3 a cageless physical collocation arrangement, a competitor leases space to place its
4 equipment within an ILEC's premises. The CLEC has physical access to this
5 space to install, maintain, and repair its equipment. In a virtual collocation
6 arrangement, the CLEC, however, does not have physical access to the ILEC's
7 premises. Instead, the equipment is under the physical control of the ILEC and
8 the ILEC is responsible for installing, maintaining, and repairing the equipment
9 designated by the CLEC.

10
11 Virtual collocation and physical collocation (either caged or cageless) are two
12 distinctly different service offerings. While a collocator has direct access to its
13 physical collocation equipment on a twenty-four hour a day, seven-day a week
14 basis, access to virtual collocation is restricted to limited inspection visits only.
15 Because BellSouth leases virtual collocation equipment from the collocator and
16 assumes the maintenance and repair responsibility at the direction of the
17 collocator, virtual collocation arrangements are most often placed within
18 BellSouth's reserved growth space in the equipment line-up where BellSouth
19 usually has conditioned space in anticipation of installing its own equipment.
20 BellSouth is required to permit virtual collocation within its reserved growth
21 space under 47 C.F.R. 51.323(f)(5).

22
23 For cageless collocation (in the absence of binding CLEC forecasts), BellSouth

1 has no way to determine what a CLEC will be requesting to install in the central
2 office and therefore cannot reasonably precondition the office with cable racking,
3 power, etc., to accommodate the CLEC's cageless equipment growth.

4 Additionally, BellSouth offers non-conventional cageless collocation, which
5 would not even be in BellSouth's line-up. Virtual collocation on the other hand is
6 typically requested when there is no more room in the central office in which to
7 grow physical collocation. As stated above, BellSouth is required to give up
8 available space in its reserved growth space in existing line-ups to accommodate
9 virtual collocation. This space may be preconditioned with the associated
10 infrastructure because it is part of the space BellSouth has forecasted for its own
11 future growth.

12
13 Finally, the Florida Public Service Commission ("FPSC") recently addressed this
14 same issue in the context of its generic collocation docket. In regard to the
15 CLECs' request that the interval for cageless be the same as the interval for virtual
16 collocation, the FPSC found that "evidence of record shows that there are
17 differences between virtual and cageless physical collocation. It does not show
18 that the provisioning interval for caged physical collocation is significantly
19 impacted by the construction of a cage."

20
21
22 Q. ON PAGE 9, MR. BOMER STATES THAT, FOR ANY TYPE OF
23 COLLOCATION, THE CLEC *MUST* SUBMIT THE FIRM ORDER WITHIN

1 THE FIVE (5) BUSINESS DAY INTERVAL FOLLOWING BELLSOUTH'S
2 APPLICATION RESPONSE OR THE PROVISIONING INTERVAL WILL BE
3 EXTENDED. HOW DO YOU RESPOND?

4
5 A. When BellSouth issues an Application Response (on the Application Response
6 Date), the CLEC then has an interval of time within which to submit a complete
7 and accurate Firm Order ("BFFO") to BellSouth (hereinafter called "Firm Order
8 interval"). In accordance with the FCC's Order, the Firm Order interval is an
9 initial five (5) business day period, but if the CLEC does not submit its Firm
10 Order within this initial interval, BellSouth will keep the Application open (i.e.,
11 will accept the CLEC's BFFO) for up to thirty (30) total calendar days following
12 the Application Response Date. However, since the interval begins with the date
13 of the Application, pursuant to the FCC's Order, BellSouth will correspondingly
14 extend the provisioning interval one calendar day for each additional calendar day
15 the CLEC takes to submit its BFFO past the initial 5 business day interval.

16
17 Q. ON PAGE 17, MR. BOMER ARGUES THAT BELLSOUTH SHOULD BE
18 REQUIRED TO PROVIDE A FIRM COST QUOTE WITHIN FIFTEEN (15)
19 DAYS OF RECEIVING A COLLOCATION APPLICATION BECAUSE
20 OTHER PUBLIC SERVICE COMMISSIONS HAVE ORDERED THAT PRICE
21 QUOTES BE PROVIDED IN LESS TIME AND THAT THERE IS NO
22 EVIDENCE BELLSOUTH CANNOT MEET A SHORTENED INTERVAL.
23 HOW DO YOU RESPOND?

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A. Neither the FCC nor the Commission has mandated a response/price-quote interval. In the absence of a regulatory requirement, BellSouth has agreed to provide a price quote response in twenty-three (23) business days or less. Historically, this has been a reasonable interval in those cases where the collocation arrangement was provided on an ICB pricing basis. Going forward, as more and more CLECs adopt standardized pricing in their Interconnection Agreements, the importance of maintaining a 23 business day response interval decreases significantly. To the extent this Commission mandates standardized pricing for space preparation of all CLECs, including those currently under individual case basis contract rates, BellSouth will reduce its response interval to fifteen (15) calendar days.

Q. CONTINUING ON PAGE 17, MR. BOMER STATES THAT MINOR CHANGES THAT DO NOT CAUSE BELLSOUTH TO MAKE AVAILABLE MORE SPACE THAN HAS BEEN INITIALLY REQUESTED, OR CHANGE ITS PROVISIONING OF POWER, SHOULD NOT RESTART THE ORDERING PROCESS. DO YOU AGREE WITH THIS STATEMENT?

A. No. Only such non-technical changes as Customer Information, Contact Information or Billing Contact Information do not necessitate a reevaluation of a modified Application by one or more of the various organizations within BellSouth, which must respond to a collocation Application. In addition to those

1 Applications that require more space or power revisions, other types of
2 modifications also require BellSouth to perform a technical reevaluation of the
3 Application. Changes in collocator equipment, for example, could mean changes
4 in total heat dissipation that would result in changes to the HVAC requirements of
5 the central office building, even if space and power requirements remained the
6 same. Because BellSouth must reevaluate the Application, the provisioning clock
7 must also be restarted.

8

9 Q. ALSO ON PAGE 17, MR. BOMER STATES THAT PRICE QUOTE
10 INTERVALS WERE SET BY THE FLORIDA PUBLIC SERVICE
11 COMMISSION (“FPSC”) AT FIFTEEN (15) DAYS AND BY THE TEXAS
12 PUBLIC UTILITIES COMMISSION (“TPUC”) AT A “PERIOD LESS THAN
13 FIFTEEN (15) DAYS.” HOW DO YOU RESPOND?

14

15 A. If all CLECs in the state of Kentucky would agree to adopt standardized pricing
16 and space preparation fees or if the Commission would adopt such a requirement
17 for all CLECs operating in the state of Kentucky, BellSouth could support a
18 shortened interval for providing firm cost quotes. The FPSC is the only
19 commission in the BellSouth region that has ordered price quotes be provided
20 within a shortened interval.

21

22 Q. ALSO ON PAGE 18, MR. BOMER STATES “COLLOCATED EQUIPMENT
23 RUNS ON DC POWER, YET BELLSOUTH’S VIEW IS, AFTER THE CLEC

1 HAS BEEN RELEGATED TO ADJACENT COLLOCATION SPACE (I.E.,
2 OUTSIDE THE CENTRAL OFFICE), BELLSOUTH IS NOT OBLIGATED TO
3 PROVIDE DC POWER.” HE ALSO STATES THAT THE OPPORTUNITY
4 FOR DISCRIMINATION AGAINST CLECS IS PARTICULARLY ACUTE IN
5 THIS SITUATION, AND ALLEGES THAT “IF BELLSOUTH
6 CATEGORICALLY REFUSES TO PROVIDE DC POWER, A CLEC MUST
7 INCUR SIGNIFICANT COSTS TO ACCOMMODATE AC POWER,
8 PROVIDED BY BELLSOUTH OR FROM SOME OTHER SOURCE, AND TO
9 CONVERT THAT POWER TO DC.” HOW DO YOU RESPOND?

10
11 A. The FCC’s Rules do not require BellSouth to provide DC power to an adjacent
12 collocation arrangement. MCI/WorldCom’s proposal that BellSouth run DC
13 power to an adjacent collocation arrangement runs afoul of the National Electrical
14 Safety Code, since the cabling used to house DC power is not rated for outside
15 use. The requirement that the cabling used must be rated for that purpose can be
16 seen throughout the National Electrical Safety Code. What the FCC rules require
17 is that BellSouth provision adjacent collocation subject to the same
18 nondiscrimination requirements as BellSouth provisions central office collocation.
19 Accordingly, BellSouth treats all CLECs in a nondiscriminatory manner as
20 between CLECs and at parity with BellSouth. 47 C.F.R. § 51.323(k)(3) provides:

21 The incumbent must provide power and physical collocation services and
22 facilities, subject to the same non-discrimination requirements as
23 applicable to any other physical collocation arrangement.
24

25 The FCC did not say that BellSouth is required to provide power subject to the

1 same "nondiscriminatory" requirements - i.e. the rule prohibits us from
2 discriminating in how we provide power to an adjacent arrangement - in an
3 adjacent arrangement we must provide power to CLEC-1 in the same manner as
4 we provide power to CLEC-2 which must be a parity with how we provide power
5 to a BellSouth adjacent structure. BellSouth is willing to provide AC power to an
6 adjacent collocation arrangement, which is consistent with the manner in which
7 BellSouth provides power to all of its own sites housing telecommunications
8 equipment outside its central office buildings.

9
10 At all of BellSouth's remote sites (structures located away from the central office
11 building), AC power runs to the site and BellSouth then "converts" the AC power
12 to DC power inside the remote site location. BellSouth has thousands of such
13 arrangements in place across its nine-state region. Given that this is a normal
14 business practice, BellSouth sees no safety concerns caused by providing AC
15 power to adjacent collocation arrangements. However, approval must be obtained
16 from the appropriate local authority given that Article 225 of the National
17 Electrical Code does not specifically allow power circuits to be placed between
18 buildings with different owners. Furthermore, whatever cable is used to provide
19 power to an adjacent collocation arrangement must be rated for the environment
20 in which it is being used. The cable historically used in the telecommunications
21 industry for DC power inside a central office conforms to Kearny Specification

1 (KS) 5482-01. This cable is not rated for use outdoors and thus is not appropriate
2 for use in adjacent collocation arrangements.

3

4 Q. ON PAGE 20, IN SUPPORT OF MCI/WORLDCOM'S POSITION THAT
5 BELLSOUTH SHOULD PROVIDE DC POWER TO CLEC EQUIPMENT
6 COLLOCATED IN ADJACENT COLLOCATION SPACE, MR. BOMER
7 STATES "BELLSOUTH EVIDENTLY PURPORTS TO HAVE SOME SAFETY
8 CONCERNS ABOUT THE USE OF DC POWER; YET THE NATIONAL
9 ELECTRIC CODES MENTION NO PROBLEM WITH ITS PROVISION BY
10 BELLSOUTH. INDEED, BELLSOUTH'S PRESUMED OPTION FOR CLECS
11 - TO USE BATTERIES IN ENCLOSED SPACE - REBUTS BELLSOUTH'S
12 ALLEGED SAFETY CONCERNS, SINCE THAT OPTION ITSELF WOULD
13 INTRODUCE SAFETY CONCERNS." DO YOU AGREE?

14

15 A. No. Obviously, any work that MCI/WorldCom undertakes that is performed
16 improperly might introduce safety concerns. While BellSouth acknowledges that
17 having batteries inside a closed structure such as the adjacent collocation
18 arrangement might create safety concerns if improperly handled, BellSouth has
19 literally thousands of sites, such as its remote terminals which contains batteries
20 of the sort Mr. Bomer has mentioned and does so safely and without incident.

21

22 BellSouth's "purported" safety concerns are real and mainly involve grounding
23 (shock hazard and introducing lightning or faults into a central office from another

1 structure). Grounding of DC telecommunications equipment has always assumed
2 that the equipment and power circuit was in the same structure. Equipment
3 framework grounding conductors are designed to clear faults to the building
4 ground system, which is connected to the DC power plant's return bus.
5 Grounding equipment in a separate structure fed from the central office power
6 plant is foolish and potentially dangerous, as it risks subjecting those persons in
7 the adjacent structure to electrical shock and introducing lightning into the central
8 office.

9
10 Q. MR. BOMER ALSO ALLEGES ON PAGE 20 THAT "EVEN IF
11 BELLSOUTH'S CONTENTIONS REGARDING SAFETY WERE
12 GENERALLY VALID (WHICH THEY ARE NOT), THE PRINCIPLE OF
13 "TECHNICAL FEASIBILITY," BY WHICH REQUESTS FOR PHYSICAL
14 COLLOCATION ARE CONSIDERED, STRONGLY SUGGESTS THAT DC
15 POWER CANNOT BE CATEGORICALLY DENIED." DO YOU AGREE
16 WITH MR. BOMER'S ALLEGATION?

17
18 A. No. I do not agree with Mr. Bomer's allegation. BellSouth's provisioning of AC
19 power (instead of DC power) to CLECs located in adjacent collocation space or
20 outside our CEVs is not simply an issue of technical feasibility, but rather one of
21 nondiscriminatory provisioning of collocation and compliance with legal
22 requirements. BellSouth provides power on a nondiscriminatory basis to CLECs
23 at parity with what it provides for its own facilities. If a CLEC is located inside
24 one of our CEVs, BellSouth would provide DC power to the CLEC's equipment

1 just as it would provide to its own equipment. If a CLEC is located in an adjacent
2 collocation structure or outside our CEV, BellSouth provides AC power to the
3 CLEC's equipment just as BellSouth does to its own equipment so located.

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5

6 Q. ON PAGE 21, MR. BOMER NOTES THAT BELLSOUTH HAS MAINTAINED
7 THAT IT PROVIDES AC POWER TO ITS REMOTE SPACES FOR ITS OWN
8 PURPOSES AND WOULD NOT DISCRIMINATE AGAINST CLECS WERE
9 IT NOT TO SUPPLY DC POWER TO A CLEC'S ADJACENT
10 COLLOCATION SITE. HE FURTHER STATES THAT BELLSOUTH
11 SUPPLIES AC POWER TO ITS ADJACENT FACILITIES, WHICH IT THEN
12 CONVERTS TO DC POWER, AND ALLEGES THAT BELLSOUTH
13 PROPOSES TO REQUIRE CLECS TO EITHER PROVIDE THEIR OWN AC
14 POWER TO, OR CONVERT AC POWER PROVIDED BY BELLSOUTH, AT
15 THE ADJACENT COLLOCATION SITE. DO YOU AGREE?

16

17 A. No. The requirement that CLECs must convert AC power to DC power is
18 nondiscriminatory because BellSouth performs the same function at all of its
19 remote sites and has stated that it will provision power to all adjacent collocation
20 arrangements in the same manner. Furthermore, BellSouth has indicated its
21 willingness to provide AC power to the CLECs' adjacent collocation
22 arrangements so long as pertinent requirements of the National Electric Code are
23 met.

24

1
2 Q. CONTINUING ON PAGE 21, MR. BOMER ALLEGES THAT BELLSOUTH
3 HAS OFFERED TO PROVIDE DC POWER IN OTHER COLLOCATION
4 ARRANGEMENTS OUTSIDE THE CENTRAL OFFICE; NAMELY, WITH
5 RESPECT TO COLLOCATION AT THE REMOTE TERMINAL AND THAT
6 THERE IS NO REASON WHY BELLSOUTH CANNOT SIMILARLY
7 PROVIDE DC POWER TO ADJACENT COLLOCATION SPACE. IS THIS
8 TRUE?

9
10 A. No. Mr. Bomer seems to suggest that BellSouth is willing to provide DC power
11 differently dependent on whether the context is central office collocation or
12 remote terminal collocation. If that is the gist of his testimony, he is absolutely
13 wrong. BellSouth offers to provide DC power to collocation arrangements inside
14 the BellSouth central office. Likewise, BellSouth offers to provide DC power to
15 collocation arrangements inside the BellSouth remote terminal. Adjacent
16 collocation arrangements are not inside the BellSouth central office. Thus,
17 BellSouth offers to provide AC power rather than DC power. If MCI/WorldCom
18 were to place its own remote terminal next to (but not inside) BellSouth's remote
19 terminal and request that BellSouth provide DC power to MCI/WorldCom's
20 remote terminal, BellSouth would have exactly the same concerns as it does for
21 providing DC power from BellSouth's central office to MCI/WorldCom's adjacent
22 collocation arrangement. BellSouth would provide AC power to
23 MCI/WorldCom's remote terminal in this example, as it would in the case of an

1 adjacent collocation arrangement provided by MCI/WorldCom.

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4 Q. ON PAGE 22, MR. BOMER STATES THAT THE FCC'S REGULATIONS
5 REQUIRE BELL SOUTH TO PROVIDE POWER AND PHYSICAL
6 COLLOCATION SERVICES TO THE ADJACENT COLLOCATION SPACE
7 SUBJECT TO THE SAME NONDISCRIMINATORY REQUIREMENTS AS
8 APPLICABLE TO ANY OTHER PHYSICAL COLLOCATION
9 ARRANGEMENT. HE THEN ASSERTS THAT THIS ISSUE INVOLVES A
10 MATTER OF FAIRNESS TO CLECS. DO YOU AGREE?

11

12 A. No. I do not agree. This issue is a matter of safety and conformance to industry
13 standard safety requirements, not a matter of fairness. BellSouth cannot
14 knowingly allow a violation of applicable safety codes. Mr. Bomer has pointed
15 out no provision of the National Electrical Code or any other applicable safety
16 code that allows the provision of DC power which MCI/WorldCom says it
17 desires. Nor has Mr. Bomer provided any manufacturer or specific product that
18 could safely be used as he suggests.

19

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21 Q. CONTINUING ON PAGE 23, IN SUPPORT OF MCI/WORLDCOM'S
22 POSITION THAT BELL SOUTH SHOULD PROVIDE DC POWER TO
23 ADJACENT COLLOCATION SPACE, MR. BOMER CITES WHERE THREE

1 OTHER STATE COMMISSIONS HAVE ADDRESSED THIS ISSUE. MR.
2 BOMER STATES THAT 1) IN THE MCIM-BELLSOUTH ARBITRATION
3 ORDER IN GEORGIA PUBLIC SERVICE COMMISSION (“GPSC”) DOCKET
4 NO. 11901-U, THE GPSC FOUND THAT BELLSOUTH MUST PROVIDE DC
5 POWER TO ADJACENT COLLOCATION SPACE AT MCI/WORLDCOM’S
6 REQUEST WHERE TECHNICALLY FEASIBLE; 2) IN FPSC DOCKET NOS.
7 981834-TP/990321-TP (I.E., THE GENERIC COLLOCATION DOCKET), THE
8 FPSC DETERMINED THAT WHEN SPACE IS LEGITIMATELY
9 EXHAUSTED WITHIN AN ILEC’S PREMISES, THE ILEC MUST PROVIDE
10 PHYSICAL COLLOCATION SERVICES TO A CLEC THAT COLLOCATES
11 IN A CEV OR ADJACENT STRUCTURE LOCATED ON THE ILEC’S
12 PROPERTY TO THE EXTENT TECHNICALLY FEASIBLE (MR. BOMER
13 CONTENDS THAT THESE SERVICES WOULD INCLUDE DC POWER, TO
14 THE EXTENT ITS PROVISION IS TECHNICALLY FEASIBLE); AND 3)
15 THAT IN TEXAS THE TPUC ORDERED THAT DC POWER MUST BE
16 MADE AVAILABLE TO ADJACENT COLLOCATION SPACE. HOW DO
17 YOU RESPOND?

18
19 A. First, I would like to address the Georgia Order in the MCI-BellSouth
20 Arbitration noted above. While this Order does state that BellSouth would be
21 required to provide DC power to adjacent collocation arrangements in the state of
22 Georgia, BellSouth must comply with national, regional, state, and local safety,
23 electrical, fire and building codes in provisioning its equipment and facilities. As

1 BellSouth argued before the GPSC, BellSouth may be unable to provide DC
2 power to an adjacent collocation space as requested by a CLEC without violating
3 these codes. This issue will thus be tested at the point in time when
4 MCI/WorldCom requests DC power to an adjacent collocation space in Georgia.
5 (As of this date, MCI/WorldCom has not requested any adjacent collocation
6 arrangements in the state of Georgia.) If BellSouth is unable to provision DC
7 power due to the national, regional, state, or local safety, electrical, fire and
8 building codes, then BellSouth will have met the standard for providing DC
9 power where “technically feasible.”

10
11 In regard to the FPSC Order in the Generic Collocation Docket, BellSouth does
12 not interpret this Order to require it to provide DC power to an adjacent
13 collocation space. Instead, BellSouth believes that this Order allows it to
14 provision AC power to the adjacent collocation space in the same manner as it
15 does for itself. Additionally, the FPSC in the MCI Arbitration proceeding
16 (Docket No. 000649-TP, Order No. PSC-01-0824-FOF-TP, issued March 30,
17 2001), BellSouth argued that the issue is one of conformance to the electrical code
18 and stated that “*whatever the code allows is what BellSouth is willing to do.*”
19 While, the FPSC in the proceeding found that, at MCI/Worldcom’s request,
20 BellSouth should be required to provide DC power to MCI/WorldCom’s adjacent
21 collocation space *where local ordinances do not prohibit*, it also imposed a
22 requirement on MCI/WorldCom to provide the appropriate direct current cabling
23 certified for outside use.

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Finally, BellSouth’s concerns regarding conformance to electrical code stated above would also apply to the TPUC Order.

Q. ON PAGE 25, MR. BOMER ASSERTS “WORLDCOM SHOULD BE PERMITTED TO VERIFY BELLSOUTH’S ASSERTION THAT DUAL ENTRANCE FACILITIES ARE NOT AVAILABLE AND THAT BELLSOUTH SHOULD MAINTAIN A WAITING LIST FOR ENTRANCE SPACE AND NOTIFY THE CLEC WHEN SPACE BECOMES AVAILABLE.” MR. BOMER FURTHER ASSERTS THAT A CLEC SHOULD BE PERMITTED TO VERIFY, THROUGH PHYSICAL INSPECTION, ANY ASSERTION THAT DUAL ENTRANCES ARE NOT AVAILABLE. PLEASE COMMENT.

A. The FCC requires BellSouth to provide at least two interconnection points at a premises “at which there are at least two entry points for the incumbent LEC’s cable facilities, and at which space is available for new facilities in at least two of those entry points.” 47 C.F.R. § 51.323(d)(2). The right to tour a premises as referenced in Mr. Bomer’s testimony only applies when an incumbent LEC “contends space for physical collocation is not available” in a given central office. BellSouth is not denying physical collocation when BellSouth does not have dual entrance facilities available. BellSouth provides information as to whether there is more than one entrance point for BellSouth’s cable facilities. In the event there is only one entrance point, MCI/WorldCom can visually verify that another entrance point does not exist, which does not require a formal tour of the entire premises. In the event

1 that dual entrance points exist but space is not available, BellSouth will provide
2 documentation, upon request and at MCI/WorldCom's expense, so that
3 MCI/WorldCom can verify that no space is available for new facilities.

4
5 Should the fact that there is no entrance space available be the reason for denying a
6 request for collocation, BellSouth will include that office on its space exhaust list as
7 required. However, since BellSouth does not normally provision dual entrance
8 facilities for its own use, it should not be required to incur the time and expense of
9 maintaining a waiting list simply because dual entrance facilities may not be
10 available for a CLEC's use.
11

12 Q. ON PAGE 27, MR. BOMER ARGUES THAT BELLSOUTH SHOULD
13 PROVIDE A FORMAL TOUR OF THE PREMISES FOLLOWING DENIAL OF
14 DUAL ENTRANCE SIMILAR TO THE TOUR BELLSOUTH MUST
15 CONDUCT UNDER THE FCC'S RULES WHEN AN ILEC CONTENDS
16 SPACE FOR PHYSICAL COLLOCATION IS NOT AVAILABLE,
17 REASONING THAT SINCE THE FCC HAS DECLARED THAT A DENIAL
18 OF SPACE TRIGGERS A REQUIREMENT THAT AN INSPECTION BE
19 PERMITTED, IT IS A REASONABLE CONCLUSION THAT A DENIAL OF
20 DUAL ENTRANCES, WHICH PERMIT THE NECESSARY DIVERSITY
21 THAT A CLEC NEEDS, TRIGGERS THE REQUIREMENT OF PERMITTING
22 VERIFICATION OF THAT CLAIM. DO YOU AGREE WITH THIS
23 ARGUMENT?

24 A. No. Whether verification is required or permitted really depends on what type of
25 verification is necessary. BellSouth's position is that when there is only one
26

1 entrance point, MCI/WorldCom can visually verify that another entrance point
2 does not exist without any “tour” by BellSouth. This could be done by a simple
3 cursory review of the central office building floor plan. In contract negotiations
4 with MCI/WorldCom, BellSouth has agreed that it will provide the CLEC
5 information (such as a central office floor plan) as to whether there is more than
6 one entrance point for BellSouth’s and the CLECs’ cable facilities. In addition,
7 BellSouth will provide the CLEC with a tour of the cable vault to allow it to
8 verify the lack of dual entrance facilities. In the event that dual entrance points
9 exist but space is not available, BellSouth will provide documentation, upon
10 request and at the CLEC’s expense, so that the CLEC can verify that no space is
11 available for the CLEC’s facilities.

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14 Q. ON PAGE 28, MR. BOMER ASSERTS THAT JUST AS BELLSOUTH MUST
15 INDICATE WHICH OF ITS PREMISES ARE FULL (I.E., OUT OF
16 AVAILABLE PHYSICAL COLLOCATION SPACE), 47 C.F.R. §51.321(h),
17 AND SHOULD MAINTAIN A WAITING LIST WITH RESPECT TO
18 COLLOCATION SPACE GENERALLY AT A CENTRAL OFFICE, IT IS
19 REASONABLE TO EXPECT BELLSOUTH TO MAINTAIN A WAITING LIST
20 FOR DUAL ENTRANCE FACILITIES. DO YOU AGREE WITH
21 MCI/WORLDCOM’S POSITION?

22

23 A. No. Maintaining a waiting list is not as simple a matter as Mr. Bomer apparently
24 believes. There is considerable time and expense associated with maintaining a
25 waiting list for each central office in which dual entrance facilities may not be

1 available. No plausible reason exists for BellSouth to engage in such an effort
2 when BellSouth does not have dual entrance facilities available, but
3 MCI/WorldCom has space available for its facilities. If the FCC had wanted the
4 ILECs such as BellSouth to maintain a waiting list for dual entrance facilities (as
5 it did for physical collocation space), it would have so ordered. However, the
6 FCC did not do so. Therefore, BellSouth does not agree with MCI/WorldCom's
7 assertion that BellSouth should be required to maintain a waiting list of dual
8 entrance facilities for each central office. . Finally, if dual entrance facilities do
9 not exist at a location and BellSouth has no need for such facilities for its own
10 use, such facilities will never be constructed, so a waiting list would be
11 meaningless.

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Q. CONTINUING ON PAGE 28, MR. BOMER CITES THE GEORGIA MCM-
BELLSOUTH ARBITRATION ORDER IN SUPPORT OF
MCI/WORLDCOM'S POSITION REGARDING DUAL ENTRY
COLLOCATION ISSUES WHEREIN THE GPSC AGREED WITH
MCI/WORLDCOM THAT IF A TOUR OF ENTRANCE FACILITIES IS
NEEDED IT SHOULD BE LIMITED TO THE ENTRANCE FACILITY AND
CONCLUDED THAT MCI/WORLDCOM SHOULD BE ENTITLED TO
VERIFY ANY ASSERTION BY BELLSOUTH THAT DUAL ENTRANCE
FACILITIES ARE NOT AVAILABLE, THAT BELLSOUTH SHOULD
MAINTAIN A WAITING LIST FOR ENTRANCE SPACE AND NOTIFY
MCI/WORLDCOM WHEN SPACE BECOMES AVAILABLE. HOW DO YOU
RESPOND?

A. While MCI/WorldCom won on this arbitration issue in the Georgia proceeding,

1 MCI/WorldCom did not fare as well in the state of Florida. In the Florida
2 MCI/WorldCom Arbitration, Docket No 000649-TP, the FPSC noted that:

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4
5 we find that WorldCom shall be allowed to visually verify
6 BellSouth's assertion that dual entrance facilities are not available.
7 However, BellSouth is not required to conduct a "formal tour" of
8 the central office. Further, we find that BellSouth shall not be
9 required to maintain a waiting list for dual entrance facilities.
10 However, BellSouth shall be required to post notice on its public
11 website of the date dual entrance facilities will become available in
12 a central office where dual facilities previously were not available
13

14 While these decisions may be persuasive one way or the other, they are not
15 dispositive. The Commission is not bound by the arbitration decisions
16 reached by the public service commissions in other states, but has its own
17 authority to determine these matters as they would apply in the state of
18 Kentucky.

19
20 Q. ALSO ON PAGE 28, MR. BOMER STATES THAT BELLSOUTH HAS
21 PROPOSED IN THE KENTUCKY UNE COST PROCEEDING THAT THE
22 COSTS OF A SECURITY CARD KEY SYSTEM, EXISTING OR TO BE
23 INSTALLED IN THE FUTURE, WOULD BE ALLOCATED SO THAT
24 CARRIERS PAY THE SAME CHARGE REGARDLESS OF THE AMOUNT
25 OF SPACE OCCUPIED (I.E., ON A PER CAPITA BASIS) AND ASSERTS
26 THAT THIS PROPOSAL MEANS THAT BELLSOUTH IN EFFECT PAYS
27 THE SAME AS A CLEC. HE THEN ARGUES THAT IF BELLSOUTH IS TO
28 RECOVER COSTS FOR SECURITY, IT SHOULD DO SO PRO RATA, ON A
29 PER SQUARE FOOT BASIS ACROSS ALL USUABLE SPACE IN THE

1 PREMISES. DO YOU AGREE?

2

3

4 A. No. I disagree with MCI/WorldCom's proposed cost recovery methodology.
5 BellSouth has incurred and will continue to incur the cost of installing security
6 card key systems in its central offices. The costs for security card key systems, as
7 reflected in BellSouth's cost studies, are allocated among all parties in the central
8 office, including BellSouth and the number of collocators, on a per capita basis.
9 This is a reasonable approach because it acknowledges that a party obtains access
10 to the entire central office building, not just to its own collocation arrangement.
11 Moreover, it recognizes that the benefit of accessing a BellSouth central office via
12 a security card system is not a function of how much space the carrier occupies in
13 that central office. Such access provides equal value to all parties; therefore, all
14 parties should share equally in the costs of the security access system. This
15 method of allocating costs is simple, easy to administer, and provides access on a
16 nondiscriminatory basis to all parties in the central offices.

17

18 Additionally, implementation of Mr. Bomer's proposed methodology ignores the
19 premise that certain space in any central office remains unoccupied, and would
20 necessitate constant reassessment of costs every time there is a change in the
21 collocation square footage.

22

23

24 Q. ON PAGE 29, MR. BOMER ALLEGES THAT BELLSOUTH INSTALLS A
25 CARD READER SYSTEM ONLY BECAUSE IT HAS CHOSEN TO DO SO
26 TO PROTECT THE EQUIPMENT FOR WHICH IT IS FINANCIALLY

1 RESPONSIBLE. IS THIS TRUE?

2

3 A. No. As I stated in my affidavit, BellSouth installs security access systems in its
4 central offices to effectively monitor compliance with BellSouth's security and
5 safety requirements, reasonably protect the central office and CLEC equipment
6 and facilities, and ensure network reliability. Furthermore, card reader systems
7 are installed in order to protect assets and track entry into buildings and/or
8 designated areas. Most CLECs have access to the same areas as BellSouth
9 (except those operating under old contracts in which the CLEC has only access to
10 limited space); thus card reader systems provide the same protection to the CLECs
11 as it does to BellSouth.

12

13 Proper Cost methodology dictates that the costs should bear some relationship to
14 the action that caused the costs to be incurred. From a cost methodology
15 perspective, it is the CLEC's request to collocate that has caused BellSouth's cost
16 of enhanced security systems to be incurred. Nevertheless, because each provider
17 in the central office, including BellSouth, utilizes the security systems, each
18 should bear an equitable portion of the cost.

19

20 Q. CONTINUING ON PAGE 29, MR. BOMER ASSERTS THAT WITH RESPECT
21 TO OFFICES WITH EXISTING SYSTEMS, BELLSOUTH INCURS NO
22 INCREMENTAL (OR OUT OF POCKET) EXPENSE FOR THE
23 INSTALLATION OF CARD READER SYSTEMS AND CONCLUDES THAT
24 ASSESSMENT OF SECURITY CHARGES IN THESE OFFICES
25 CONSTITUTES A WINDFALL FOR BELLSOUTH. DO YOU AGREE?

26

1 A. No. I disagree with the premise upon which Mr. Bomer's conclusion is based (i.e.,
2 that BellSouth incurs no incremental expense for the installation of card reader
3 systems). On the contrary, BellSouth incurs the cost of having someone enter the
4 card database to initially build an access turf for the CLEC and to verify on a
5 continuous basis that additional requests are set up correctly.

6
7 Also from a cost perspective, the development of forward-looking economic costs
8 is not dependent on an analysis of when something has actually been deployed
9 (i.e., it is not a budget/accounting process). Instead, economic costs are based on
10 long-run incremental costs that identify the forward-looking replacement costs of
11 the equipment. All equipment costs are avoidable in the long run because in the
12 long run, the methodology assumes all equipment must be replaced in the future.
13 Thus, whether the equipment has been deployed previously is irrelevant in a
14 forward-looking economic cost study, which is the type of cost study upon which
15 BellSouth is relying and Mr. Bomer continues to refer to in his testimony.

16
17
18 Q. ALSO ON PAGE 29, MR. BOMER ASSERTS THAT TO THE EXTENT THAT
19 BOTH BELLSOUTH AND THE COLLOCATORS ARE THE BENEFICIARIES
20 OF REASONABLE SECURITY MEASURES, A REASONABLE
21 ALLOCATION OF THE COSTS SHOULD BE DEVELOPED AND THAT
22 THIS MUST BEAR SOME RELATIONSHIP TO THE BENEFITS DERIVED
23 BY EACH PARTY. DO YOU AGREE?

24
25 A. No. Once again I must disagree with Mr. Bomer in regard to his argument that a
26 "reasonable allocation" of cost must bear some relationship to the benefits derived

1 by each party. In contrast, proper costing methodology dictates that the costs
2 should bear some relationship to the action that caused the costs to be incurred.
3 Furthermore, even if the argument was correct, it is illogical. Does a CLEC who
4 occupies 500 square feet benefit more than another CLEC who occupies 100
5 square feet? Square footage is not a direct indicator of the benefit of a security
6 system. The security system is designed to protect the entire central office, not just
7 the area occupied by BellSouth or a particular CLEC.

8

9

10 Q. ON PAGE 30, MR. BOMER STATES THAT A PER CAPITA ALLOCATION
11 OF SECURITY COSTS, AS MAINTAINED BY BELLSOUTH, WOULD
12 ASSESS ALL CARRIERS THE SAME CHARGE, REGARDLESS OF THE
13 AMOUNT OF SPACE OCCUPIED BY A GIVEN CARRIER AND ARGUES
14 THAT THIS ALLOCATION IS ARBITRARY BECAUSE IT FAILS TO
15 RECOGNIZE THAT IT IS BELLSOUTH THAT CHOOSES TO INCUR THESE
16 COSTS. HE FURTHER ARGUES THAT A PER CAPITA ALLOCATION
17 BEARS NO RELATIONSHIP TO THE DIFFERENT LEVELS OF BENEFITS
18 DERIVED BY EACH CARRIER FROM A SECURITY SYSTEM. FINALLY
19 HE CONCLUDES THAT BELLSOUTH'S PROPOSED METHOD IS NOT
20 JUST, REASONABLE, AND NONDISCRIMINATORY BECAUSE A
21 CARRIER OCCUPYING A GOOD DEAL OF SPACE WITH A LARGER
22 AMOUNT OF TELECOMMUNICATIONS EQUIPMENT SHOULD BE
23 ASSESSED A GREATER SHARE OF THE SECURITY COSTS THAN A
24 CARRIER THAT OCCUPIES A SMALL SPACE WITH ONLY A LIMITED
25 AMOUNT OF EQUIPMENT. HOW DO YOU RESPOND?

26

1 A. BellSouth's proposal was developed on the premise that the correct allocator
2 should be one that bears some relationship to what caused the cost to be incurred,
3 instead of tying the cost recovery to potential benefits. Obviously, there is no
4 direct relationship between security access costs and the square footage occupied.
5 From a cost methodology perspective, it is the CLEC's request to collocate that
6 has caused the cost of enhanced security systems to be incurred. The FCC in
7 paragraph 48 of the Advanced Services Order stated:

8
9
10
11
12

We expect that state commissions will permit incumbent LECs to
recover the costs of implementing these security measures from
collocating carriers in a reasonable manner.

13
14
15
16

Because each provider in the central office, including BellSouth, utilizes the
security system, each should bear an equitable portion of the total cost.

BellSouth, just like each of the collocators, is a user of the security access system,
so it also bears its share of the costs of the security access system.

17
18

19 Q. CONTINUING ON PAGE 30, MR. BOMER CONTENDS THAT A PRO RATA
20 ALLOCATION OF SECURITY COSTS BASED UPON THE SQUARE
21 FOOTAGE OCCUPIED BY BELLSOUTH AND EACH COLLOCATOR IN
22 THE CENTRAL OFFICE IS REASONABLE AND WILL RESULT IN THE
23 ASSESSMENT OF EACH CARRIER (INCLUDING BELLSOUTH) FOR THE
24 COST THAT IS RELATED TO THE BENEFIT IT DERIVES FROM THE
25 SECURITY SYSTEM. DO YOU AGREE?

26
27
28

A. No, for the reasons I have already stated in my previous response.

1 Q. ALSO ON PAGE 30, MR. BOMER CITES THE RULINGS IN THE FLORIDA
2 COLLOCATION ORDER AND THE GEORGIA MCIM-BELLSOUTH
3 ARBITRATION ORDER IN SUPPORT OF MCI/WORLDCOM'S POSITION
4 REGARDING SECURITY COST RECOVERY ISSUES, WHEREIN THE FPSC
5 ORDERED AND THE GPSC AGREED, THAT WHEN MULTIPLE
6 COLLOCATORS AND THE ILEC BENEFIT FROM MODIFICATIONS OR
7 ENHANCEMENTS, THE COST OF SUCH BENEFITS OR ENHANCEMENTS
8 SHALL BE ALLOCATED BASED ON THE AMOUNT OF SQUARE FEET
9 USED BY THE COLLOCATOR OR THE ILEC, RELATIVE TO THE TOTAL
10 USABLE SQUARE FOOTAGE IN THE CENTRAL OFFICE. HOW DO YOU
11 RESPOND?

12
13 A. Although these two state commissions (Florida and Georgia) ruled against
14 BellSouth's per capita approach to allocating security enhancements, BellSouth
15 continues to maintain its position that this is a fair, reasonable and
16 nondiscriminatory method of assessing these costs to all parties, including itself,
17 that are collocated in BellSouth's central offices.

18
19
20 Q. ON PAGE 32, MR. BOMER ASSERTS THAT IT IS APPARENT FROM THE
21 KENTUCKY UNE COST PROCEEDING THAT BELLSOUTH SEEKS TO
22 IMPOSE NONRECURRING CHARGES FOR COLLOCATION
23 APPLICATIONS AND FIRM ORDER PROCESSING AND STATES THAT HE
24 IS NOT AWARE OF THE EXISTENCE OF APPLICATION FEES FOR
25 LEASING IN THE COMPETITIVE REAL ESTATE MARKET OR OF
26 SEPARATE NONRECURRING CHARGES IN THE 'REAL' COMMERCIAL

1 WORLD TO PROCESS 'ORDERS' FOR SERVICES. PLEASE RESPOND?

2

3 A. BellSouth is allowed by the FCC to recover its costs associated with collocation.
4 BellSouth has always applied a nonrecurring charge for Applications and BFFOs.
5 It is appropriate to apply nonrecurring charges to recover the costs of work
6 activities that are one-time in nature. FCC Rule 51.507(a) states "Element rates
7 shall be structured consistently with the manner in which the costs of providing
8 the elements are incurred."

9

10

11

BellSouth is simply proposing nonrecurring charges for certain collocation
12 elements based on the fact that the work required to comply with a CLEC's request
13 is one-time or nonrecurring. The nonrecurring charge allows BellSouth to recover
14 costs (such as those incurred in the determination of space availability) which are
15 not recovered anywhere else.

16

17

Moreover, it is not appropriate for BellSouth, or any ILEC, to use the pricing
18 methodologies that exist in the real estate market, because ILECs do not operate in
19 the commercial real estate environment. However, as required by the FCC,
20 BellSouth does comply with the TELRIC pricing methodology.

21

22

Q. ALSO ON PAGE 32, MR. BOMER STATES THAT "SEVERAL YEARS
23 AFTER SPACE HAS BEEN PROVISIONED, BELLSOUTH WILL SEND A
24 BILL TO WORLDCOM THAT, IN SOME CASES, IS MANY TIMES MORE
25 THAN THE AMOUNT BELLSOUTH 'ESTIMATED' IN ITS INITIAL BILLS."

1 HE ALSO STATES THAT “ALTHOUGH BELLSOUTH CLAIMS THERE
2 WILL BE A ‘TRUE UP’ LATER THIS YEAR TO SOMEWHAT ACCOUNT
3 FOR ALL THESE SERVICES, AND WORLDCOM’S INTERCONNECTION
4 AGREEMENTS IN ARBITRATION WITH BELLSOUTH CLEARLY CALL
5 FOR ‘FIRM’ PRICES”, HE DOESN’T KNOW IF BELLSOUTH WILL
6 CHANGE THIS PRACTICE. FINALLY, HE SAYS “THIS KIND OF
7 BEHAVIOR WOULD BE REGARDED AS STRANGE, TO SAY THE LEAST”
8 AND “SUGGESTS [BELLSOUTH] HAS LITTLE IF ANY UNDERSTANDING
9 OR REGARD FOR COMMERCIAL CERTAINTY OR CUSTOM.” HOW DO
10 YOU RESPOND?

11
12 A. In the past, the collocation contracts between BellSouth and our customers have
13 been based on ICB pricing. BellSouth estimated the space preparation charges
14 required, but could not firm up or provide actual charges until space completion
15 occurred. The same group responsible for provisioning the collocation
16 arrangements is the group also responsible for determining the actual amounts to
17 be billed the collocator. During the initial push to provision the significant
18 number of collocation arrangements requested by the CLECs in prior years,
19 BellSouth placed its priority on provisioning collocation service as quickly as it
20 could. The billing of the requested collocation arrangements was delayed until its
21 employees had the time to determine the actual charges for the completed
22 collocation arrangements. In other words, during this period, BellSouth to its
23 detriment focused its energies on provisioning the collocation requests of the
24 CLECs over its billing of these arrangements. Therefore, BellSouth developed a
25 backlog in its billing in favor of timely collocation service provisioning.
26 However, BellSouth has established a special group to address the resolution of
27 the backlog. Actual charges will be billed on a current basis following space

1 completion and space acceptance in the future. BellSouth has now established
2 standardized rates for space preparation charges, which are available to any
3 collocator interested in adopting this pricing structure. The new pricing structure
4 eliminates the concern regarding estimated and actual charges, because there is no
5 billing true-up required for space preparation fees. This pricing structure is
6 available to all collocation customers by negotiating an amendment to an existing
7 collocation contract or by negotiating a new contract.
8

9

10 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

11

12 A. Yes.

13