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May 23, 1994

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Docket No. ~~931074~~-TP

Dear Mrs. Bayo:

Enclosed please find an original and fifteen copies of BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and Telegraph Company's Testimonies of David Denton and Jerry Hendrix to be filed in the above mentioned docket for the Commission's consideration.

A copy of this letter is enclosed. Please indicate on the copy that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

- ACK
- AFA 2
- APP _____
- CAF _____
- CMU Keith
- CTR Enclosures
- EAG _____
- LEG Conzano
- LIM 6
- OPC _____
- RCH _____
- SEC 1
- WFO _____
- OTL _____

Sincerely,

Mary Jo Peed
Mary Jo Peed (09)

H. R. Anthony
A. M. Lombardo
R. Douglas Lackey
All Parties noted on Certificate of Service

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20
TALAHASSEE BUREAU OF RECORDS

Denton DOCUMENT NUMBER-DATE
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CERTIFICATE OF SERVICE
Docket No. 921074-TP

I HEREBY CERTIFY that a copy of the foregoing has been
furnished by United States Mail this 23 day of May, 1994,
to:

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Mary Jo Reed

1 SOUTHERN BELL TELEPHONE & TELEGRAPH COMPANY
2 TESTIMONY OF DAVID B. DENTON
3 BEFORE THE
4 FLORIDA PUBLIC SERVICE COMMISSION
5 DOCKET NO. 921074-TP
6 MAY 23, 1994
7
8

9 Q. WILL YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?
10

11 A. I AM DAVID B. DENTON. MY BUSINESS ADDRESS IS 675 WEST
12 PEACHTREE STREET, ATLANTA, GEORGIA.
13

14 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
15

16 A. I AM EMPLOYED BY BELLSOUTH TELECOMMUNICATIONS INC., D/B/A
17 IN FLORIDA AS SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY
18 ("SOUTHERN BELL"), AS DIRECTOR IN THE REGULATORY POLICY AND
19 PLANNING DEPARTMENT.
20

21 Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND
22 EXPERIENCE.
23

24 A. I SERVED IN THE UNITED STATES MARINE CORPS FROM 1954 TO
25 1958. I WAS GRADUATED FROM THE UNIVERSITY OF MIAMI IN 1961

1 WITH A BACHELOR OF BUSINESS ADMINISTRATION DEGREE CUM LAUDE
2 IN ECONOMICS AND WAS AWARDED A MASTER OF ARTS DEGREE IN
3 ECONOMICS IN 1964 FROM THE SAME UNIVERSITY. IN 1979, I WAS
4 AWARDED A MASTER OF SCIENCE DEGREE IN ADVANCED MANAGEMENT
5 FROM PACE UNIVERSITY.

6

7 I BEGAN EMPLOYMENT WITH SOUTHERN BELL IN 1962 AND HELD
8 VARIOUS POSITIONS IN THE COMMERCIAL DEPARTMENT BEFORE
9 JOINING THE HEADQUARTERS RATES ORGANIZATION IN 1966. I
10 HAVE HELD VARIOUS POSITIONS AT SOUTHERN BELL HEADQUARTERS
11 IN ATLANTA AND AT AT&T HEADQUARTERS IN NEW YORK CITY IN THE
12 RATES AND TARIFF AREA. SINCE NOVEMBER 1991, I HAVE BEEN IN
13 THE BELLSOUTH TELECOMMUNICATIONS INC., HEADQUARTERS
14 REGULATORY POLICY AND PLANNING DEPARTMENT. I HAVE
15 TESTIFIED BEFORE THIS COMMISSION AND BEFORE THE GEORGIA,
16 NORTH CAROLINA, AND SOUTH CAROLINA COMMISSIONS. ATTACHED
17 TO MY TESTIMONY IS AN APPENDIX LISTING THE SPECIFIC STATE
18 DOCKETS IN WHICH I HAVE TESTIFIED.

19

20 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

21

22 A. THE PURPOSE OF MY TESTIMONY IS TO ADDRESS CERTAIN ISSUES
23 IDENTIFIED IN PHASE II OF DOCKET NO. 921074-TP.

24

25 Q. UNDER WHAT CIRCUMSTANCES SHOULD THE COMMISSION IMPOSE THE

1 SAME OR DIFFERENT FORMS OR CONDITIONS OF EXPANDED
2 INTERCONNECTION THAN THE F.C.C.? (ISSUE 3)
3
4 A. THIS COMMISSION HAS THE AUTHORITY TO ALLOW FOR EXPANDED
5 INTERCONNECTION ON AN INTRASTATE BASIS IN THE WAY THAT IT
6 FINDS WILL BEST SERVE THE PUBLIC INTEREST AND MAY IMPOSE
7 DIFFERENT FORMS OR CONDITIONS FOR EXPANDED INTERCONNECTION
8 THAN THE F.C.C. FOR INTRASTATE PURPOSES. WHILE NOT,
9 HOWEVER, NECESSARILY IMPOSING A FRAMEWORK FOR EXPANDED
10 INTERCONNECTION ON THIS COMMISSION, THE F.C.C.'S ORDER MAY
11 MAKE SUBSTANTIAL DEPARTURE FROM THAT ORDER MORE DIFFICULT
12 AND EXPENSIVE FOR THOSE PROVIDING EXPANDED INTERCONNECTION
13 TO ADMINISTER SUCH SERVICE. FURTHER, THE ADMINISTRATIVE
14 PROBLEMS THAT WOULD BE CAUSED BY VASTLY DIFFERENT EXPANDED
15 INTERCONNECTION STRUCTURES FOR INTRASTATE AND INTERSTATE
16 SERVICES COULD HINDER THE DEVELOPMENT OF SERVICES AND LIMIT
17 THE DEVELOPMENT OF COMPETITIVE ALTERNATIVES. BASICALLY,
18 SOUTHERN BELL BELIEVES THE TERMS AND CONDITIONS APPROVED IN
19 PHASE I FOR SPECIAL ACCESS EXPANDED INTERCONNECTION, WHICH
20 TRACKED THE F.C.C.'S ORDER, ARE PROPER FOR PHASE II AS
21 WELL. THEREFORE, IT IS MY RECOMMENDATION THAT THE
22 COMMISSION ADOPT, WITH ONE EXCEPTION, THE F.C.C.'S APPROACH
23 TO EXPANDED INTERCONNECTION FOR SWITCHED ACCESS.
24
25 UNLIKE THE F.C.C., THIS COMMISSION SHOULD ALLOW THE LECs

1 THE OPTION TO PROVIDE EITHER VIRTUAL OR PHYSICAL
2 COLLOCATION. THIS WILL GIVE THE LECs THE ABILITY TO USE
3 THEIR FACILITIES AS EFFICIENTLY AND EFFECTIVELY AS
4 POSSIBLE. INDEED, SOUTHERN BELL HAS APPEALED THE F.C.C.'S
5 ORDER BECAUSE OF ITS MANDATORY PHYSICAL COLLOCATION
6 REQUIREMENT AND THAT APPEAL IS NOW RIPE FOR A DECISION.

7

8 Q. IS EXPANDED INTERCONNECTION FOR SWITCHED ACCESS IN THE
9 PUBLIC INTEREST? (ISSUE 4)

10

11 A. ASSUMING, AS THIS COMMISSION DID IN THE ALTERNATE ACCESS
12 VENDOR DOCKET NO. 890183, AND IN PHASE I OF THIS DOCKET,
13 THAT INCREASING CUSTOMER OPTIONS FOR TELECOMMUNICATION
14 SERVICES IS IN THE PUBLIC INTEREST, THEN ALLOWING EXPANDED
15 INTERCONNECTION FOR INTRASTATE SWITCHED ACCESS SERVICE MAY
16 BE IN THE PUBLIC INTEREST BECAUSE IT COULD RESULT IN
17 ADDITIONAL COMPETITIVE ALTERNATIVES.

18

19 SWITCHED ACCESS SERVICES, HOWEVER, PROVIDE SIGNIFICANT
20 CONTRIBUTION. EXPANDED INTERCONNECTION FOR SWITCHED ACCESS
21 SERVICE WILL PUT THESE CONTRIBUTION LEVELS IN JEOPARDY.
22 THIS COMMISSION SHOULD THUS PROVIDE THE LECs WITH THE
23 FLEXIBILITY NECESSARY TO COMPETE FOR THE PROVISION OF
24 ACCESS SERVICES. WITHOUT FLEXIBILITY THERE IS THE
25 POTENTIAL THAT THE PUBLIC INTEREST MAY NOT BE WELL SERVED.

1
2 BY ALLOWING EXPANDED INTERCONNECTION, PROVIDERS OF TELE-
3 COMMUNICATIONS SERVICE ALTERNATIVES TO THE LECs' SERVICES
4 WILL GAIN A GREATER MARKET SHARE. AT THE SAME TIME
5 EXPANDED INTERCONNECTION IS ALLOWED, THE LECs SHOULD BE
6 ALLOWED THE PRICING FLEXIBILITY TO FULLY COMPETE TO ENSURE
7 THAT SUBSCRIBERS ARE ABLE TO OBTAIN THEIR SERVICE FROM THE
8 MOST EFFICIENT COMPETITOR. WITHOUT THIS FLEXIBILITY, AN
9 INEFFICIENT ALTERNATIVE PROVIDER COULD UNDERPRICE A MORE
10 EFFICIENT LEC. THIS WOULD DENY THE END USER THE BENEFITS
11 THAT WOULD ARISE FROM THE ATTENDANT
12 ABILITY TO PURCHASE ACCESS SERVICES FROM THE MOST EFFICIENT
13 PROVIDER. FOR THIS REASON, LECs MUST BE ALLOWED TO COMPETE
14 TO ENSURE THAT END USERS ARE ABLE TO OBTAIN THEIR SERVICE
15 FROM THE MOST EFFICIENT COMPETITOR. THIS WOULD GIVE THE
16 LECs THE OPPORTUNITY TO RETAIN AS MUCH CONTRIBUTION AS THEY
17 CAN BY COMPETING ON THE SAME BASIS.

18

19 Q. WHAT SEPARATION IMPACTS MAY OCCUR IF EXPANDED
20 INTERCONNECTION IS APPROVED? (ISSUE 4)

21

22 A. SOUTHERN BELL HAS NOT DEVELOPED A FORECAST OF DEMAND FOR
23 COLLOCATION AND THEREFORE CANNOT QUANTIFY THE POTENTIAL
24 JURISDICTIONAL SEPARATIONS IMPACT OF EXPANDED
25 INTERCONNECTION.

1

2 Q. HOW WOULD RATEPAYERS BE FINANCIALLY AFFECTED BY EXPANDED
3 INTERCONNECTION? (ISSUE 4)

4

5 A. AS STATED IN PHASE I OF THIS DOCKET, RESIDENTIAL RATEPAYERS
6 MAY BE FINANCIALLY AFFECTED IF THE LECs ARE NOT ABLE TO
7 COMPETE FULLY FOR THE PROVISION OF ACCESS SERVICES THAT
8 CURRENTLY PROVIDE A CONTRIBUTION TO RESIDENTIAL SERVICE.
9 TELECOMMUNICATIONS SERVICES PROVIDED BY THE LECs CANNOT BE
10 VIEWED IN A VACUUM. BECAUSE OF THE EXISTING CROSS-
11 ELASTICITIES BETWEEN DEDICATED AND SWITCHED ACCESS
12 SERVICES, THERE IS ALREADY A SIGNIFICANT THREAT TO THE
13 CONTRIBUTION RECEIVED BY THE LECs FROM THESE SERVICES.
14 WITH MORE COMPETITION FOR SWITCHED ACCESS, WHICH PROVIDES
15 THE LION'S SHARE OF THIS SUPPORT, THERE IS AN EVEN GREATER
16 RISK OF THE LOSS OF CONTRIBUTION. THEREFORE, THE LECs NEED
17 THE ABILITY TO BE EFFECTIVE AND VIABLE COMPETITORS IN THIS
18 MARKET. IF THEY DO NOT HAVE THIS ABILITY, THEN THERE IS
19 THE POTENTIAL THAT RATEPAYERS COULD BE ADVERSELY AFFECTED.

20

21 Q. IS THE OFFERING OF DEDICATED AND SWITCHED SERVICES BETWEEN
22 NON-AFFILIATED ENTITIES BY NON-LECs IN THE PUBLIC INTEREST?
23 (ISSUE 5)

24

25 A. IF ALLOWING CUSTOMERS MORE OPTIONS FOR THEIR

1 TELECOMMUNICATIONS SERVICE REQUIREMENTS IS DEEMED TO BE IN
2 THE PUBLIC INTEREST, THEN PERMITTING DEDICATED AND SWITCHED
3 SERVICES TO BE PROVISIONED BETWEEN NON-AFFILIATED ENTITIES
4 BY NON-LECs WOULD PROVIDE CERTAIN END USERS MORE OPTIONS
5 AND, THEREFORE, COULD BE CONSIDERED IN THE PUBLIC INTEREST.
6 THIS, IN TURN, WOULD ALLOW FOR MORE COMPETITIVE INROADS TO
7 BE MADE INTO TRADITIONAL LEC SERVICE AREAS. AS STATED
8 ABOVE, IF THIS COMPETITIVE EROSION IS ALLOWED WITHOUT
9 PROVIDING ANY ADDITIONAL FLEXIBILITY TO THE LECs, THEN THE
10 OVERALL PUBLIC INTEREST WILL NOT BE SERVED.

11

12 Q. DOES CHAPTER 364, FLORIDA STATUTES, ALLOW THE COMMISSION TO
13 REQUIRE EXPANDED INTERCONNECTION FOR SWITCHED ACCESS?

14 (ISSUE 6)

15

16 A. THOUGH I AM NOT A LAWYER, SOUTHERN BELL'S ATTORNEYS ADVISE
17 ME THAT THERE IS NOTHING IN CHAPTER 364, FLORIDA STATUTES
18 THAT WOULD PROHIBIT THIS COMMISSION FROM ORDERING EXPANDED
19 INTERCONNECTION FOR INTRASTATE SWITCHED ACCESS SERVICE.
20 HOWEVER, EXPANDED INTERCONNECTION COULD NOT BE USED AS A
21 WAY TO DO SOMETHING THAT WOULD OTHERWISE BE PROHIBITED BY
22 CHAPTER 364. FOR EXAMPLE, UNDER SECTION 364.337 OF THE
23 STATUTE, NEITHER AN ALTERNATE ACCESS VENDOR (AAV), NOR ANY
24 OTHER NON-LEC ENTITY, CAN PROVIDE SWITCHED SERVICES TO AN
25 END USER. THEREFORE, EXPANDED INTERCONNECTION COULD NOT BE

1 USED BY AN AAV OR OTHER PROVIDER OTHER THAN A LEC AS A
2 MEANS TO PROVIDE SWITCHED ACCESS SERVICE.

3

4 Q. DOES A PHYSICAL COLLOCATION MANDATE RAISE FEDERAL AND/OR
5 STATE CONSTITUTIONAL QUESTIONS ABOUT THE TAKING OR CON-
6 FISCATION OF LEC PROPERTY? (ISSUE 7)

7

8 A. THIS IS ANOTHER LEGAL QUESTION, BUT I KNOW SOUTHERN BELL
9 HAS APPEALED THE F.C.C.'S ORDER BECAUSE IT BELIEVES THE
10 ORDER CONSTITUTES AN UNLAWFUL TAKING OF PROPERTY. AT THE
11 PRESENT TIME THAT APPEAL IS PENDING A DECISION.

12

13 Q. ~~SHOULD THE COMMISSION REQUIRE PHYSICAL AND/O~~
14 ~~COLLOCATION FOR SWITCHED ACCESS EXPANDED INTERCONNECTION?~~
15 (ISSUE 8)

16

17 A. AS I STATED EARLIER, THIS IS ONE AREA WHERE THE COMMISSION
18 SHOULD NOT FOLLOW IN THE FOOTSTEPS OF THE F.C.C. THIS
19 COMMISSION SHOULD NOT MANDATE EITHER FORM OF COLLOCATION.
20 RATHER, THE LOCAL EXCHANGE COMPANIES SHOULD HAVE THE OPTION
21 OF PROVIDING EITHER PHYSICAL OR VIRTUAL INTERCONNECTION
22 ARRANGEMENTS. WHILE SOUTHERN BELL DOES NOT HAVE ANY
23 OBJECTION TO COLLOCATION FOR SWITCHED ACCESS SERVICES, THE
24 CENTRAL OFFICES WHERE THE COLLOCATION WILL TAKE PLACE ARE
25 PROPERTIES OWNED AND ADMINISTERED BY SOUTHERN BELL, AND AS

1 SUCH, SOUTHERN BELL IS THE APPROPRIATE PARTY TO DETERMINE
2 WHETHER A PHYSICAL OR VIRTUAL COLLOCATION ARRANGEMENT IS
3 THE MOST ECONOMIC AND EFFICIENT USE OF CENTRAL OFFICE
4 SPACE. ALTHOUGH THE COLLOCATOR'S REQUEST SHOULD BE
5 CONSIDERED, LECs MUST RETAIN THE ABILITY TO DETERMINE THE
6 APPROPRIATE FORM OF COLLOCATION IN ANY GIVEN CENTRAL
7 OFFICE.

8

9 Q. WHICH LECs SHOULD PROVIDE SWITCHED ACCESS EXPANDED
10 INTERCONNECTION? (ISSUE 9)

11

12 A. UNDER THE F.C.C.'S ORDER ONLY TIER I LECs, WHICH IN FLORIDA
13 WOULD BE SOUTHERN BELL, GTE, AND UNITED/CENTEL, ARE
14 REQUIRED TO PROVIDE EXPANDED INTERCONNECTION. THE F.C.C.'S
15 RATIONALE FOR THIS DECISION WAS THAT MANY SMALLER LECs MAY
16 HAVE INADEQUATE CENTRAL OFFICE SPACE TO ACCOMMODATE
17 COLLOCATION. THIS COMMISSION IS, HOWEVER, FREE TO EITHER
18 ADOPT THIS SAME APPROACH OR TO DECIDE THIS ISSUE
19 DIFFERENTLY. OF COURSE, AS THE F.C.C. RECOGNIZED, SPACE
20 LIMITATIONS ARE ALSO PRESENT IN SOME TIER I LEC CENTRAL
21 OFFICES.

22

23 Q. FROM WHAT LEC FACILITIES SHOULD EXPANDED INTERCONNECTION
24 FOR SWITCHED ACCESS BE OFFERED? SHOULD EXPANDED
25 INTERCONNECTION FOR SWITCHED ACCESS BE REQUIRED FROM ALL

1 SUCH FACILITIES? (ISSUE 10)

2

3 A. THE FACILITIES THAT ARE OFFERED FOR EXPANDED
4 INTERCONNECTION FOR SWITCHED ACCESS SHOULD BE CONSISTENT
5 WITH THOSE REQUIRED BY THE F.C.C.'S ORDER. AS THE
6 COMMISSION RECOGNIZED IN PHASE I OF THIS PROCEEDING,
7 REQUIRING THE LECs TO OFFER EXPANDED INTERCONNECTION OUT OF
8 THE SAME OFFICES THAT HAVE BEEN TARIFFED AT THE INTERSTATE
9 LEVEL MAKES PRACTICAL SENSE AND WILL BE THE LEAST
10 BURDENSOME APPROACH FOR THE LECs. SPECIFICALLY FOR
11 SWITCHED ACCESS, THESE FACILITIES ARE END OFFICES, SERVING
12 WIRE CENTERS AND TANDEM SWITCHES. THE F.C.C. RECOGNIZED IN
13 ITS ORDER THAT THE LECs SHOULD NOT BE REQUIRED TO PROVIDE
14 EXPANDED INTERCONNECTION AT REMOTE NODES OR REMOTE SWITCHES
15 IN HOST/REMOTE ARRANGEMENTS, UNLESS THEY SERVE AS A RATING
16 POINT FOR SWITCHED TRANSPORT AND HAVE THE NECESSARY SPACE
17 AND TECHNICAL CAPABILITIES. THE LECs SHOULD NOT BE
18 REQUIRED TO BUILD ADDITIONAL SPACE TO ENHANCE THESE REMOTE
19 NODE/SWITCHES TO ACCOMMODATE EXPANDED INTERCONNECTION.
20 BECAUSE OF PROBLEMS OF ADMINISTRATION, IT WOULD AGAIN MAKE
21 PRACTICAL SENSE FOR THIS COMMISSION TO FOLLOW THE F.C.C.
22 GUIDELINES FOR SWITCHED COLLOCATION.
23
24 THE ISSUE OF "CHECKERBOARDING" AS A MEANS TO ACCOMMODATE
25 EXPANSION NEEDS FURTHER EXAMINATION WITH RESPECT TO

1 EXPANDED INTERCONNECTION FOR SWITCHED ACCESS SERVICE.
2 THERE WOULD SEEM TO BE SOME INCONSISTENCY BETWEEN
3 "CHECKERBOARDING" AND HOW THE CONCEPT OF "WAREHOUSING" WAS
4 ADDRESSED BY THIS COMMISSION IN ITS ORDER. ALSO, THE
5 F.C.C.'s ORDER DID NOT PROVIDE FOR "CHECKERBOARDING."
6 THERE IS AN OBVIOUS INCONSISTENCY IN ALLOWING
7 "CHECKERBOARDING" FOR COLLOCATION OF INTRASTATE SERVICES,
8 BUT NOT FOR INTERSTATE. THIS INCONSISTENCY WILL
9 UNQUESTIONABLY MAKE THE ADMINISTRATION OF EXPANDED
10 INTERCONNECTION MORE DIFFICULT AND COSTLY.

11

12 Q. WHICH ENTITIES SHOULD BE ALLOWED EXPANDED INTERCONNECTION
13 FOR SWITCHED ACCESS? (ISSUE 11)

14

15 A. THOSE ENTITIES SUCH AS INTEREXCHANGE CARRIERS, ALTERNATE
16 ACCESS VENDORS, CABLE COMPANIES, AND END USERS WHO DESIRE
17 TO INTERCONNECT THEIR OWN BASIC TRANSMISSION FACILITIES
18 ASSOCIATED WITH OPTICAL TERMINATING EQUIPMENT AND
19 MULTIPLEXERS SHOULD BE ALLOWED TO INTERCONNECT ON AN
20 INTRASTATE BASIS.

21

22 Q. SHOULD COLLOCATORS BE REQUIRED TO ALLOW LECs AND OTHER
23 PARTIES TO INTERCONNECT WITH THEIR NETWORKS? (ISSUE 12)

24

25 A. YES, RECIPROCITY UNDER THE SAME TERMS AND CONDITIONS AS

1 REQUIRED FOR LECs SHOULD BE PART OF ANY INTERCONNECTION/
2 COLLOCATION ORDER IN FLORIDA. CUSTOMERS MAY BE DENIED THE
3 FULL BENEFIT FROM INCREASED COMPETITION IN THE MARKETPLACE
4 IF RECIPROCITY IS NOT AVAILABLE TO ALL TELECOMMUNICATIONS
5 PROVIDERS AND THEIR CUSTOMERS. FOR EXAMPLE, WITHOUT
6 RECIPROCAL INTERCONNECTION, CUSTOMERS MAY BE DENIED THE
7 OPTION OF PURCHASING LEC SERVICES AT THE MOST COMPETITIVE
8 PRICE. OUR EXPERIENCE DEMONSTRATES THAT THIS SHOULD BE
9 REQUIRED BY THIS COMMISSION BECAUSE IN A NUMBER OF
10 INSTANCES WE, OR OUR CUSTOMERS, HAVE NOT BEEN ALLOWED TO
11 COLLOCATE ON REASONABLE TERMS.

12

13 Q. SHOULD THE COMMISSION ALLOW SWITCHED ACCESS EXPANDED
14 INTERCONNECTION FOR NON-FIBER OPTIC TECHNOLOGY? (ISSUE 13)

15

16 A. BECAUSE OF THE LIMITED AVAILABILITY OF CONDUIT AND RISER
17 SPACE THE INTERCONNECTION OF NON-FIBER OPTIC CABLE SHOULD
18 NOT BE ORDERED. THE TELECOMMUNICATIONS NETWORK IS MOVING
19 TOWARDS A FIBER OPTICS-BASED NETWORK. SOUTHERN BELL IS IN
20 THE PROCESS OF MODERNIZING ITS NETWORK AND DEPLOYING FIBER
21 OPTIC TECHNOLOGY. EXPANDED INTERCONNECTION OFFERINGS
22 SHOULD BE COMPATIBLE WITH THESE TECHNOLOGICAL DEVELOPMENTS.
23 EXPANDED INTERCONNECTION SHOULD BE USED AS A MEANS TO
24 PROMOTE NETWORK INNOVATION. HOWEVER, AS THE COMMISSION
25 RECOGNIZED IN PHASE I, WHERE FACILITIES PERMIT,

1 ARRANGEMENTS SHOULD BE NEGOTIATED ON A CASE-BY-CASE BASIS
2 FOR NON-FIBER FACILITIES USED FOR EXPANDED INTERCONNECTION
3 FOR SWITCHED ACCESS. SOUTHERN BELL BELIEVES THAT THIS
4 CASE-BY-CASE NEGOTIATION PROCESS IS APPROPRIATE FOR DSO
5 INTERCONNECTIONS AS WELL. AT THE VERY LEAST, REQUESTS FOR
6 DSO INTERCONNECTIONS SHOULD BE HANDLED IN THE SAME MANNER
7 OUTLINED BY THE F.C.C. IN ITS ORDER. SPECIFICALLY, LECs
8 SHOULD NOT BE REQUIRED TO FILE TARIFFS FOR DSO
9 INTERCONNECTION UNTIL IT HAS BEEN REQUESTED.

10

11 Q. SHOULD THE PROPOSED LEC FLEXIBLE PRICING PLANS FOR PRIVATE
12 LINE AND SPECIAL ACCESS SERVICES BE APPROVED? (ISSUE 15)

13

14 A. YES. SOUTHERN BELL HAS SUBMITTED A SPECIAL ACCESS TARIFF
15 THAT WOULD IMPLEMENT ZONE PRICING. THIS COMMISSION SHOULD
16 APPROVE SOUTHERN BELL'S TARIFF TO IMPLEMENT ITS ZONE
17 PRICING PLAN ON THE BASIS OF WIRE CENTER GROUPINGS RATHER
18 THAN AT AVERAGED STATEWIDE RATES. INITIALLY, SOUTHERN
19 BELL'S TARIFF WILL INTRODUCE THE ZONE PRICING STRUCTURE
20 WITHOUT CHANGING ANY RATES. HAVING THE STRUCTURE IN PLACE
21 WILL FACILITATE SOUTHERN BELL'S ABILITY TO REACT TO
22 COMPETITION. AS COMPETITION INCREASES, IT IS OF CRITICAL
23 IMPORTANCE THAT THE LECs BE ABLE TO RESPOND QUICKLY TO
24 COMPETITION IN THIS ARENA. THE PROPOSED TARIFF STRUCTURE
25 WILL ALLOW SOUTHERN BELL TO DO THIS.

1

2 Q. SHOULD THE LECs PROPOSED INTRASTATE PRIVATE LINE AND
3 SPECIAL ACCESS INTERCONNECTION TARIFF BE APPROVED? (ISSUE
4 16)

5

6 A. YES. SOUTHERN BELL'S PROPOSED INTRASTATE EXPANDED
7 INTERCONNECTION TARIFFS WITH ONE EXCEPTION (THE SPACE
8 CONSTRUCTION CHARGE), MIRROR THE STRUCTURE AND RATES FILED
9 WITH THE F.C.C. THE PROPOSED TARIFF ALSO COMPLIES WITH
10 THIS COMMISSION'S MARCH 10, 1994 ORDER. WITH THE EXCEPTION
11 OF THOSE MATTERS ADDRESSED BY SOUTHERN BELL IN ITS MOTION
12 FOR RECONSIDERATION, SOUTHERN BELL'S INTERSTATE TARIFFS ARE
13 IN EFFECT BUT ARE UNDER INVESTIGATION. SUBJECT TO ANY
14 CHANGES MADE BY THE F.C.C. AND DECISIONS MADE BY THIS
15 COMMISSION ON RECONSIDERATION, THE TARIFFS SOUTHERN BELL
16 HAS FILED FOR EXPANDED INTERCONNECTION FOR INTRASTATE
17 PRIVATE LINE AND SPECIAL ACCESS SERVICE ARE FAIR TO
18 INTERCONNECTORS AND TO RATEPAYERS AND WILL SERVE TO ENHANCE
19 COMPETITION AND, THEREFORE, SHOULD BE APPROVED.

20

21 Q. PLEASE SUMMONY.

22

23 A. ALLOWING EXPANDED INTERCONNECTION FOR INTRASTATE SWITCHED
24 ACCESS SERVICE MAKES ADDITIONAL COMPETITIVE ALTERNATIVES
25 AVAILABLE TO END USERS. THIS IN TURN PROMOTES THE

1 CONTINUED EVOLUTION TO A FULLY COMPETITIVE ENVIRONMENT FOR
2 TELECOMMUNICATION SERVICES. THIS COMMISSION SHOULD ALLOW
3 THIS COMPETITIVE ENVIRONMENT TO DEVELOP IN THE MOST
4 EQUITABLE, EFFICIENT AND FAIR MANNER POSSIBLE FOR ALL
5 TELECOMMUNICATIONS SERVICE PROVIDERS. A DEVELOPMENT OF
6 THIS SORT WILL ENSURE THAT THE USERS OF SWITCHED ACCESS
7 WILL RECEIVE THE BENEFITS OF COMPETITION. THIS, HOWEVER,
8 CAN ONLY OCCUR IF THE LECs ARE ALLOWED THE PRICING
9 FLEXIBILITY THEY SEEK. ALSO, INTRASTATE SWITCHED ACCESS
10 SERVICE PROVIDES SIGNIFICANT CONTRIBUTION TO THE LECs'
11 REVENUE REQUIREMENTS. WITHOUT PRICING FLEXIBILITY, THE
12 LECs WILL BE LESS COMPETITIVE IN THE MARKETPLACE AND WILL
13 BE LESS ABLE TO MAINTAIN CONTRIBUTION. FINALLY, THE LECs
14 SHOULD BE AFFORDED THE SAME RECIPROCAL TREATMENT FROM
15 INTERCONNECTORS ON THE SAME TERMS AND CONDITIONS WHEN
16 SEEKING EXPANDED INTERCONNECTION FOR THEMSELVES AND THEIR
17 CUSTOMERS.

18

19 Q. DOES THAT CONCLUDE YOUR TESTIMONY?

20

21 A. YES IT DOES.

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25

DAVID B. DENTON
STATE DOCKET ACTIVITY

| STATE | YEAR | DOCKET |
|----------------|----------------|---|
| FLORIDA | 1985 | No. 820537-TP, Intrastate Access Charges for Toll Use of Local Exchange Services |
| | 1986 | No. 820537-TP, Intrastate Access Charges for Toll Use of Local Exchange Services - Bypass Restriction |
| | 1987 | No. 860984-TP, Intrastate Access Charges for Toll Use of Local Exchange Services - Recovery of Non-traffic Sensitive Costs |
| | 1988 | No. 860984-TP, Investigation into NTS Cost Recovery-Phase II Level |
| | 1988 | No. 880069-TL, Petition for Rate Stabilization and Implementation Orders and Other Relief |
| | 1988 | No. 871394-TP, Alternative Operator Services |
| | 1988 | No. 871254-TL, Investigation into Regulatory Flexibility for LECs |
| | 1989 | No. 880812-TP, Investigation into Equal Access Exchange Areas (EAEAs), Toll Monopoly Areas (TMAs), 1+ Restriction and Elimination of the Access Discount |
| | 1990 | No. 880069-TL, Petition for Rate Stabilization and Implementation Orders and Other Relief |
| | 1991 | No. 890183-TL, General Investigation Into the Operations of Alternate Access Vendors |
| | 1993 | No. 910757-TP, Investigation into the Regulatory Safe Guards Required to Prevent Cross-Subsidization by Telephone Companies |
| | 1993 | No. 921074-TP, Petition for Expanded Interconnection for Alternate Access Vendors Within Local Exchange Company Central Offices by Intermedia Communications of Florida, Inc. |
| | 1993 | No. 920260-TL, Comprehensive Review of the Revenue Requirements and Rate Stabilization Plan of Southern Bell Telephone and Telegraph Company. |
| | GEORGIA | 1974 |
| 1982 | | No. 3369-U, WATS Restructure and Resale |
| 1984 | | No. 3494-U, Resale of Local Exchange Service Via Privately Provided Coin Phones |

STATE DOCKET ACTIVITY, cont.

- 1985 No. 3430-U, Intrastate Access Charges
- 1985 No. 3488-U, Regulation of Intrastate Interexchange Resellers
- 1985 No. 3518-U, General Rate Application
- 1986 No. 3550-U, Restructuring of Outward WATS and 800 Services
- 1987 No. 3710-U, Uniform Telephone Charges for Selected Services
- 1988 No. 3783-U, Alternative Operator Services
- 1988 No. 3765-U, ESSX and Digital ESSX Tariff Filing
- 1989 No. 3821-U, IntraLATA Toll Compensation
- 1989 No. 3883-U, AT&T's Petition for Investigation of the Level and Structure of Intrastate Access Charges
- 1990 No. 3905-U, Rule NISI: Business Risk; BAPCO Contract Issues; MTS and WATS Rate Changes; Proposed Incentive Regulation Plan
- 1990 No. 3921-U, Compliance With and Implementation of Senate Bill 524, Issue Related to Incentive Regulation

STATE DOCKET ACTIVITY, cont.

| | | |
|-----------------------|------|--|
| NORTH CAROLINA | 1974 | No. P-55, Sub 733, General Rate Application |
| | 1975 | No. P-55, Sub 742, General Rate Application |
| | 1975 | No. P-100, Sub 34, Application to Change Toll Prices |
| | 1982 | No. P-100, Sub 61, Resale of Telecommunication Services |
| | 1985 | No. P-100, Sub 72, Resale of InterLATA WATS and MTS |
| | 1985 | No. P-100, Sub 72, Resale of IntraLATA WATS and MTS |
| | 1986 | No. P-100, Sub 86, Restructuring of Outward WATS and 800 Services |
| | 1986 | No. P-140, Sub 9, ATT-C General Rate Application |
| | 1986 | No. P-100, Sub 72, IntraLATA Competition |
| | 1986 | No. P-100, Sub 65, Access Charges |
| | 1987 | No. P-100, Sub 65 and 72, Billing of Dedicated Access Line and the Dedicated Access Line Extender |
| | 1987 | No. P-100, Sub 65 and 72, Access Charges and IntraLATA Competition |
| SOUTH CAROLINA | 1981 | No. 81-28-C, Application of TSI, Inc. for a Certificate of Public Convenience and Necessity |
| | 1984 | No. 82-134-C, Exchange Network Access Facilities Tariff |
| | 1985 | No. 82-134-C, IntraLATA One-Plus Dialing |
| | 1985 | Nos. 84-430C, 431C, 433C, 435C, 452C, Applications of Resellers for Certificates of Public Convenience and Necessity |
| | 1985 | No. 85-157-C, Application of PalmettoNet, Inc. for a Certificate of Public Convenience and Necessity |
| | 1986 | No. 86-10-C, Proposal of ATT-C to Provide Custom Network Services |
| | 1986 | No. 82-134-C, Exchange Network Access Facilities Tariff |
| | 1987 | No. 85-398-0, Pricing of Competitive/Supplemental Service Offerings |

STATE DOCKET ACTIVITY, cont.

- 1988 No. 88-74-C, ESSX and Digital ESSX Tariff Filing
- 1988 No. 88-213-C, SouthernNet's Proposal to Introduce Operator Services
- 1990 No. 90-305-C, Proceeding to Consider Allowing Local and IntraLATA O+ Collect Authority for COCOT Providers Serving Confinement Facilities