BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of	**DOCKET NO. 991854-TP**
PETITION OF BELLSOUTH TELECOMMUNICATIONS, INC. FOR A SECTION 252(B) ARBITRATION OF INTERCONNECTION AGREEMENT WITH INTERMEDIA COMMUNICATIONS, INC.	

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VOLUME 2
PAGES 157 THROUGH 241

PROCEEDINGS:	HEARING
BEFORE:	COMMISSIONER E. LEON JACOBS, JR. COMMISSIONER LILA A. JABER
DATE:	Monday, April 10, 2000
TIME:	Commenced at 9:30 a.m.
PLACE:	Betty Easley Conference Center Room 148 4075 Esplanade Way Tallahassee, Florida
REPORTED BY:	JANE FAUROT, RPR Chief, Bureau of Reporting Official FPSC Reporter

I N D E X

WITNESSES

EXHIBITS

PROCEEDINGS

COMMISSIONER JACOBS: Sounds like it would be worthwhile to go to Mr. Milner now.

MR. KITCHINGS: BellSouth would call Mr. Milner, if we are going to proceed. May I proceed?

COMMISSIONER JACOBS: Proceed.

MR. KITCHINGS: Thank you.

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W. KEITH MILNER

was called as a witness on behalf of BellSouth Telecommunications, Inc. and, having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KITCHINGS:

Q Would you please state your name and business address?

A Yes. My name is W. Keith Milner, and my business address is 675 West Peachtree Street, Atlanta, Georgia.

Q By whom are you employed, Mr. Milner?

A I am employed by BellSouth Telecommunications, Incorporated, as Senior Director, Interconnection Services.

Q Are you the same Keith Milner who has prefiled

direct testimony consisting of some 22 pages and one exhibit?

A Yes, I am.

Q Do you have any additions, deletions, or corrections to your testimony?

A No.

Q If I were to ask you the same questions as contained in the prefiled direct testimony, would your answers be the same?

A Yes, they would.

Q Do you have a summary of your testimony?

A Yes, I do. Thank you.

Q Please give that at this time.

A Good afternoon. I would like to take a moment and summarize my testimony that addresses Issues 10, 29, and 30. Issue 10 deals with BellSouth policies regarding conversion of virtual collocation arrangements to physical collocation. And BellSouth believes that the terms and conditions that apply for that conversion should be consistent with the same terms and conditions used in establishing physical collocation initially. And that is that an application for virtual -- of the conversion from virtual to physical should be evaluated just as any application for physical collocation would.

I think what we will talk about a great deal

this morning is what has been labeled in-place conversion; that is, conversion of virtual collocation to physical collocation without moving that equipment physically from one part of the BellSouth central office to another. And I would point out that the collocator always has the right to convert from virtual to physical collocation, even if the collocator's first choice was for virtual collocation. That is there was abundant space for physical collocation, but the collocator chose virtual collocation in the first instance.

BellSouth allows the conversion of the virtual collocation arrangements to physical without requiring the relocation of the equipment where three conditions are met, and they are these: That there is no change in the amount of equipment or the configuration of the equipment that was in the virtual collocation arrangement. Second, that the conversion of the virtual collocation arrangement would not cause the equipment or the results of that conversion to be located in the space that BellSouth has reserved for its own future needs. And, third, that due to the location of the virtual collocation arrangement the converted arrangement does not limit BellSouth's ability to secure its own equipment and facilities.

Issue 29 addresses an issue called multiple tandem access, I will use the acronym MTA, and whether

Intermedia must establish points of interconnection at all BellSouth access tandems where Intermedia's NPA and NXX codes are homed. Homing of NPA-NXXs is just designating the relationship between switches as to how traffic will be routed between them.

Now, if Intermedia elects this MTA offer, then Intermedia must designate, must inform BellSouth and other carriers of which access tandem Intermedia's traffic will be delivered and from where other carriers can receive traffic from Intermedia's end user customers. The MTA option obviates the need for Intermedia to interconnect at each of BellSouth's access tandems if there is more than one in a given LATA.

All carriers that I know of use the so-called local exchange routing guide, some people refer to it as the LERG, L-E-R-G, to inform telecommunications carriers as to where in the network to send traffic that is bound for them and where in the network those other carriers can receive traffic. And that is really all that BellSouth is asking, is that Intermedia inform BellSouth and other carriers when it uses this MTA option of what NPA-NXX codes it expects and receive traffic via.

BellSouth does not, on the other hand, attempt to limit Intermedia's flexibility regarding the design and operation of its network. In fact, BellSouth offers a

number of different forms of interconnection at the access tandem or at the local tandem, and other combinations of those things. But BellSouth and other communications carriers must know of Intermedia's routing decisions, such that those carriers can build their own translations and establish routing patterns to know where to get that traffic and where to send that traffic.

Issue 30 consists of two parts. Part A addresses --

COMMISSIONER JABER: Mr. Milner, before you leave the virtual versus physical collocation, tell me what is entailed with the virtual collocation. You have explained in your testimony the difference, but what is it that Intermedia would do if it was virtually collocating?

THE WITNESS: Okay. I certainly will. And there are some very large differences. Virtual collocation is a situation where the collocator, such as Intermedia, says to BellSouth, "I want to collocate this equipment, but I want you, BellSouth, to provision that equipment, to make any cross-connects to it, to repair it if it breaks, to monitor alarms of its health and that sort of thing." And because of that, because BellSouth is the one that does all of that work, in many cases the equipment that is in the virtual collocation arrangement sits directly beside BellSouth's equipment. In fact, it

is often bolted to the same framework. There is no space between those.

So in a virtual collocation arrangement, Intermedia would own the equipment, would lease the equipment to BellSouth for a dollar. I'm not sure of the legal requirement for that. But Intermedia retains ownership of it, but BellSouth does all of the actual hands-on work for it.

Contrasting that to physical collocation, Intermedia would buy the equipment, would have it installed, and would monitor the health of that equipment, would make cross-connections to it, would repair it if it broke, do any routine maintenance that was required. And because of that, that equipment is often placed in the parts of BellSouth's central offices outside the line-ups of BellSouth's equipment for that very reason. The fundamental difference is who does all the work on it, whether it is BellSouth, in this case, or whether it is Intermedia.

COMMISSIONER JABER: Under that scenario using your three conditions, why would there ever be a change in the configuration or equipment going from virtual to physical?

THE WITNESS: Well, and I'm not suggesting that Intermedia would do this, but we listed that condition

just so that someone doesn't try to game the process and would say, I want to convert my five frames of equipment or bays of equipment in place and, oh, by the way, when we convert it, I'm going to convert five more in the process.

In other words, you know, there may be five bays of equipment right now, and we don't want to use the conversion process which we think is pretty well understood to mean I want to change that equipment and the way it is configured now from virtual collocation where BellSouth does the maintenance to a physical collocation arrangement where in this case Intermedia would do it.

So we are just saying don't use that opportunity to take other space and to do, you know, major changes. If that is what you are doing, that is not really -- you know, that is not a conversion, it is more than that. You are actually augmenting your arrangement and subsequently you may be converting that.

COMMISSIONER JABER: And why would BellSouth care about that? Walk me through why that is important to BellSouth.

THE WITNESS: Well, that is important for a number of reasons. Probably primarily is that BellSouth is required to serve collocation requests on a first-come, first-served basis. The amount of space inside our central offices is finite. And, unfortunately, there are

cases where there is not enough space to serve, you know, all the carriers who would like to collocate.

So in order for us to honor that first-come, first-served commitment, we think that if you want to make changes, if you want to add equipment, then you ought to apply for that space just as everyone else does. And if there is not space at that moment, get on the waiting list for when there is. So that is the primary reason.

COMMISSIONER JABER: Well, the fact that they are already located there wouldn't make them first there?

THE WITNESS: Well, what we are talking about is -- it would for the space that they already occupy. But they are not necessarily first for additional space if they wanted to add, you know, those five more bays of equipment. Other CLECs, or ALECs, rather, may be already on a waiting list for space when it becomes available.

COMMISSIONER JABER: Have there been any ALECs that have done that, used the opportunity for conversion to augment space?

THE WITNESS: Not that I know of. But this is a fairly -- this is a fairly new phenomenon that we are discussing here. There have been some conversions, but to date not very many, really.

COMMISSIONER JACOBS: If I recall there was an effort to consolidate space or maybe even add space in

some COs. Would that be an opportunity for some ALECs to request conversion?

THE WITNESS: That might be a case where -- that might trigger them to want additional space. In other words, if we made a building addition that made more space available, or if we made -- if we removed, let's say we have got a switch that is being replaced by a smaller switch, we do that cut over and then we replace the old switch, then there is more space.

So, yes, that is an opportunity that an ALEC may say I need more space, and I think at the same time I would like to convert that arrangement. But here, again, in those situations where there is not enough space to go around, we think we are bound to serve the requests in the order that we receive them, that is first-come, first-served.

MR. CANIS: Hi, Mr. Milner. I am Jon Canis for Intermedia.

THE WITNESS: I was not quite finished with my summary.

COMMISSIONER JACOBS: I'm sorry. It just occurred to me that he hadn't finished. Go ahead.

THE WITNESS: It is only a few more sentences. The discussion was about, or where I left the summary was in discussing Issue 30, that really is in two parts. I

think I talked about Part A, which deals with BellSouth's local tandems, and then Part B deals with BellSouth's access tandems. Those two tandems have a lot of the same functionality. But as the name implies, the local tandem handles local traffic only. Only local traffic of BellSouth's origination, but of ALECs, of independent companies. The access tandem can do that and it can also serve as a point to aggregate traffic for long distance companies, let's say.

The issue, though, is fundamentally the same in that BellSouth and all other carriers need to know where Intermedia expects to send its traffic so they will come get it from the place, and where to receive traffic or where to send traffic to Intermedia. So, all that BellSouth is asking in both of these cases is simply for Intermedia to designate, to make known that relationship that we referred to as homing, such that other parties can make their own translations decisions of how they will route their traffic and how to get that traffic to and from Intermedia.

And that concludes my summary.

MR. KITCHINGS: Commissioner Jacobs, we would move the admission of Mr. Milner's direct testimony into the record and ask that his one exhibit be marked for identification at this point.

COMMISSIONER JACOBS: Very well. Show that exhibit, which is WKM-1, will be marked as Exhibit 9. And the prefiled testimony is admitted in the record as though read.

(Exhibit 9 marked for identification.)

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF W. KEITH MILNER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 991854-TP

FEBRUARY 14, 2000

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

A. My name is W. Keith Milner. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am Senior Director - Interconnection Services for BellSouth. I have served in my present role since February 1996, and have been involved with the management of certain issues related to local interconnection, resale, and unbundling.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. My business career spans over 29 years and includes responsibilities in the areas of network planning, engineering, training, administration, and operations. I have held positions of responsibility with a local exchange telephone company, a long distance company, and a research and development company. I have extensive experience in all phases of telecommunications network planning, deployment, and operations (including research and development) in both the domestic and

international arenas.

I graduated from Fayetteville Technical Institute in Fayetteville, North Carolina, in 1970, with an Associate of Applied Science in Business Administration degree. I later graduated from Georgia State University in 1992 with a Master of Business Administration degree.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE ANY STATE PUBLIC SERVICE COMMISSION, AND IF SO, BRIEFLY DESCRIBE THE SUBJECT OF YOUR TESTIMONY?

A. I have previously testified before the state public service commissions in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, and South Carolina, the Tennessee Regulatory Authority, and the Utilities Commission in North Carolina on the issues of technical capabilities of the switching and facilities network regarding the introduction of new service offerings, expanded calling areas, unbundling, and network interconnection.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY BEING FILED TODAY?

A. In my testimony, I will address the technical aspects of certain network-related issues raised in the Interconnection Agreement negotiations between BellSouth and Intermedia Communications, Inc. Specifically, I

will address issues 10, 17, 27, 29, and 30.

Issue 10: Are BellSouth's policies regarding conversion of virtual to physical collocation reasonable?

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth believes its policies regarding conversion of virtual to physical collocation are reasonable. The terms and conditions that should apply for converting virtual to physical collocation should be consistent with the terms and conditions of the assessment and provisioning of physical collocation. These terms and conditions are negotiated between the carriers and are found in the collocation agreement between the carriers. An application for a conversion of virtual to physical collocation should be evaluated just as an application for physical collocation would. Requests for in place conversions will be evaluated on an individual case basis, and a specific set of criteria will be used to ensure consistency in evaluation.

BellSouth will authorize the conversion of virtual collocation arrangements to physical collocation arrangements "in place" without requiring the relocation of the virtual arrangement where there are no extenuating circumstances or technical reasons that would prevent the arrangement from becoming a safety hazard within the premises or otherwise being in conformance with the terms and conditions of the collocation agreement and where (1) there is no change to the arrangement; (2) the conversion

of the virtual arrangement would not cause the arrangement to be located in the area of the premises reserved for BellSouth's forecast of future growth; and (3) due to the location of the virtual collocation arrangement, the conversion of said arrangement to a physical arrangement would not impact BellSouth's ability to secure its own facilities. Notwithstanding the foregoing, if the BellSouth premises is at or nearing space exhaust, BellSouth may authorize the conversion of the virtual arrangement to a physical arrangement even though BellSouth could no longer secure its own facilities.

A collocator always has the option to request to convert the services on an existing virtual collocation arrangement to a new physical collocation arrangement. If the collocator should desire such a request, the collocator should be responsible for any costs incurred.

Q. WHY DOES BELLSOUTH TREAT A REQUEST FOR A CONVERSION IN THE SAME MANNER IT TREATS A REQUEST FOR PHYSICAL COLLOCATION?

A. Virtual collocation and physical collocation are two different service offerings. While a collocating carrier has direct access to its physical collocation equipment on a twenty-four hour a day, seven-day a week basis, access to virtual collocation is restricted to limited inspection visits only. Since BellSouth leases virtual collocation equipment from the carrier and assumes the maintenance and repair responsibility at the direction of

the collocator, virtual collocation arrangements are most often placed within the BellSouth equipment line-up. The conversion of an existing virtual collocation arrangement to a physical collocation arrangement may necessitate either the relocation of the virtual collocation equipment to the space designated for the new physical collocation arrangement or the placement of new equipment in the physical collocation space and the decommissioning of the old virtual collocation arrangement.

This conversion process gives BellSouth the ability to manage its space in the most efficient manner possible. BellSouth must separately review its ability to provide physical collocation and assess the support components necessary for the particular arrangement (e.g., space allocation based on engineering drawings, HVAC, power feeder and distribution, grounding, cable racking). In performing these activities, BellSouth incurs costs. BellSouth recovers these costs through the assessment of a physical collocation Application Fee. Furthermore, BellSouth is obligated by the Telecommunications Act of 1996 to treat requesting collocators in a non-discriminatory manner. Each request for a physical collocation arrangement is handled in the same non-discriminatory manner, whether it is a physical collocation request or a request for a conversion from virtual to physical collocation. Therefore, a collocator who previously had virtual collocated equipment within an office follows the same process to obtain physical collocation as a collocator that did not previously have virtual collocation within that office.

Issue 17: Should BellSouth be required to offer subloop unbundling and access to BellSouth-owned inside wiring in accordance with the UNE Remand Order and the FCC Rule 319(a)?

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth offers access to all elements of its loop network through sub-loop unbundling offerings that comply with the FCC's UNE Remand Order and FCC Rule 319(a). BellSouth expects, and is entitled to, compensation for the use of its sub-loop elements provided to ALECs. In keeping with the full intent of the FCC's UNE Remand Order, BellSouth is, and has been, providing sub-loop unbundling at technically feasible points of access.

Q. PER THE FCC's UNE REMAND ORDER, WHAT DOES TECHNICALLY FEASIBLE POINTS OF ACCESS INCLUDE?

A. BellSouth will provide sub-loop unbundling at those technically feasible points of access per the FCC's Remand Order. However, the Order relating to access points is not entirely clear and BellSouth may seek additional clarification from the FCC. For example, it is not exactly clear to BellSouth what access to the Minimum Point of Entry (MPOE) means since the term MPOE is generally used to define a location of the demarcation point, not a cross-connect block or some other piece of hardware. In this sense, BellSouth has no control over ALEC access to

the location on a property, which is designated as the MPOE, for access to facilities that are on the customer side of the demarcation at the MPOE.

Q. IS BELLSOUTH OBLIGATED TO ESTABLISH THE DEMARCATION POINT AT THE MPOE?

A. No. The FCC has not established any presumption that the demarcation point should be at the MPOE. First of all, Part 68.3(b) deals separately with buildings existing after August 13, 1990, and with buildings existing on or before August 13, 1990. Following is the entire text of Part 68.3(b)(1) which deals with buildings existing as of August 13, 1990:

> "In multiunit premises existing as of August 13, 1990, the demarcation point shall be determined in accordance with the local carrier's reasonable and non-discriminatory practices. Provided, however, that where there are multiple demarcation points within the multiunit premises, a demarcation point for a customer shall not be further inside the customer's premises than a point twelve inches from where the wiring enters the customer's premises, or as close thereto as practicable."

Following is the complete text of paragraph 68.3(b)(2), which deals with wiring installed after August 13, 1990:

> "In multiunit premises in which wiring is installed after August 13, 1990, including major additions or rearrangements of wiring existing prior to that date, the telephone company may [emphasis added]

establish a reasonable and nondiscriminatory practice of placing the demarcation point at the minimum point of entry. If the telephone company does not elect to establish a practice of placing the demarcation point at the minimum point of entry, the multiunit premises owner shall determine the location of the demarcation point or points. The multiunit premises owner shall determine whether there shall be a single demarcation point location for all customers or separate such locations for each customer. Provided, however, that where there are multiple demarcation points within the multi-unit premises, a demarcation point for a customer shall not be further inside the customer's premises than a point 30 cm (12 in) from where the wiring enters the customer's premises, or as close thereto as practicable."

BellSouth has not elected to establish a practice of placing the demarcation point at the MPOE. However, if the building owner wants BellSouth to establish a single demarcation point to serve the entire building, BellSouth will comply with such a request. If the building owner does not want a single demarcation point, BellSouth provides demarcation points in each tenant's office or suite.

Q. ARE THERE ANY OTHER AREAS OF CLARIFICATION THAT NEED TO BE ADDRESSED RELATIVE TO "TECHNICALLY FEASIBLE POINTS OF ACCESS"?

A. Yes. Access to sub-loop unbundling at the Main Distributing Frame (MDF) is viable only for those network elements that normally terminate on the MDF. One example of such a network element is loop feeder. Loop feeder is sometimes referred to as the "first mile" of the loop in that it is that part of the loop terminated at one end in the central office and at the other end a cross-connection device such as the Feeder Distribution Interface (FDI) often found in rights-of-way alongside highways, streets, and roads.

Q. IN ISSUE 17, WHAT IS MEANT BY "ACCESS TO BELLSOUTH-OWNED INSIDE WIRING", AND WHAT IS ITS IMPACT, IF ANY?

A. The FCC's Remand Order at ¶223 is as follows:

> We clarify that "technically feasible points" would include a point near the customer premises, such as the point of interconnection between the drop and the distribution cable, the NID, or the MPOE. Such access would give competitors unbundled access to the inside wire subloop element, in cases where the incumbent owns and controls wire inside the customer premises. It would also include any FDI, whether the FDI is located at a cabinet, CEV, remote terminal, utility room in a multi-dwelling unit, or any other accessible terminal. (Emphasis added).

The FCC's Remand Order at ¶182 becomes more specific as to inside wire control as follows:

> Section 68.3 of our rules defines the demarcation point as that point on the loop where the telephone company's control of the wire ceases, and the subscriber's control (or, in the case of some multiunit premises, the landlord's control) of the wire begins. Thus, the demarcation point is defined by control; it is not a fixed location on the network, but rather a point where an incumbent's and a property owner's responsibilities meet. The demarcation point is often, but not always, located at the minimum point of entry (MPOE), which is the closest practicable point to where the wire crosses a property line or enters a building. In multiunit premises, there may be either a single demarcation point for the entire building or separate demarcation points for each tenant, located at any of several locations, depending on the date the inside wire was installed, the local carrier's reasonable and nondiscriminatory practices, and the property owner's preferences. Thus, depending on the circumstances, the demarcation point may be located either at the NID, outside the NID, or inside the NID.

The above paragraphs from the Order appear to indicate to me that the FCC's intent is to include in the unbundling of inside wire those facilities that exist today on the network side of the demarcation point, and which are included in BellSouth's Accounts and Subsidiary Records Categories as "Network Terminating Wire (NTW)", and that which are defined in Part 32 of the Uniform System Of Accounting (USOA) as "Intrabuilding Network Cable (INC)". (Note: INC is sometimes referred to generically as "riser"

cable.) As defined in several previous FCC Orders, "inside wire" is located on the customer's side of the demarcation point and is under control of the end user or, in some cases, the landlord. In the situation of NTW and INC, ALECs should obtain access to these sub-loop elements in the same manner as it obtains access to any other network element -- by placing an order with BellSouth and paying a just and reasonable price for the element. As to access to the inside wire within the end user's premises, this would be at the discretion of the end user, or building owner, rather than at BellSouth's discretion.

Q. HAVE YOU PREPARED AN EXHIBIT WHICH ILLUSTRATES BELLSOUTH'S PROPOSAL REGARDING SUB-LOOP UNBUNDLING?

A. Yes. Exhibit WKM-1, which is attached to this testimony, contains three (3) pages that I hope aid in understanding this issue. Page 1, shows the typical access to unbundled NTW in a "garden" apartment. The apartments on page 1 could as easily be envisioned as separate floors in a multi-story building. The point to be made here is that the access terminal is cross-connected by tie cable pairs with the terminals of both BellSouth and the ALEC thus allowing an ALEC access while preserving network reliability and security. Page 2 shows a typical serving arrangement in multi-story buildings for which BellSouth is, at present, the sole provider of telephone service. Page 3 shows BellSouth's proposed form of access for any ALEC. BellSouth proposes the use of an access terminal that is cross-connected by tie cable with the terminals of both

BellSouth and the ALEC.

Q. WHAT ARE SUB-LOOP ELEMENTS?

A. Sub-loop elements are the individual elements that make up the entire loop that extends from the BellSouth central office to the demarcation point between BellSouth's network and the inside wire at the end user customer's premises. No sub-loop elements, including those accounted for as NTW and INC, can be classified as inside wire. Rather, since these sub-loop elements are on the network side of the demarcation point, sub-loop elements are all parts of BellSouth's loop facilities and, as such, are subject to unbundling per the FCC's UNE Remand Order.

Q. PLEASE GIVE A BRIEF DESCRIPTION OF THE TECHNOLOGY BELLSOUTH USES IN PROVIDING CUSTOMER LOOPS.

A. Today, BellSouth uses many types of facilities and technologies to provision loops to its customers. In some cases, the facility may be a basic architecture consisting of a pair of copper wires that extend from the MDF of the central office (CO) to the Network Interface Device (NID) at the end user's premises. In other cases, BellSouth may use a mixture of fiber optic cables, pairs of copper wires and sophisticated electronics to provision a circuit from the CO to the customer. As an example, Digital Loop Carrier ("DLC") is one such technology that uses a mixture of facilities and equipment to provide loops to end users. By offering these

different types of provisioning options, BellSouth is able to provide optimum flexibility and cost-effectiveness during its service provisioning and maintenance processes.

Q. PLEASE DISCUSS THE SUB-LOOP ELEMENT REFERRED TO AS LOOP FEEDER.

A. In many cases BellSouth deploys a multiple circuit copper cable (for example, a 1,200 pair cable) from its CO to a remote terminal (RT) or cross-box located somewhere between the CO and the end user's location. Each pair within this cable can be used to carry a single voice conversion. This section of the loop is called the loop feeder. Sometimes, loop feeder has been referred to as "the first mile" of the loop in that it is the first section of cable leaving the BellSouth CO headed towards a customer's premises. This loop feeder section may also be provisioned using fiber optic cable.

The copper pairs of the loop feeder are then individually cross-connected to pairs in smaller cables called loop distribution. The loop distribution cables are attached to the feeder cables and serve all the houses or businesses in a sub-section of one of the CO's serving areas.

Q. PLEASE DESCRIBE THE SUB-LOOP ELEMENT REFERRED TO AS LOOP DISTRIBUTION.

A. Loop distribution facilities have been referred to as the "last mile" because these are the facilities that go the "last mile" to the customer's premises. The loop distribution cables are used to, in effect, "fan out" the availability of the cable pairs and/or transmission channels from the loop feeder cables. In this regard, the cables one would see within a sub-division are generally the loop distribution cables. Between the loop feeder cable and the loop distribution cable is a cabinet, above ground "hut", or below ground "controlled environment vault" within which cross-connections and/or electronics are located. These structures have been variously described as the "Feeder/Distribution Interface", the "Serving Area Interface", the "Remote Terminal" or, in its most simplistic configuration a "cross-connect box" or simply "cross-box". Any of these terms provides a reasonable description of the function of connecting a copper cable pair or fiber optic facility in the loop feeder cable to a copper cable pair in the loop distribution cable. However, in certain Fiber In The Loop (FITL) architectures, the loop distribution facility is fiber optic cable which may extend all the way to a terminal within, or attached to, end users' buildings. In either case, the distribution facility eventually runs to the customer's building and is then connected to INC and/or NTW, or in single family dwellings, a "drop wire", which connects the entire loop to the device called the NID. Note that the loops may be either attached to the BellSouth switch within the BellSouth CO, or the loops may be extended into the collocation space of an ALEC on an unbundled basis.

Q. PLEASE DESCRIBE THE NETWORK INTERFACE DEVICE (NID)

A. Simply stated, the NID provides a demarcation point between BellSouth's facilities (that is, the loop) and the customer's facilities (that is, the inside wire). Thus, the NID provides a way to connect the loop to the inside wire. In some cases, the NID integrates other components; e.g., a lightning protector, loopback test electronics, etc.

Q. WHAT IS INTRABUILDING NETWORK CABLE (INC)?

A. In multi-story buildings, and in some campus-type properties, INC is that part of BellSouth's loop facilities extending from a cross-connect terminal at, or close to, the entrance point of the distribution cable. INC is another sub-loop element that is located on the network side of the demarcation point between BellSouth's network and the inside wire at an end user customer's premises. Although INC may in some cases connect directly to the NID, typically it connects to NTW prior to final termination at the end user's NID.

Q. WHAT IS NETWORK TERMINATING WIRE (NTW)?

A. NTW is another sub-loop element of the BellSouth loop. Depending on the type of building served, NTW provides a copper wire transmission path between distribution cable (copper or fiber), or INC, and "fans out" to individual customer suites or rooms within that building. In this sense,

NTW is the "last" part of the loop on the network side of the demarcation point.

To summarize, distribution cables are connected to INC and/or NTW, depending on the situation, either of which then extends the loop to its final termination at the customer's NID. The NID establishes the demarcation point between BellSouth's network and the inside wire at the end user customer's premises with either or both NTW and INC being located on BellSouth's side of the demarcation point and, thus, comprising sub-loop elements of BellSouth's network.

Q. IS INTRABUILDING NETWORK CABLE (INC) AND NETWORK TERMINATING WIRE (NTW) PART OF BELLSOUTH'S LOOP, OR ARE THEY "INSIDE WIRE"?

A. INC and NTW are sub-elements of the loop. BellSouth expects to be, and is entitled to be, compensated for the parts of BellSouth's loop used by an ALEC, including INC and NTW. The loop, including all sub-elements, is on the network side of the demarcation point or NID. The inside wire is on the customer's side of that demarcation point. The demarcation point has clearly been established by rules set forth in the FCC's CC Docket 88-57 and codified in CFR Part 68. The FCC's definition of the MPOE, which is found on page 13 of its Order in Docket 88-57, reads "In particular, that rule defines the minimum point of entry as 'the closest practical point to the point at which the wiring crosses a property line or . . . enters a

multiunit building'." On page 14 of that same order, the FCC clearly states ". . .we expect that the 'closest practical point' could just as easily be outside the customer's premises as deeper inside those premises." Most importantly however, the FCC's Order in no way presumes that the demarcation point is at the MPOE.

Q. WHAT IS BELLSOUTH'S BASIC POSITION REGARDING ALEC's ACCESS TO NETWORK TERMINATING WIRE AND INTRABUILDING NETWORK CABLE LOCATED ON BELLSOUTH'S SIDE OF THE DEMARCATION POINT?

A. Because BellSouth's NTW and INC constitute sub-loop elements, ALECs should obtain access to NTW and INC in the same manner as it obtains access to any other network element -- by placing an order with BellSouth and paying a just and reasonable price for the element.

Issue 27: Should Intermedia be permitted to establish Points of Presence ("POP") and Points of Interface ("POI") for delivery of its originated interLATA toll traffic?

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. All local service providers, including BellSouth and ALECs, should be permitted to establish POIs as they choose so long as each local service provider designates at least one POI within the LATA to which it will

deliver traffic originated by its end user customers bound for the end user customers of another local service provider.

Q. DOES BELLSOUTH'S PROPOSED INTERCONNECTION AGREEMENT LIMIT THE ESTABLISHMENT OF INTERMEDIA'S POINTS OF PRESENCE AND POINTS OF INTERFACE TO INTERCONNECTION FOR LOCAL AND INTRALATA TOLL TRAFFIC?

A. No. As indicated by the FCC's First Report and Order, Intermedia is free to interconnect with the BellSouth network at any technically feasible point for delivery of its traffic to BellSouth. Intermedia is free to establish one or more Points of Interface with the BellSouth network. For example, BellSouth offers interconnection at every BellSouth access tandem in a LATA, offers multiple tandem access (where BellSouth will deliver Intermedia transit traffic to access tandems in the LATA where Intermedia does not have NXXs homed thus eliminating the need for Intermedia to interconnect at those access tandems), local tandem interconnection, and direct end office interconnection. This is the intent of Paragraph 6.9 on Transit Traffic contained in BellSouth's standard interconnection agreement. Accordingly, Intermedia's POI(s) with BellSouth allow(s) for the routing of Intermedia's end user local, intraLATA and switched access traffic.

Issue 29: In the event Intermedia chooses multiple tandem access ("MTA"), must Intermedia establish points of interconnection at all BellSouth access tandems where Intermedia's NXX's are "homed"?

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. If Intermedia elects BellSouth's MTA offer, Intermedia must designate for each of Intermedia's switches the BellSouth tandem at which BellSouth will receive traffic originated by Intermedia's end user customers. The MTA option alleviates the need for the ALEC to establish interconnecting trunking at access tandems where the ALEC has no NPA/NXX codes homing. However, NPA/NXX code homing arrangements are published in the Local Exchange Routing Guide (LERG) so that all telecommunications companies in the industry will know where in the network to send calls to the designated NPA/NXX code and where in the network calls from the designated NPA/NXX code will originate. The ALEC must interconnect where its NPA/NXX codes home. For example, if Intermedia assigns its NPA/NXXs to a BellSouth Exchange Rate Center, Intermedia must home such NPA/NXXs on the BellSouth access tandem serving that BellSouth Exchange Rate Center. Correspondingly, in order for BellSouth to deliver terminating IXC switched access traffic to the Intermedia switch serving those Intermedia NPA/NXXs, Intermedia must establish a trunk group to that BellSouth access tandem switch. This is normal NPA/NXX homing and network traffic routing practice within the industry.

BellSouth does not attempt to limit Intermedia's flexibility regarding the design or operation of its network, but BellSouth and all other telecommunications service providers must know where Intermedia's NPA/NXX codes are homed in order that required translations and routing instruction be installed to ensure the correct handling of calls to and from Intermedia's end user customers.

Issue 30: Should Intermedia be required to: (a) designate a "home" local tandem for each assigned NPA/NXX; and (b) establish points of interconnection to BellSouth access tandems within the LATA on which Intermedia has NPA/NXXs homed?

Q. WHAT IS LOCAL TANDEM INTERCONNECTION?

A. Interconnection with a BellSouth local tandem allows an ALEC to terminate its local traffic to end offices within a local calling area rather than the ALEC interconnecting its switch(es) directly with each end office within that local calling area. ALECs may also interconnect with BellSouth and other service providers via BellSouth's access tandems to exchange local traffic.

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. Intermedia may interconnect its network to BellSouth's network at one or more access tandems in the LATA for delivery and receipt of its access traffic. However, Intermedia must interconnect at each access tandem

where its NPA/NXX codes are homed. Telecommunications service providers inform all other telecommunications service providers where traffic for a given NPA/NXX code should be delivered for completion of calls. Telecommunications service providers then build translations and routing instructions based on that information to ensure the proper handling of calls.

BellSouth's local tandems were created for efficient tandem switching of local traffic served by those local tandems. By interconnecting to a BellSouth local tandem, Intermedia may deliver its originated local traffic to BellSouth end offices (and third party end offices) subtending that BellSouth local tandem. If more than one BellSouth local tandem serves a particular BellSouth local calling area, and Intermedia elects to interconnect at BellSouth's local tandem(s) for Intermedia's local traffic, Intermedia must establish one or more of the BellSouth local tandems as a home local tandem for its NPA/NXXs and establish interconnection to the BellSouth local tandem(s) on which Intermedia homed its NPA/NXXs. Once again, this is normal network homing and routing practice necessary for BellSouth and third parties to know how to deliver traffic to Intermedia in the most efficient means possible. Obviously, if telecommunications service providers do not know where Intermedia's NPA/NXX codes are homed, then it is impossible for proper translations and routing instructions to be created and implemented. As a result, calls to and from Intermedia's end user customers cannot be completed.

As I have previously stated, in order for all entities in the telecommunications industry to be able to configure their own network for delivery and receipt of calls, a "homing" arrangement for every NPA/NXX code in the network is required. Further, requirements for the treatment of exchange access traffic have already been developed and have long been in place.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

MR. KITCHINGS: Thank you.

COMMISSIONER JACOBS: He is tendered for cross?

MR. KITCHINGS: The witness is available for questioning.

CROSS EXAMINATION

BY MR. CANIS:

Q Hi, Mr. Milner. I'm John Canis for Intermedia. Just to get a handle on how big a problem this conversion of virtual arrangement to physical arrangements may be, do you have any information on what percentage of requested conversions are not -- you are not able to employ under these standards that you have proposed?

A No, sir. We have not looked at each and every case for a number of different reasons. One, only the collocator knows whether they want to convert from virtual to physical. We have got a lot of virtual collocation in place. Some of that is because that was the collocator's first choice, that is, physical collocation was available in that central office, but virtual collocation was the first choice. In other cases where the collocator really wanted physical collocation but there was not sufficient space to allow for that.

Q When you talk about conversions, are these typically from virtual arrangements to caged collocation arrangements or cageless?

A I would imagine that they would generally be from virtual collocation arrangements to cageless, I think would be the norm. Although, there again, whether the equipment is to be enclosed or not, or caged or not, is at the election of the collocator. And there is still quite a demand for caged collocation going forward. I mean, I was in central office last week and reviewed four new collocation arrangements that were going in, and all four were caged arrangements.

Q And, you know, just so we get our terms straight, let's see if we can agree on these definitions of caged and cageless. Typically it is my understanding that a caged collocation arrangement build most often a chain-link enclosure around a carrier's collated equipment, typically these are ten-by-ten square feet, although they can be bigger or smaller.

With a cageless collocation arrangement you basically just have the big equipment rack sitting there by itself with the equipment in it. These racks tend to be, what, about 3 feet wide, 2 feet deep and 7 feet high, is that roughly the ballpark?

A That is roughly the ballpark. Let me correct a couple of things you said. A cageless collocation, which is also referred to as unenclosed, says that there is not some enclosure around it. So let's look at what types of

enclosure there are. You said a caged collocation arrangement would typically be -- would have a chain-link fence around it. No, that is not quite the case. It is actually welded wire, steel wire that comes in panels. And the collocator can choose to have that or not.

The collocator may alternatively say, I would rather have, you know, a gypsum wall around my equipment with a door on it. And that is, again, at the collocator's election as to what sort of enclosure is desired. So the collocator decides if they want an enclosure at all, and, if so, what type of enclosure that might be.

Cageless, on the other hand, or unenclosed just says I need a space on the floor which is often taped off on the floor to designate this is the floor space that I will pay for, and within that floor space I will locate my equipment. You said it is roughly three feet wide, that is quite -- you know, that is close enough for our needs here. But it varies in depth by the type of equipment; transmission equipment is more shallow, switching equipment, you know, may be as much as two feet deep.

There is also quite a variability in the type of power that is required, not only the voltage, but the manner in which the equipment is grounded. There are basically two ground supplies in a central office; one

more sensitive than the other. Switching equipment generally goes on one, most other types of equipment on another.

My point, without going through all of that, is that the collocator is in complete control as to what the ultimate requirement is. Whether there is a cage, where in the central office that can be placed, the amount of power that is required, the grounding supply that the equipment must be hooked to, the amount of heat that that equipment releases and therefore has to have ducting and vent work over it to cool it. So there is a great deal of variability.

Q You mentioned gypsum wall board enclosure and that some ALECs may request that. Are there any instances in Florida that you are aware where an ALEC is forced to take gypsum wall enclosed arrangements if it doesn't want them?

A Not to my knowledge, no. Again, that is one of the decisions that the collocator will make. And I presume that -- although I have never asked the question, but I presume that the collocator would prefer a gypsum wall for a couple of reasons. One, it lessens the risk of electrical shock, because anything metallic with that much power around it has to be screened away from the equipment and made sure that it is electrically neutral.

The collocator may also want some privacy as to what types of equipment and the arrangement of the equipment that are being placed in the central office. I mean, visibly they don't want other people to see what types of equipment they are installing and in what configuration.

Q When we were here with the BellSouth 271 proceeding with Intermedia a couple of years ago, at that time BellSouth was taking the position that there were a number of locations in Florida, I believe Dade County was one, where the local zoning ordinance required that all collocation be done through gypsum wallboard. And though Intermedia requested different forms of collocation, it was informed that BellSouth could not comply, they were compelled to provide gypsum wall enclosures.

Do I take it that is no longer an issue and that there are no cases that you are currently aware where an ILEC that does not want a gypsum board enclosure would be forced to take a gypsum board enclosure?

A Let me answer in two parts. A couple of years ago, and I will take your word that is the right time frame, especially in South Florida, local permitting agents had decided that collocation arrangements created a multi-tenancy within a building. And they decided to apply condominium law, which in part said that those

condominiums had to be separated one from another with fire-rated walls. The only way to do fire-rated walls is to extend -- so fire-rated walls could not use a wire mesh panel between one condominium, as they referred to them, and another. And, second, those fire-rated walls have to go all the way up to the concrete ceiling.

So it was a function of the permitting agent's interpretation of real estate law that collocation arrangements were, in fact, condominiums that triggered the need for gypsum walls that were fire-rated for -- I forget the exact amount of time that they had to withstand fire and smoke. So it really fell from that.

Since that time, the permitting agents have revisited that issue, have now decided that it does not constitute a condominium arrangement, and that relieves us from the burden of providing -- of requiring gypsum walls, fire-rated, attached to the ceiling, that sort of thing.

So, again, that is a long way of answering your question that going forward I don't know of any cases where we are demanding gypsum walls unless there are cases where the permitting agents have created a situation where that is the only way to create a collocation arrangement.

Q Thank you. I'm looking now at Page 3 and 4 of your testimony, Line 25 on Page 3 and going over to the first few Lines of Page 4 where you talk about the three

standards that will govern whether a carrier can convert an existing physical arrangement to a virtual arrangement.

The first is a requirement by BellSouth that there is no change to the arrangement. Now, I believe in response to Commissioner Jaber's question you indicated that that was in place to prevent gaming of the system, is that the case?

A Yes. I mean, basically that's what it is.

Q Let me just posit something and see if we can't come to an agreement, an approach to this. The change from a physical to a virtual collocation arrangement generally involves the physical movement and often involves a service outage, is that your experience?

A No, sir. You said usually involves a physical relocation of the equipment. No, I won't say that that is usually the case. What I said earlier was that virtual collocation is often in the same lineup with BellSouth's equipment for the reasons we talked about that BellSouth does the maintenance. But I don't know if I would say categorically that usually the equipment has to be moved.

To the second part of your question, is there a service outage, not necessarily. Let's say I have got some amount of equipment and I expect to double that amount of equipment over the next year or two because I'm so successful in the marketplace in terms of attracting

new customers. It is entirely possible that I could put my new equipment in place in another location, transfer my customers from one to the other without interruption, and there is ways to do that, and then move the original equipment alongside my new equipment. So, no, I won't agree that there is necessarily an equipment outage that has to take place, but it does require some coordination of cutover from service from one piece of equipment to another. But this happens all the time, there is nothing novel about that.

Q Well, let's go through some of the things that you said. First, in terms of whether a conversion can happen in place or whether it involves the physical movement of equipment, I think you answered my question earlier, you don't have any information as to what percentage of the time movement of the equipment is necessary and what percentage of the time conversion in place may take place, is that the case?

A Yes.

Q Does BellSouth have information concerning that?

A Just to be sure, does BellSouth have the information of how many virtual collocations in order to convert the equipment had to be moved?

Q Uh-huh.

A We would be in possession of that information.

I don't have it before me, but we could find that out.

Q And I don't need to pursue that at this time.

COMMISSIONER JABER: Excuse me. Mr. Milner, has Intermedia given you any reason to believe that they would take this opportunity to game the system?

THE WITNESS: No, ma'am.

COMMISSIONER JABER: Has the FCC given us any guidance on how to go about conducting the conversion between the virtual and physical collocation?

THE WITNESS: Yes, they have. Indirectly they have. One, as we have said, they have given us guidance that we should serve requests for any sort of collocation in the order that the request was made. The rules for how that might be accommodated has changed over time and has changed again as recently as two or three weeks ago.

To sort of give you the brief history, at one point the FCC's rules said that physical collocation could be placed in what some people called common areas; that is, BellSouth would create a room inside its central office, and within that room Intermedia, for example, could choose to enclose its equipment or leave it unenclosed. But all of that was separated by a wall from BellSouth's equipment.

Later, the FCC said that that was not required, and that BellSouth could not impose a requirement that

collocated equipment be in a separate room or on a different floor. So the rules changed at that point. The D.C. Circuit Court's opinion in a case just a few weeks ago changed the rulings once again, and said that the FCC had shown no basis for why an ILEC, like BellSouth, could not impose a requirement that the collocated equipment be in a separate place or even in a separate room.

So, over time the rules for what could be collocated and the manner in which that collocation is accomplished has changed at least on those three different occasions. So, yes, they have given us guidance. Unfortunately, some of that guidance has over time evolved. They have also told us what types of equipment can be collocated. And, there again, that has an implication for where in the central office that that equipment can go, because there are certain types of equipment which must be physically separated from each other such that you don't touch one piece of equipment and touch the other at the same time because they are grounded differently, you would be shocked or electrocuted. So they have given us a lot of guidance.

COMMISSIONER JABER: Has Intermedia made an official request to have the conversion between virtual and physical?

THE WITNESS: I don't know of any. I don't know

of any specific request, but they may very well have placed some requests. We have an organization within BellSouth that responds to their requests, their inquiries. Those inquiries do not come directly to me, so I just don't know.

BY MR. CANIS:

Q We were talking about the situation in which a carrier could avoid a disruption of service when it had to physically move its equipment. And I think the scenario you mentioned was if I'm very successful and I'm going to really expand my equipment, I can put in all of this new equipment in place and get that up an running, cut the service over and then go and move my existing equipment. That is one scenario?

A That is one way, yes.

Q Now, when I did that, that would still involve what they call a hot cutover or a hot cut, is that correct?

A It might. I would imagine in most cases it would. On the other hand, Intermedia might inform all of its customers that at 3:00 a.m. on Sunday morning that that is when the cutover would be done and it would not be a hot cutover; that is, you would notify customers this is when I am going to do the conversion, you can expect to be out of service for some number of minutes.

So, you know, one way is to do a hot cutover; that is, to immediately transfer the service. Another way is to do it on a coordinated basis; out of hours, as we say.

Q For that hot cut option -- and, by the way, does a hot cut ever entail a service outage of a brief duration?

A Anything that humans do subject to things going not the way we planned. That is certainly not our objective. We want all cutovers to go through flawlessly. But as long as there are human beings involved, yes, there is going to be human error and things are going to go wrong. But we strive mightily to minimize that effect.

Q Now, if the scenario we just discussed did not, in fact, take place, let's say one of my pieces of equipment is a brand new Lucent Pathstar (phonetic) that has tons of capacity on it. And I bought it, it has been up and running, and even though my demand is growing strong, there is a lot of capacity on that machine, so I'm not going to be buying another one of those anytime soon. If that is the case, there could be a fairly -- and I have to move that piece of equipment, that could entail a fairly substantial downtime, is that not the case?

A Not in all cases. BellSouth has moved live equipment before. In fact, we have even invented a term

called a hot slide. That is the equipment is cabled to where it is right now, new cables are extended to a new place and the equipment is actually physically moved while it is still in service. It takes a lot of coordination, but it can be done. So, even in the case that you explained with the Pathstar, it may be just a matter of moving it, moving the equipment across the aisle into a new place out of the BellSouth line-up, and thereby meeting all the conditions that I named here.

Q Now, assuming for a hot slide to work, you would have to have an available collocation spot in fairly close proximity to where the virtual collocation arrangement is, right?

A Fairly close by, yes. But to add on, my point was that a great deal of coordination work and prewiring, preconditioning can all take place such that the outage -- you said a considerable amount of time might elapse, that is not necessarily so. You do as much of the work as you can, and you move the equipment as quickly as you can to minimize that amount of outage.

Q Well, there is some SONET services that BellSouth provides the customers where service is out by more than a minute they get a free month of service, isn't that correct?

A Yes. Well, before I answer, I just didn't

understand the first word you used. What was the word before service?

Q SONET.

A Okay. Thank you.

Yes. I mean, some of our tariffs have service guarantees that say if the equipment -- if the service is out for a certain amount of time then a certain amount of rebate is due the customer.

Q For a lot of the reasons we have been discussing, has it been your experience that carriers tend to prefer change in place if it is possible?

A That would be my preference, and I understand that. BellSouth simply wants the rights guaranteed to it or given to it by the FCC. The FCC said that BellSouth could reserve space for its future needs. If that space is occupied by Intermedia's equipment, then we are denied the right to have what other collocators can have and that is the ability to reserve space for future needs. We want to be able to secure our network in the same manner that Intermedia wants to secure its network.

There is specific provisions in the FCC's orders that say that BellSouth, for example, can take prudent security measures and can even enclose its own equipment. If your equipment is bolted to mine, then I can't do that. I can't secure my equipment physically from you because

the equipment touches. That was okay when BellSouth was the only party that worked on that equipment, but that is not okay when Intermedia is doing its own maintenance on its own equipment.

You know, back to your point. You know, accidents happen and service outages occur sometimes because of human error. That condition is really meant to minimize the likelihood that that will take place. And I'm not suggesting in any way that Intermedia would intentionally disrupt equipment or disrupt the service provided by BellSouth's equipment in an adjacent bay, but unfortunately that sometimes does occur.

COMMISSIONER JABER: To the best of your knowledge has that ever occurred with any company that you collocate with?

THE WITNESS: Well, it can't by definition right now because we do the maintenance. We do the maintenance on our equipment and we do the maintenance on, for example, Intermedia's equipment that is in virtual collocation arrangements.

COMMISSIONER JABER: Right. But you have some companies where you physically have collocated them, correct?

THE WITNESS: Yes, ma'am.

COMMISSIONER JABER: And that physical

collocation hasn't resulted in service disruptions, correct?

THE WITNESS: No, and probably for the very reason that physical collocation arrangements are physically removed from BellSouth's equipment; that is, they are separated by some distance.

BY MR. CANIS:

Q So going to the three factors that you identified that determine whether we can do a conversion in place or whether we have to physically move the equipment, item number two was your right to reserve space for BellSouth's own use, and I don't think you are going to get a disagreement from Intermedia on that one.

On item three, and I'm glad you brought it up, it is what is the impact on BellSouth's ability to secure its own facilities. I would like to explore that a little bit more with you. I believe the FCC indicated that you have the right to put cabinet doors on these bays that would enclose the equipment within the bay itself. Is that the kind of security that you are talking about?

A No. Well, first of all, I don't recall the FCC suggested that you put panels on the front of the bay. First of all, you would have to secure not only the front, but the back. Because equipment, you can access both sides of it. And if you did bad things on either side

then service outage could result.

The equipment is open for a lot of good reasons. It is open, that is without this cabinetry front and back, so it is easy to get to the equipment if you have got to be there in a hurry. The second reason is that a lot of the equipment is electronic equipment. That equipment generates heat, the heat has to be dissipated.

If you have got cabinetry around that equipment then the heat is going to build up within that cabinet and the equipment will break down over time causing service outages. So, you know, using cabinetry around the equipment itself is probably not a very good idea for those reasons. There is also, you know, the issue of where this cabinetry would be storied or located when our technicians or your technicians were actually working on the equipment.

So, no, I envision other forms of security being much more prevalent, and that is perhaps BellSouth enclosing its equipment with wire mesh enclosures or gypsum walls or something of that nature, but leaving the equipment itself pretty much -- or to the degree we could, leaving the equipment untouched.

Q So are you saying that any time there are two contiguous bays, I've got a bay here with my equipment on it that you established, that BellSouth establishes a

virtual collocation arrangement, holds Intermedia's equipment. Right next to it is another bay that has got BellSouth equipment. So there is no situation where you have those two contiguous bays that BellSouth would agree to a conversion in place?

A No, there is a condition. And that is that BellSouth has said that where space in the central office is so exhausted that there is not another space in the central office to move that equipment in the virtual arrangement to, that we would waive that right and allow it to be converted in place. But that is out of our desire for the collocator to be able to convert, if that is possible.

If we are out of space and there is no space to move the equipment to, then BellSouth said at its option it will allow that conversion in place even though it forecloses BellSouth from being able to adequately secure its own equipment. So there is an exception, yes.

Q So it is technically feasible to have two contiguous bays and to have a cageless virtual collocation -- cageless physical collocation bay with Intermedia's equipment that is right next to a BellSouth equipment bay?

A No, I wouldn't agree with that, and for this reason. You used the phrase technically. You said it was

technically feasible. One of the aspects of technical feasibility is network reliability and security. And, in fact, the FCC in its first report and order said that situations that reduce network reliability and network security are indicators that an arrangement is not technically feasible. So something is not technically feasible if it is not reliable and secure.

Q But by the same token, you just told me you would do exactly this arrangement in cases where there is not a lot of space left in the central office?

A Yes.

Q So I guess that does mean it is technically feasible, then.

A No, sir, it means that BellSouth is willing to compromise the integrity of its own network to the degree in this case where the alternative is to hold Intermedia out of having a collocation arrangement.

Q So in that case BellSouth is willing to do the technically infeasible?

A It is willing to take on a certain amount of risk to its network in order to accommodate what Intermedia wants to do. But only in those cases where there is not other space that is entirely suitable for Intermedia to move its equipment to.

Q And I'm sorry I don't know this, has BellSouth

established the final costs for physically moving equipment or is that subject to the Commission's review at this time?

A I have not seen the final costs. I just don't know.

Q Okay. Can you make a generalization as to whether it is more costly for an ALEC to have its equipment physically moved to another location as opposed to changing in place?

A No, I can't answer that, because is it more costly, answering that question is a function of analyzing two or three different things. One, yes, there is a cost of moving the equipment from one place to another. But on the other hand, converting from virtual collocation to physical collocation shifts the maintenance responsibility for that equipment. So right now Intermedia pays BellSouth to do that. In a physical arrangement Intermedia would do that work itself.

So there are at least those variables that would have to be considered to determine is it more costly to move equipment into a physical collocation arrangement or leave it where it is. So it is not just the cost of moving the equipment that needs to be considered.

COMMISSIONER JACOBS: Excuse me, Mr. Canis, what I would like to do now is go ahead and break for lunch.

And I'm thinking 45 minutes. We will come back at 1:45. Thank you.

(Lunch recess.)

COMMISSIONER JACOBS: Call the hearing back to order. And we will resume with the cross examination of Mr. Milner.

Before we do that, though, I would like to kind of confirm that we are thinking we can wind up today? I'm prepared to go late, but I wouldn't want to go much later than 6:30. Do you think we can finish by then?

MR. KITCHINGS: Commissioner, from BellSouth's perspective that shouldn't be a problem. My cross examination ought to be about an hour to an hour and a half of Mr. Jackson, both pieces put together.

COMMISSIONER JACOBS: Okay.

MR. CANIS: And, Your Honor, I don't think I have more than an hour total for both Mr. Varner and Milner.

COMMISSIONER JACOBS: Very well. With that, proceed.

BY MR. CANIS:

Q Okay. Mr. Milner, just as a follow-up on our discussion before lunch, I wanted to talk with you a little bit about what really is the difference between virtual collocation and physical collocation in place.

And my understanding -- and I should say a cageless physical collocation arrangement in place. My understanding is that more often than not, as a matter of fact every instance that I know, BellSouth when it does a virtual collocation arrangement it has a separate bay and puts the equipment of a particular ALEC in that bay and that it is virtual collocation because BellSouth comes in and have their own personal work on the equipment and the ALEC can't get access to it.

My understanding is when you do a conversion in place to physical collocation, nothing changes. It is the same bay in the same place, the same equipment. And what the difference is now is that the ALEC's personnel can come in and work on their own equipment by themselves.

Do you agree with my characterization there?

A For the most part, yes. But there are some differences between the two, even at the equipment level. At the equipment level, modern equipment has automatic alarms that it sets off, that is the equipment itself is diagnosing, you know, whether it is healthy or not by these little routines that it runs periodically.

And if it finds that it is not okay, then it sends messages to alarm surveillance centers that may be in the same city, they may be across the country. So at a very minimum those alarm leads would have to be rerouted

from BellSouth's surveillance center to Intermedia's. So, there are some equipment changes that have to be made to accommodate the conversion. But the real issue is, as we talked about earlier, insuring those three things that BellSouth believes the FCC rules said it could do; secure its equipment, serve ALECs in the order that they made requests, and reserve space for future needs and secure equipment.

Q Now, we talked a little bit about reserving space. We talked at some length about maintenance of security measures. The other issue that you have that will prevent a carrier from doing a change in place is if there was no change to the arrangement. We started just briefly to talk about this, about BellSouth's concern about gaming the process. I want to see if we can come to some conclusion, or some agreement if there is a way to give BellSouth against -- protection against gaming while allowing a CLEC to make a reasonable amount of change within an arrangement.

Let me just ask you this. If I have got a virtual collocation arrangement, let's say the bay has six shelves on it, and I've got three pieces of equipment on there. So I have got half a bay left. Let's just say I wanted to install a new piece of equipment. Under virtual collocation, I could ask BellSouth to install that piece

of equipment, and then I guess a week later I could say, hey, could I change this to physical collocation, and presumably get a change in place. Why can't I do all of that at once to give myself the economies and the efficiencies of saying, look, you have got people who are rerouting your monitoring circuits, there may be a service down time or at least there are going to be people working on the equipment, why don't I use this opportunity to do some either routine maintenance, or maybe to add a piece of equipment, and do a relatively minor change in that way. What is wrong with taking that approach?

A By its nature there is nothing wrong with it. But in adding that equipment within that bay, it all depends on what work had already been done which would make that easy or difficult. For example, if when that bay went in you told BellSouth that the only equipment that will be in there ever -- I think you said five shelves of equipment -- the only things that will ever be there, and shelves are imagine just stacks of equipment, if you had said there is only going to be five, then we would have planned heating and cooling for the amount of heat that five shelves of equipment would dissipate. So there may not be adequate ventilation for it, there may not be adequate power feeds for it. So those things would have to be considered, as well.

If, on the other hand, at the outset you had said make sure there is plenty of cooling there, make sure there is plenty of power leads and all of these other things, and all I want to do -- I will install my own equipment, you know, and we can meet all three of these conditions, BellSouth is not opposed to that. Because, you know, in that case, whether you have got five shelves of equipment in one bay or whether you have got eight or nine shelves, it still occupies the same amount of floor space. So no other CLEC -- or ALEC, I keep using that term -- can use that space anyway because your bay occupies it. So that is not the issue.

It is where you are saying I've got three bays and I want to convert and I want ten bays, and someone is -- you know, another ALEC is already on a waiting list, we don't think that is fair.

Q Well, I tell you what, then, I mean, it almost sounds like there is some meeting of the minds here. Do you think we could come to some language where we would change this item number one to read from there was no change to the arrangement to say that there is no change in the number of bays occupied by the ALEC, or something along those lines, to get to what I think is a legitimate concern that you have, but would also grant us the flexibility that we need to, you know, do reasonable

expansions within a bay?

A Sure, I think we could get there. Now, you said -- well, let me state it a different way. I might have said it differently than saying there won't be a different number of bays. It needs to focus rather on the amount of work that BellSouth would have to do. Is there adequate heating and cooling, is there adequate power leads, all of those things. But, remember, that is only one of the conditions. So, if you could do that, you know, if there is adequate heating and cooling, if there is adequate power, if there is adequate all the kinds of infrastructure, cable racking, then that is not such an issue for us. But the other two issues still remain. That is our ability to secure equipment, our ability to grow our own equipment over time.

Q And I think -- so it sounds to me, just to sum this all up, you are not going to get any argument from Intermedia on item number two, your ability to reserve space, it sounds like we have reached agreement that we can work something out in terms of our ability to make changes to a bay without eliminating our need to -- our ability to convert that. And I guess we have to agree to disagree on some of the security measures, is that a fair --

A That is a fair statement, yes. Now, did I

convince you or did you convince me? I guess that is the question.

Q I would like to talk to you now about kind of a series of commingled issues here about where we have to establish points of interconnection, where we have to trunk to, and how we interrelate when we home an NPA-NXX to a particular central office.

Let me just start by asking you to summarize BellSouth's position regarding -- does Intermedia have to establish points of interconnection at every access or local tandem where NPA-NXXs home and is Intermedia obligated to direct trunk to end offices?

A Well, let me answer -- that is two different questions. To the first one, yes, we believe you need to establish interconnection trunking to those locations within BellSouth's network that you designate as, you know, where your NPA-NXXs will home; that is, those places to which Intermedia will send traffic and from which it expects to receive traffic. So the answer to the first part is yes.

I think the second part was -- is it BellSouth's policy that you must establish direct trunking between end offices? And if I understood your question correctly, the answer to that is no. If you want direct trunking between Intermedia's switch and any or all of BellSouth's end

office switches, then you can do that. If instead you want to send that traffic through BellSouth's local tandem, you can do that. If you want to -- if there is more than one local tandem, you can send it to all of them. If you want to send it to the access tandem, you can do that. So there are a variety of options that Intermedia could choose from as to where in BellSouth's network, the point at which that traffic would be exchanged. So that is your election as to which option you prefer. And we are saying just let us know so we can build our network accordingly to meet you there.

Q Are you aware of Intermedia's current network configuration and whether Intermedia is currently -- has currently established a point of interconnection in every office where an NPA-NXX is homed?

A I believe you have, otherwise there is no physical way to transfer the traffic from our network to yours.

Q Let me ask you this, does BellSouth trunk out and establish points of interconnection at every Intermedia switch location?

A Not at every one of your locations. But, first of all, I will say that generally, except for Orlando, every location generally means one switch in a local calling area. That is, except in Orlando, Intermedia only

operates one switch. So we look at the situation in economic terms and decide whether there is enough traffic from one of BellSouth's end office switches in a given area, let's say Orlando, to justify having a direct trunk group between that end office and Intermedia's switch, or rather, is it more economical to aggregate that traffic at one of BellSouth's tandem and deliver over a common trunk group. So the decision is cast on a case-by-case basis looking at community of interest between the switches and that sort of thing.

Q Do you think Intermedia does its own network planning using that exact same analysis?

A Well, I don't know. But I would be surprised to learn that Intermedia did not use economic engineering principles in deciding, you know, when to establish direct trunk groups and when to send traffic via tandem.

Q You understand, of course, that the requirement that Intermedia establish points of interconnection at BellSouth offices means that Intermedia has to configure its network, it has to buy -- it has to either build-out or buy additional facilities with each new office that it is required to establish a point of interconnection with, is that the case?

A Certainly. If Intermedia buys a new switch, that switch by itself is not very useful until it is

interconnected with the entire network. So at least one point of interconnection must be established. I don't think Intermedia would sell too many customers service who could only call other customers served by that same switch. So there is always at least one point of interconnection between that switch and the larger network.

Q Intermedia, to my knowledge, has at least one point of interconnection in every LATA. But BellSouth's proposal in this new language for this proposed interconnection agreement would require Intermedia to increase the number of points of interconnection throughout the LATA, isn't that correct?

A No, sir. And it is not correct for this reason. Intermedia can say I want all of my traffic from my switch to BellSouth's end user customers and the end user customers of other ALECs, of other independent companies, BellSouth, I want to use your multiple tandem access option, and I will only establish one point of interconnection, and here it is, and I want you to get that traffic to where it belongs.

And, oh, by the way, the NPA-NXX codes that you will receive traffic from are these, and those are the same ones that you will send traffic to over that single interconnection point.

Q And that was my understanding what BellSouth's multiple tandem access offering was all about. But don't you testify in this case that multiple tandem access requires Intermedia to direct trunk to all those tandems in any event?

A No, sir. If that is what you read out of my testimony, I apologize for that. That is certainly not what I meant.

Q Well --

A Let me explain. If Intermedia wants to interconnect, it only -- well, let me set the predicate that there is more than one access tandem in a given local calling area. And that is not common, but it does happen. So there is more than one access tandem, let's say, in Atlanta because I know for sure that that is one case where that is so. Intermedia may say I do not want to establish two different trunk groups, one from my switch to each of those two access tandems. I would like you, BellSouth, to figure out how to get the traffic. I am only going to interconnect at one, and I will choose which one. I, Intermedia, with choose which of those two tandems that I want to interconnect with. Then BellSouth gets the traffic to, you know, to wherever it goes. So you would elect which access tandem you wanted to interconnect your switch with.

So, no, we don't demand that you interconnect at each access tandem. In fact, that is exactly what the MTA option was meant to obviate, so you didn't have to do that. But you are obligated to tell us what telephone numbers are going to be reached over that trunk group and from which telephone numbers you are going to send traffic.

Q Well, Intermedia has been interconnected with BellSouth for about, what, three and a half years now?

A I could think so. That is how long you and I have been talking off and on.

Q And to my knowledge there hasn't been any major confusion about us finding out where numbers are going or where LERGs are and stuff like that, is that the case?

A Well, none come to mind, but the opening of NXX codes is a very careful, methodical process. Because when new customers are assigned to newly opened codes, we want everybody to be able to call them. And likewise we want them to be able to call everyone else. And it is exactly -- I think the principles that I describe in my testimony, that I think it prevented those kinds of problems. And that is with very clear notification between the parties as to what NPA-NXX codes are going to be assigned, which tandems they are going to send and receive traffic to and from.

Q Well, let me just ask you, with the proposals that you have here in terms of where CLECs need to establish POIs, this language was not in the original Intermedia/BellSouth interconnection agreement, the one that was signed in '96. Is this a new position?

At some point you are telling me this is how everybody does everything. This looks to me to be an imposition of a new set of obligations on Intermedia that have not applied over the last three years. Can you address that?

A Yes, I will try to. First of all, I don't think it is a change in either industry practice or BellSouth policy to need to know how traffic is going to be routed. On the other hand, in that intervening time BellSouth has made new offers to ALECs like Intermedia, such as multiple tandem access, that says you need not interconnect at all of our end office switches, you need not interconnect at all of our tandems. So that is a new option and, you know, I don't know the exact tandem, but it is entirely possible that our MTA option came after the original interconnection agreement between BellSouth and Intermedia.

But our position has not changed. It was and is that there needs to be very close coordination between all carriers to make sure that we route telephone calls to

where they are supposed to go. And the only way you can ensure that is to at least understand not so much another company's business plans, but at least understand how they intend to route traffic and how they expect to receive traffic.

Q But for the last three years Intermedia has been listing its NPA-NXXs and VNH coordinates of its offices and the LERG, has been passing traffic back and forth with BellSouth as far as I know without incident, and has also been establishing only a single point of interconnection per LATA. What is wrong with that scenario, and why are these new obligations in place?

A Well, I believe the language is there to clarify that whichever of those many options you can choose, direct end office trunking, two-way trunking, local tandem access, multiple tandem access, access tandem access, that whichever of those options you elect Intermedia needs to make sure that they don't presume that BellSouth understands exactly the traffic that you intend to send and receive, because you can choose more than one of those options. You can send your local traffic to the local tandem, or you can send that same local traffic to the access tandem, or you can send your access traffic to the access tandem and your local traffic to the local tandem, or you can direct end office trunk, or -- you know, there

is probably hundreds of permutations.

Q A final question, are you aware that over the summer the New York Public Service Commission rejected a similar request by Bell Atlantic to require ALECs to establish points of interconnection in multiple tandems throughout a service area?

A Well, I'm not aware of that. But that is not BellSouth's position, that is not our policy. We are not insisting that Intermedia establish points of interconnection at more than one tandem. In fact, we are saying that you could do that with as few as one interconnection point, that is what MTA is all about. So there is no similarity, I believe, between those two situations.

Q Very good. And I misspoke, that was Massachusetts, not New York. Thank you, Mr. Milner. That is all I have on your direct.

THE WITNESS: Thank you.

COMMISSIONER JACOBS: Staff.

CROSS EXAMINATION

BY MR. VACCARO:

Q Hi, Mr. Milner. I am Tim Vaccaro. I just want to talk to you briefly about Issue 10 regarding BellSouth's policies for conversion of virtual to physical collocation.

Are you familiar with the Commission's generic collocation proceeding in Docket 981834-TP?

A Yes, sir.

Q And is BellSouth a party in that docket?

A Yes, sir. I was a witness in that case, yes.

Q And are you aware that a decision is due next week by the Commission in that docket?

A That sounds about right, I'm not sure of the exact date.

Q Subject to check?

A Yes, that sounds about right.

Q And one of the issues in this docket asks what terms and conditions should apply to converting virtual collocation to physical collocation. And what I would like to know is in your opinion will a decision by the Commission on that issue be dispositive of the issue in this proceeding?

A Well, as I'm sure you know, I'm not a lawyer, so I'm not quite sure how to answer your question. But I will say that the issue and the factors affecting the outcome of the issue are identical in the generic collocation case as we are discussing here. So whether the generic collocation case resolves the issue for this docket or not, I just don't know the answer to. But all the facts, I believe, and the situation is exactly the

same.

MR. VACCARO: Thank you. I don't have any other questions.

THE WITNESS: Thank you.

COMMISSIONER JACOBS: In a conversion, are you aware or has an analysis been done to see what the cost-effectiveness is for doing it in place? And let me step back for moment. It appears if you follow your proposed policy, i.e., making it like a request for physical collocation, and from what I understand putting it in the hopper with everyone else?

THE WITNESS: That's right, yes.

COMMISSIONER JACOBS: You are as likely to have a new ALEC win out in that space, is that correct?

THE WITNESS: Yes. That is possible, yes. It depends on who is on the waiting list and when they went on the waiting list.

COMMISSIONER JACOBS: Has an analysis been done of the value of the fact that you have pretty much the equipment there that this ALEC will use, pretty much been configured the way this ALEC will use it, and contrast that to the potential additional expense and cost there might to be try and bring in a whole new company with a particular whole new configuration.

THE WITNESS: No, we have not done such an

analysis. Probably the such analysis of cost-effectiveness of the conversion could only be done by companies like Intermedia, because only they would know their labor rates, what they expected to save by doing that part themselves rather than paying BellSouth and weigh that against what it would cost to convert that arrangement.

But, no, in terms of BellSouth's work, you know, all other things being equal, the cost to us would be the same because our cost is a function of how much work is required. So, that really, you know, that doesn't really enter into the decision. I think what you do want to be mindful of is that here is a situation where Intermedia, let's say, has a virtual collection arrangement, they are in business today, and here is another company on a waiting list for space and wants to get into business and I think to preempt them by giving the space when it becomes available to Intermedia so Intermedia could convert theirs and grow theirs even though they are already in business, my opinion is that that is unfair to that person that has been on the waiting list and has been waiting to get physical space in a BellSouth central office and thus get into business.

COMMISSIONER JACOBS: Thank you. Commissioner.

COMMISSIONER JABER: No.

COMMISSIONER JACOBS: Any redirect?

MR. KITCHINGS: Yes, Commissioner Jacobs. Thank you.

REDIRECT EXAMINATION

BY MR. KITCHINGS:

Q Mr. Milner, you were asked a number of questions regarding the current interconnection agreement between Intermedia and BellSouth, do you recall that line of questions?

A Yes, sir.

Q Is it fair to characterize the current interconnection agreement between BellSouth and Intermedia as a first generation interconnection agreement?

A I could call it that, yes.

Q And over the past three or three-plus years, as counsel opposite represented, have additional features and services become available to the ALECs?

A Yes. Some of them I named.

COMMISSIONER JABER: Excuse me, you said it is a first generation interconnection agreement, is that what you said?

THE WITNESS: Yes.

COMMISSIONER JABER: Tell me what that means.

THE WITNESS: Okay. By that -- well, I interpret to mean that this interconnection agreement was

among the first that was negotiated and agreed to between BellSouth and any ALEC. So this one has been around for a good long while, while other new ALECs are just now coming to market and are negotiating agreements for the first time here, you know, some three and a half years later than Intermedia did. So as I use that term, I just mean that that is some of the first ones that we did.

COMMISSIONER JABER: Do you typically include provisions in the interconnect agreement that deal with the conversion issue?

THE WITNESS: Yes, we want to, and that is some of the -- but this is a fairly recent phenomenon.

COMMISSIONER JABER: Okay.

BY MR. KITCHINGS:

Q Mr. Milner, given that the first generation that we were just describing occurred very early on after the initiation of local competition, is it fair to say that over time experience would show that certain areas might need to be more specifically defined?

A Yes. That is true not only in this area, but other areas of the interconnection agreements, as well. As actual experiences has indicated a need for more precise language, we and the other party have negotiated new language.

Q Do you recall MTA, or multiple tandem access,

became available to the ALECs?

A Not precisely. I believe it has been over a year ago now, though.

Q It wasn't available in '96, was it?

A No.

Q Mr. Milner, shifting to a discussion regarding points of interconnection, do you recall having discussion with counsel opposite about BellSouth's establishing points of interconnection with Intermedia?

A Yes.

Q Does BellSouth establish points of interconnection for Intermedia on Intermedia's network or does BellSouth designate points on BellSouth's network where Intermedia can pick up the network?

A Well, both parties announced to the other where they expect to deliver the traffic to, and, for example, BellSouth says here is -- BellSouth designates its point of interconnection and says here is the place that you can come get traffic from BellSouth's end user customers. And, likewise, Intermedia says to BellSouth and other carriers this is the place that you can come to get traffic from my end user customers.

MR. KITCHINGS: Thank you, Mr. Milner. Thank you, Commissioner. I have nothing further.

COMMISSIONER JACOBS: Very well. Let's see, we

have one exhibit, Exhibit 9. If there are no objections, we'll show that moved into the record. And if there is nothing else, you are excused, Mr. Milner.

THE WITNESS: Thank you.

(Exhibit 9 marked for identification and entered into the record.)

COMMISSIONER JACOBS: That completes your witnesses?

MR. KITCHINGS: That completes BellSouth's witness list, yes, sir.

COMMISSIONER JACOBS: You are on, Intermedia.

MR. CANIS: I would like to call to the stand Mr. Carl Jackson, witness for Intermedia.

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(Transcript continues in sequence in Volume 3.)

STATE OF FLORIDA)

: CERTIFICATE OF REPORTER

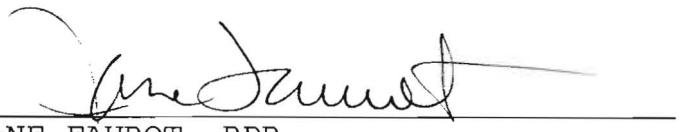
COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, FPSC Bureau of Reporting Official Commission Reporter, do hereby certify that the Hearing in Docket No. 991854-TP was heard by the Florida Public Service Commission at the time and place herein stated.

It is further certified that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript, consisting of 85 pages, Volume 2, constitutes a true transcription of my notes of said proceedings and the insertion of the prescribed prefiled testimony of the witness(s).

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 17TH DAY OF APRIL, 2000.



JANE FAUROT, RPR
FPSC Division of Records & Reporting
Chief, Bureau of Reporting
(850) 413-6732