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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.	Docket No. 981834-TP
In re: Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc., Sprint-Florida, Incorporated, and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation.	Docket No. 990321-TP Order No. PSC-99-1991-PCO-TP Issued: October 12, 1999

DIRECT TESTIMONY OF ANDREW LEVY FOR MGC COMMUNICATIONS, INC.

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SEC 1
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Dated this 27th day of October, 1999.

Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. Andrew C. Levy, MGC Communications, Inc., 3301 Buffalo Drive, Las Vegas, Nevada, 89129.

Q2. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. I am Director of Network Services – East for MGC Communications, Inc., a Nevada Corporation (hereinafter "MGC"). MGC is a facilities-based alternative local exchange carrier ("ALEC") certificated in Florida, which provides local and long distance services primarily to small business and residential customers.

I hold a B.A. in Economics and Political Science from Washington University and a J.D. from Emory University. I am an inactive member of the State Bar of Georgia. Before joining MGC, I served as Vice President of Savoy Capital, Inc., a Houston-based investment and advisory firm. Prior to that I served as Director of Contracts and counsel with ValuJet Airlines, Inc., an Atlanta-based airline.

In my current position as Director of Network Services - East, I have responsibility for collocation throughout the MGC network which includes Nevada, Illinois, Georgia, and Florida in addition to new markets in Texas, Michigan, Wisconsin, Ohio and Tennessee.

Q3. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to describe MGC's position regarding collocation related policies used by BellSouth and to provide examples of the long intervals as well as the excessive collocation costs that result from these policies.

Q4. COMMISSION ISSUE 1: WHEN SHOULD AN ILEC BE REQUIRED TO RESPOND TO A COMPLETE AND CORRECT APPLICATION FOR COLLOCATION AND WHAT INFORMATION SHOULD BE INCLUDED IN THAT RESPONSE?

A. Upon receipt of a complete and correct application, an ILEC should respond to the collocator within ten business days. The response should include whether space is available and in what forms (physical, cageless or virtual) in addition to the cost appropriate for the type of collocation requested. This interval is currently adhered to by Ameritech, Southwestern Bell and Pacific Bell. A more detailed breakdown of costs should be provided, upon request, within ten additional business days. In the event that an ALEC requests a more detailed cost breakdown, the interval for submittal of a "firm order commitment" ("FOC") should not start until after receipt of the more detailed response.

The most efficient method of handling collocation requests, whether for an initial request or for subsequent requests or "augments," is when pricing is subject to established rates under a tariff, as opposed to "individual case basis" or "ICB" pricing. In states that have

established pricing for collocation, the collocator knows before submitting the application exactly how much the space preparation will cost before the application is submitted. In such cases, the only information received in the application response is whether space is available. This is how the collocation application process for new space works in Georgia, Illinois, Wisconsin, Ohio, Michigan and Texas.

Unfortunately, despite the simplicity afforded by tariff pricing, BellSouth remains unable to provide a prompt response to collocation requests in Georgia as well as Florida where their delays in responding to requests are typically at least two months. However, in Illinois, Ameritech consistently responds within ten business days. Pacific Bell, though collocation space preparation fees are not tariffed, manages to respond within five to ten business days with both space availability and cost information. (They manage to respond so quickly because all the pricing has been established in advance for a particular central office.)

After receiving a written response, the ALEC should be allowed a reasonable amount of time in which to submit a FOC, which thereby commits the ALEC to the work detailed in the request. This FOC should include payment of a percentage of the total cost of the work as detailed in the ILEC's response. BellSouth, GTE and Ameritech each permit the collocator 30 days to submit a FOC in response to an application response, but this interval could be as short as 15 business days without undue harm to the ALEC.

There are two main causes for BellSouth's inability or unwillingness to respond to requests for collocation within a short period of time, such as the proposed ten business days. ICB pricing requires the ILEC to price out each request separately. This typically requires the ILEC to look at each application individually and make cost assumptions for each request which can vary depending on the amount of cross connects or power requested in the application, as well as many other variables.

This process is by nature lengthy but can be sped up in two ways. First, eliminate the need for the process by establishing set pricing for all collocation elements so that each request can be priced out within minutes as opposed to weeks or months. Again, the collocator could also determine the costs by referring to the tariff. Second, hire more people to obtain the information required to be collected in order to prepare a price quote. The application fee of $3,850 per application could certainly allow the ILEC to hire more qualified personnel in order to speed up the process. Shortening the interval would benefit all parties: the ALEC by getting them in business sooner, the consumers by giving them more choices and competition sooner, the ILEC by generating wholesale revenue sooner.

Q5. COMMISSION ISSUE 2: IF THE INFORMATION INCLUDED IN THE ILEC'S INITIAL RESPONSE IS NOT SUFFICIENT TO COMPLETE A FIRM ORDER, WHEN SHOULD THE ILEC PROVIDE SUCH INFORMATION OR SHOULD AN ALTERNATIVE PROCEDURE BE IMPLEMENTED?

A. The ILEC should always provide sufficient information in their response to an application to enable the ALEC to submit a FOC with the knowledge of exactly what charges will be incurred. This information should be provided as detailed above, in the response to Commission Issue 1.

Q6. COMMISSION ISSUE 3: TO WHAT AREAS DOES THE TERM "PREMISES" APPLY, AS IT PERTAINS TO PHYSICAL COLLOCATION AND AS IT IS USED IN THE ACT, THE FCC'S ORDERS, AND FCC RULES?

A. The term "premises" applies to any space in a central office that is unused for the maintenance of telecommunications equipment and, therefore, is available for physical collocation. The term also includes the ILEC's property outside of the central office building, but within its property line. External space, typically a parking lot or undeveloped land, can be utilized for either above ground or below ground structures that can house telecommunications equipment. Examples of above ground use would include cabinets and trailers. Examples of below ground use would include controlled environmental vaults ("CEVs").

If there truly is no more space for physical collocation inside a central office structure, the ILEC is obligated to permit a collocator to utilize any space within its property line in order to install telecommunications equipment and interconnect with the ILEC. This space is extremely valuable because it is typically close enough to the central office building so that the ALEC can reach the ILEC main distribution frame ("MDF") via a

copper connection through a manhole. The ability to use copper to reach the MDF deteriorates for technical reasons the farther away from the MDF the collocator's equipment resides. Therefore, the space on an ILEC's property is extremely valuable, albeit less desirable than inside the central office, because it can make the difference between being able to serve the consumers served out of a particular central office or not.

Q7. COMMISSION ISSUE 4: WHAT OBLIGATIONS, IF ANY, DOES AN ILEC HAVE TO INTERCONNECT WITH ALEC PHYSICAL COLLOCATION EQUIPMENT LOCATED "OFF-PREMISES"?

A. The ILEC is obligated to interconnect with an ALEC that houses its equipment in some sort of off-site or adjacent collocation arrangement. Interconnection is technically feasible and therefore, should be mandatory. All that is required for such an interconnection is conduit space in an ILEC manhole near the central office building where copper from the ILEC can be spliced to copper from the ALEC. Such a meet point arrangement would allow the ALEC to reach the MDF and therefore access unbundled loops.

Q8. COMMISSION ISSUE 5: WHAT TERMS AND CONDITIONS SHOULD APPLY TO CONVERTING VIRTUAL COLLOCATION TO PHYSICAL COLLOCATION?

A. Converting a typical virtual collocation arrangement to a typical physical collocation arrangement would be practically impossible. Virtual collocation in its typical form results in an ALEC installing equipment in an existing lineup in a central office alongside or in the same general area where the ILEC has its own equipment. In most virtual collocation arrangements, the ALEC is not permitted to access its equipment. In fact, the equipment is often sold to the ILEC for a nominal amount (typically $1) with the ALEC retaining a right to repurchase the equipment for the same amount. Therefore, the ILEC owns the equipment and they are required to do all necessary maintenance functions. The typical physical collocation involves leasing floor space from the ILEC inside a central office where the ALEC installs its own equipment in order to interconnect with the ILEC's network. To convert a typical virtual collocation to a typical physical collocation would entail building a cage around the existing virtually collocated equipment and moving any other equipment in order to free up sufficient space. This is unlikely to be possible.

It is possible, however, for an ALEC to get many of the qualities typically associated with physical collocation other than the granting of self contained floor space. For example, in Las Vegas, Sprint, the local ILEC, permits MGC technicians to access its collocated equipment on a 24 by 7 basis even though all its collocations are considered virtual and the equipment is typically located in a lineup that includes Sprint transmission or switching equipment. While this is not as desirable as physical collocation, it is far superior to the typical virtual collocation with its constraints on access.

The Sprint arrangement is similar to most forms of cageless collocation in that the ALEC has the ability to access its equipment, even though it resides in a lineup with ILEC equipment. BellSouth should adopt similar rules. In doing so, any collocation that is currently virtual could be converted to the Sprint form of cageless collocation and s would enjoy many of the benefits physical collocation affords.

Q.9. COMMISSION ISSUE 6: WHAT ARE THE APPROPRIATE RESPONSE AND IMPLEMENTATION INTERVALS FOR ALEC REQUESTS FOR CHANGES TO EXISTING COLLOCATION SPACE?

A. Changes to existing collocation arrangements can take many forms and the appropriate response and implementation intervals vary depending on the form of the change.

In the event an ALEC has a physical collocation or rights to certain space, whether floor space or space within a rack that contains its equipment, and has vacant space available, the ALEC should not have to request permission to install any NEBS compliant telecommunications equipment. The ALEC, in such event, should not even have to notify the ILEC of the installation of its equipment. This is currently not BellSouth's process. In fact, not only does an ALEC need to request permission to install equipment in its own physical collocation cage, it must also pay BellSouth an application fee of $1,600. This fee is charged when the ALEC is not requesting anything from BellSouth, but is merely notifying them about certain equipment additions or removals.

However, most change (or augment) applications involve requests for more cross connects or "tie downs" from the ILEC or additional DC power. DS0, DS1 and DS3 tie downs permit the ALEC to order unbundled loops (DS0s), or interoffice transport or trunking (DS1s and DS3s). Requests for more DC power are made in order to power additional equipment or because existing equipment is increasing the power needs due to increased sales success. (Typically the draw of telecommunications equipment increases with the amount of subscribers.)

As stated in the response to Commission Issue 1, the ideal process is to establish prices for collocation elements as opposed to ICB pricing. In such case, there is no need for any response, much less a response interval. If the prices are established according to a tariff, the ALEC knows before submitting the application exactly what it will be charged for the type and quantity of the elements requested. This would also obviate the need for a response from the ILEC and for a FOC from the ALEC. For example, when Ameritech in Illinois receives an augment application, it proceeds to provision the request and it is usually ready within their standard interval of ten weeks. There is no response from Ameritech unless it is to clarify certain issues on the application. The same process is utilized by Pacific Bell.

Such a process also obviates the need for a large application fee, as currently charged by BellSouth, since the handling of the request would simply be an administrative burden imposed on the ILEC instead of an engineering burden. As a case in point, Ameritech charges $302.50 and Pacific Bell does not impose any charge. Unfortunately, ICB

pricing is currently utilized in Florida, leading to large application charges, uncertainty regarding pricing, generally high collocation charges and significant delays.

In any event, after receiving a request for such changes, the ILEC should be required to respond to the ALEC within 10 business days and this response should include all costs associated with the request. As described in response to Commission Issue 1, above, the ALEC should have a 15 to 30 calendar day interval in which it can provide a FOC for the request. Once a firm order has been placed, the interval for provisioning this request should be no more than 30 calendar days. Sprint has consistently provisioned such requests within 30 days or less. Ameritech's interval is ten weeks and Pacific Bell's is 80 calendar days. Ameritech's and Pacific Bell's intervals are too long, but both are better than BellSouth's 90 calendar days. It may not seem like much difference, but BellSouth typically takes months to even respond to an augment request, whereas both Ameritech and Pacific Bell start working on the request immediately. Therefore, Ameritech's interval from application to completion date is ten weeks and Pacific Bell's is 80 days, but BellSouth's is four and a half months at a minimum, but usually closer to six to eight months.

For example, after submitting an application for an augment request, MGC is forced to wait at least 30 business days simply to receive a response from BellSouth on the application request. In the event that MGC submits more than three applications within a two week period for any type of collocation request for central offices in the same state, the interval becomes "negotiated" according to the interconnection agreement. Of

course, because an ALEC like MGC has little negotiating leverage, there is not much to negotiate and typically BellSouth responds at its own pace.

It has been very common for MGC to wait for three months to receive a response from BellSouth to augment applications. We currently have 11 applications for augments that were submitted on June 16, 1999 and four that were submitted on July 15, 1999 for which MGC is still waiting for a response from BellSouth. These applications request additional tie downs and, in some cases, additional power. The absurdly long intervals imposed by BellSouth are indefensible (see Sprint, Ameritech and Pacific Bell examples, above, of significantly shorter intervals) and serve to slow the growth of competition.

Q.10. COMMISSION ISSUE 7: WHAT ARE THE RESPONSIBILITIES OF THE ILEC AND COLLOCATORS WHEN:

A. A COLLOCATOR SHARES SPACE WITH, OR SUBLEASES SPACE TO, ANOTHER COLLOCATOR;

B. A COLLOCATOR CROSS-CONNECTS WITH ANOTHER COLLOCATOR.

A. In situation "A," the ILEC must treat the sublessee as a separate collocator by giving it its own ACTL (carrier identification code within a central office), tie downs and power. The sublessee must be billed separately for any unbundled loops, interoffice transport, trunking, and power it utilizes.

Pacific Bell has a procedure that should serve as a model for this type of shared arrangement. A collocator wishing to share a cage with an existing collocator submits an application to Pacific Bell requesting the necessary tie downs. Pacific Bell provides these tie downs to the host cage and these tie downs are entered into their databases as belonging to the sublessee. Therefore, anything ordered against the carrier facility assignments associated with these tie downs is billed to the appropriate collocator, the sublessee. This is critical since if the host collocator were forced to share its tie downs with a sublessee, the complexity associated with billing would for all intents and purposes make the shared arrangement undesirable.

Unfortunately, Pacific Bell does not provide separate power leads to the sublessee; instead the host is billed for this. There is no technical nor business reason, however, why an ILEC could not provide the power and tie downs, or anything else requested, to the sublessee and bill it separately. BellSouth should adopt this model. Encouraging shared space is a win for all parties. The consumer gets more choices, the sublessee is permitted to enter the market and compete, and the use of precious central office space is maximized. This also benefits BellSouth since it can prolong capital expenditures associated with building expansions required by the exhaustion of floor space.

In situation "B," any cross connect between ALEC's for the purpose of interconnection should be permitted and the ALEC's should have the right to physically make such cross connects without BellSouth's participation.

Q11. COMMISSION ISSUE 8: WHAT IS THE APPROPRIATE PROVISIONING INTERVAL FOR CAGELESS PHYSICAL COLLOCATION?

A. Upon receipt of a firm order, cageless collocation should be provisioned within 30 calendar days. In Las Vegas, all MGC collocations are "cageless" (as described above in the response to Commission Issue 5) and the space is consistently available within 30 days. The interval for cageless collocation should be significantly shorter than for a physical collocation since there is no cage or room construction involved. All that is required is for the necessary cabling and power to be made available within that time. For most requests, 30 days is more than sufficient time to provision these elements. This is especially true when, as in BellSouth's cageless process, the ALEC runs the voice, power and signal cables. In this case, the only thing the ILEC must do to prepare for the collocator's installation is to identify within its databases the carrier facility assignments to be given to the collocator. This can be done in a matter of days or even hours.

Q12. COMMISSION ISSUE 9: WHAT IS THE APPROPRIATE DEMARCATION POINT BETWEEN ILEC AND ALEC FACILITIES WHEN THE ALEC'S EQUIPMENT IS CONNECTED DIRECTLY TO THE ILEC'S NETWORK WITHOUT AN INTERMEDIATE POINT OF INTERCONNECTION?

A. Without a point of termination ("POTs") bay between the ALEC and the ILEC, it is difficult to identify a demarcation point. In such case, each cable becomes a type of meet-point since the ALEC is not permitted to reach the ILEC end and the ILEC is not

permitted to reach the ALEC end. The only way to establish a demarcation point is to require that a POTs bay be utilized where the ILEC cables to one side and the ALEC to the other. This scenario is preferred and works well since the entire purpose of having a POTs bay in a common area of the central office gives both companies an established demarcation point.

However, if there is no POTs bay, establishing a demarcation point would be less important if the ALEC were permitted to do all of its wiring between its equipment and the ILEC termination destination: the MDF for DS0s; and DSX1 and DSX3 ports for the DS1s and DS3s. Currently, however, Ameritech is the only ILEC in MGC's serving areas that permits the ALEC to wire from end to end including the MDF. Permitting an ALEC to do the complete wiring assures a higher quality of service and cabling errors are subsequently discovered, there is no one to blame but the ALEC itself.

BellSouth currently utilizes POTs bays and Pacific Bell and Southwestern Bell give ALECs a choice of having a POTs bay or going "POTless." Neither Sprint nor GTE provide POTs bays.

Q. 13. COMMISSION ISSUE 10: WHAT ARE REASONABLE PARAMETERS FOR RESERVING SPACE FOR FUTURE ILEC AND ALEC USE?

A. There should be no ability for either the ILEC or ALECs to reserve space in a central office. However, if there must be a reservation policy, it should not in any way favor the

ILEC or any affiliated companies or subsidiaries of the ILEC. It should be applied neutrally to all interested collocators, including the ILEC.

Q. 14. COMMISSION ISSUE 11: CAN GENERIC PARAMETERS BE ESTABLISHED FOR THE USE OF ADMINISTRATIVE SPACE BY AN ILEC, WHEN THE ILEC MAINTAINS THAT THERE IS INSUFFICIENT SPACE FOR PHYSICAL COLLOCATION? IF SO, WHAT ARE THEY?

A. There is no more economically efficient use of space within an ILEC central office than use for the purpose of housing telecommunications equipment. The central office is the only location in which an ALEC can reach unbundled loops and therefore, offer services which are competitive to those of the ILEC. For this reason, all space within a central office should be used for this purpose, with the exception of minimal amounts of work space for technicians that work in that office and bathrooms to be used by that staff and collocators. There should be no other space reserved for functions other than telecommunications space.

Q.15. COMMISSION ISSUE 12: WHAT TYPES OF EQUIPMENT ARE THE ILECS OBLIGATED TO ALLOW IN A PHYSICAL COLLOCATION ARRANGEMENT?

A. Pursuant to FCC Order ("706 Order," Order 99-48, in Docket 98-147, issued 3/31/99, para. 28), the ILEC must permit the collocation of any equipment that is "used or useful"

for either interconnection or access to UNEs regardless of other functions the equipment may be able to perform. Further, the ILEC may not limit the ALECs' ability to use all the features, functions and capabilities of its collocated equipment, including switching and routing features and functions.

MGC believes the ALEC should be permitted to install any equipment that meets NEBS level 1 compliance, regardless of its functionality. The ILEC may have an interest in knowing what equipment is installed within its central office in order to ensure there is sufficient heating, ventilation and air conditioning ("HVAC"). This purpose can be served by the ALEC submitting an application giving notice to the ILEC of its intent to install additional equipment. This application should not need any acceptance or require any fee.

BellSouth currently requires ALECs to submit an application which includes an application fee. The ALEC is not permitted to install the additional equipment until BellSouth formally responds to the application and grants permission. This policy is grossly unfair and anti-competitive.

Q.16. COMMISSION ISSUE 13: IF SPACE IS AVAILABLE, SHOULD THE ILEC BE REQUIRED TO PROVIDE PRICE QUOTES TO AN ALEC PRIOR TO RECEIVING A FIRM ORDER FOR SPACE IN THE CENTRAL OFFICE (CO)?

A. IF AN ILEC SHOULD PROVIDE PRICE QUOTES TO AN ALEC PRIOR TO RECEIVING A FIRM ORDER FROM THAT ALEC, WHEN SHOULD THE QUOTE BE PROVIDED?

B. IF AN ILEC SHOULD PROVIDE PRICE QUOTES TO AN ALEC PRIOR TO RECEIVING A FIRM ORDER FROM THAT ALEC, SHOULD THE QUOTE PROVIDE DETAILED COSTS?

A. Yes. The ALEC needs to receive a price quote before it can be prepared to make the business decision of whether to submit a FOC committing itself to the space. It is unreasonable to expect an ALEC to commit itself to space when it has no idea what it will ultimately cost. Again, the key is to get away from ICB pricing and make all such elements tariffed. In such case, the ALEC knows up front how much space will cost and the only question it needs answered by the ILEC is whether space is available.

Q.17. COMMISSION ISSUE 14: SHOULD AN ALEC HAVE THE OPTION TO PARTICIPATE IN THE DEVELOPMENT OF THE ILEC'S PRICE QUOTE, AND IF SO, WHAT TIME FRAMES SHOULD APPLY?

A. MGC has no opinion on this issue other than to stress again that if all collocation elements were tariffed, there would be no need to develop price quotes.

Q.18. COMMISSION ISSUE 15: SHOULD AN ALEC BE PERMITTED TO HIRE AN ILEC CERTIFIED CONTRACTOR TO PERFORM SPACE PREPARATION, RACKING AND CABLING, AND POWER WORK?

A. Yes. The ALEC should be able to do any installation work within a central office that is currently being done by ILEC personnel or authorized vendors working on behalf of the ILEC. The ILEC should have the right to review any plans in advance of the beginning of actual construction work. This is typically been done in the form of a method of procedure or "MOP" meeting which would occur in advance of any installation activity. If these vendors are authorized by the ILEC, presumably they are knowledgeable about the procedures permitted by that ILEC and whether they work for the ILEC or the ALEC should be immaterial. However, in the event that the ALEC manages this process, there should only be a nominal fee paid to the ILEC for reviewing the plans in advance of space preparation.

Q.19. COMMISSION ISSUE 16: FOR WHAT REASONS, IF ANY, SHOULD THE PROVISIONING INTERVALS BE EXTENDED WITHOUT THE NEED FOR AN AGREEMENT BY THE APPLICANT ALEC OR FILING BY THE ILEC OF A REQUEST FOR AN EXTENSION OF TIME?

A. Currently this issue is handled through "negotiation" between the ILEC and ALEC. However, since the ALEC has little or no leverage, it is difficult to consider it a true negotiation. Typically, the ILEC will simply inform the ALEC that it will not be able to

provision within the interval and provides a due date that is beyond the standard interval. Often this occurs late in the interval period rather than "up front," or at the beginning. When this occurs, the ALEC does not have a lot of recourse other than to escalate the matter to higher levels at the ILEC or complain to the Commission. These courses of action have rarely resulted in the date actually being changed to meet the standard interval.

If the ILEC were required to ask for written permission from the ALEC in order to miss their standard interval, this would give the ALEC some leverage in this process. The result might be to enable a more effective negotiation between the parties. Therefore, the ILEC should never be able to extend its provisioning intervals without the need for agreement by the ALEC, such agreement taking the form of a response to a filing by the ILEC.

Q.20. COMMISSION ISSUE 17: HOW SHOULD THE COST OF SECURITY ARRANGEMENTS, SITE PREPARATION, COLLOCATION SPACE REPORTS, AND OTHER COSTS NECESSARY TO THE PROVISIONING OF COLLOCATION SPACE, BE ALLOCATED BETWEEN MULTIPLE CARRIERS?

A. These costs should be entirely paid for by the ILEC. These costs enable the ILEC to generate revenue from wholesale customers. Why should the customers pay for these improvements which allow the ILEC to generate revenue and profits from these same customers? Obviously, these costs will be passed on to the ILEC's wholesale customers,

but it should be in the form of recurring charges and there should be no separate profit center surrounding these expenses which allow the ILEC to get into the wholesale business.

Q.21. COMMISSION ISSUE 18: IF INSUFFICIENT SPACE IS AVAILABLE TO SATISFY THE COLLOCATION REQUEST, SHOULD THE ILEC BE REQUIRED TO ADVISE THE ALEC AS TO WHAT SPACE IS AVAILABLE?

A. Yes. The ALEC should not have to submit an application with a fee to request physical space only to be rejected and have to do the same for cageless and then again for virtual, if no space is available. Pacific Bell and Southwestern Bell's applications allow the ALEC to submit a first, second and third choice for type of collocation. Therefore, if physical collocation is the ALEC's first request and cageless is the second, if no physical space is available, Pacific Bell and Southwestern Bell will respond to the application denying physical but approving cageless. At that point, it is the ALEC's decision as to whether it wants to proceed by submitting a firm order.

BellSouth, however, uses a different procedure. The ALEC is currently required to send in a separate application and fee for each type of collocation requested. This results in excess costs to the ALEC and also slows down the process of collocating in a central office since each application must be processed and the ALEC must wait for BellSouth's response before it sends in another application for a different type of collocation.

Q.22. COMMISSION ISSUE 19: IF AN ILEC HAS BEEN GRANTED A WAIVER FROM THE PHYSICAL COLLOCATION REQUIREMENTS FOR A PARTICULAR CO, AND THE ILEC LATER MAKES MODIFICATIONS THAT CREATE SPACE THAT WOULD BE APPROPRIATE FOR COLLOCATION, WHEN SHOULD THE ILEC BE REQUIRED TO INFORM THE COMMISSION AND ANY REQUESTING ALECS OF THE AVAILABILITY OF SPACE IN THAT OFFICE?

A. The ILEC should inform the Commission and any collocators who have previously been rejected for physical collocation (regardless of whether the ALEC ultimately decided to proceed with virtual collocation due to the denial of a physical application) at least 3 months before the additional space is ready for ALEC occupancy. The advance notice will enable the ALEC to re-visit their interest in collocating in the particular central office to determine if that interest remains.

Q.23. COMMISSION ISSUE 20: WHAT PROCESS, IF ANY, SHOULD BE ESTABLISHED FOR FORECASTING COLLOCATION DEMAND FOR CO ADDITIONS AND EXPANSIONS?

A. Forecasting future growth of current collocators can be done by requesting three to five year forecasts from these companies when applications are submitted. Many ILECs including Ameritech, Pacific Bell and Southwestern Bell use the application in this manner and these companies rely on the forecasts to factor in future space needs. MGC

has no opinion on how to forecast space needs from new collocators that have not yet submitted applications expressing interest in collocation in a particular central office.

Q.24. COMMISSION ISSUE 21: APPLYING THE FCC'S "FIRST-COME, FIRST-SERVED" RULE, IF SPACE BECOMES AVAILABLE IN A CENTRAL OFFICE BECAUSE A WAIVER IS DENIED OR A MODIFICATION IS MADE, WHO SHOULD BE GIVEN PRIORITY?

A. The first collocator request for physical collocation that was rejected should be first in line and have the first opportunity to submit a FOC for a cage in the new space. This should continue one by one down the line until FOCs are submitted for the amount of space that has become available. Once all formerly rejected applicants have a chance to submit a FOC for physical collocation, then it should be published to any new collocators who had not previously applied for space.

A similar process has been employed by Pacific Bell in response to the collocation space constraints experienced in California. For example, if ten requests for physical collocation had been rejected and the modification created space for eight new cages, the first eight applications that were rejected would have the opportunity to claim the space. These eight collocators are given 30 days to decide whether they will submit a FOC for the space. If seven decide to accept the space, then Pacific Bell would approach the ninth rejected collocator and offer the remaining space to that applicant.

Again, if the space is tariffed, the process moves much more quickly.

Q.25. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

AFFIRMATION

STATE OF NEVADA)
) ss.
COUNTY OF CLARK)

ANDREW LEVY, being first duly sworn, deposes and says:

That he is the person identified in the Prepared Testimony on file in Docket Nos. 981834-TP and 990321-TP (Collocation), and the exhibits applicable to his Prepared Testimony; and that such Testimony and exhibits were prepared by or under his direction; that the answers and information set forth therein are true to the best of his own knowledge and belief, except as to matters that are stated on information or belief, and as to those matters he believes them to be true; and that if asked the questions set forth therein, his answers thereto would, under oath, be the same.

Andrew Levy

Subscribed and sworn to before me
this 27 day of October, 1999.

Notary Public

MOLLY J. PACE
Notary Public - Nevada
My appt. exp. Apr. 1, 2001
No. 97-1134-1

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the Direct Testimony of Andrew Levy for MGC Communications, Inc., in Docket Nos. 981834-TP and 990321-TP, upon the following persons by sending copies thereof, first class mail, postage prepaid, to the last known addresses of:

Accelerated Connections, Inc.
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Englewood, CO 33414

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Dee Prince

Dee Prince, an employee of MGC Communications, Inc.