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October 28, 1999

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Re: Docket Number Nos.: 981834-TP, 990321-TP

Dear Ms. Bayo:

On behalf of Florida Competitive Carriers Association, enclosed for filing and distribution are the original and 15 copies of the following:

- ▶ Testimony of Joseph Gillan

Please acknowledge receipt of the above on the extra copy of each and return the stamped copies to me in the envelope provided. Thank you for your assistance.

Yours truly,

Vicki Gordon Kaufman
Vicki Gordon Kaufman

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MCWHIRTER, REEVES, MCGLOTHLIN, DAVIDSON, DECKER, KAUFMAN, ARNOLD & STEEN, P.A.

FPSC-RECORDS AND REPORTING

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
)
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In re: Petition of ACI Corp. d/b/a Accelerated
Connections, Inc. for generic investigation to
ensure that BellSouth Telecommunications,
Inc., Sprint Florida Incorporated comply with
obligation to provide alternative local exchange
carriers with flexible, timely, and cost efficient
physical collocation.

) DOCKET NO. 990321-TP
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) FILED: OCTOBER 28, 1999
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TESTIMONY

OF

JOSEPH GILLAN

ON BEHALF OF

THE FLORIDA COMPETITIVE CARRIERS ASSOCIATION

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FILED: OCTOBER 28, 1999

TESTIMONY

OF

JOSEPH GILLAN

ON BEHALF OF

THE FLORIDA COMPETITIVE CARRIERS ASSOCIATION

1 *I. Introduction*

2

3 **Q. Please state your name, business address and occupation.**

4

5 A. My name is Joseph Gillan. My business address is P.O. Box 541038, Orlando, Florida
6 32854. I am an economist with a consulting practice specializing in
7 telecommunications.

8

9 **Q. On whose behalf are you testifying?**

10

11 A. I am testifying on behalf of the Florida Competitive Carriers Association (FCCA), an
12 association of carriers committed to promoting competition for telecommunication
13 services in Florida.

14

15 **Q. What is the purpose of your testimony?**

16

17 A. The purpose of my testimony is two-fold. The principal focus of my testimony is to
18 recommend that the Commission *implement* its decisions in this proceeding by
19 requiring that the ILECs file a generally available tariff for cageless collocation
20 offering specific terms, conditions and prices. It is time to move collocation from its
21 era of "customized wallboard" to a generalized offering whose costs and provisioning
22 intervals are known in advance throughout the state.

1 Second, my testimony addresses several listed issues in more detail, offering specific
2 recommendations as to their resolution. In general, however, the competitive industry
3 has organized its testimony so that individual FCCA members address detailed
4 concerns with each issue, while the Association itself recommends a process intended
5 to promote competition, both today and into the future. Our basic recommendation
6 is that the Commission should build from its efforts in this docket (and others) to
7 create a *lasting* framework that will simplify the collocation process and enable
8 entrants to rapidly and inexpensively deploy and maintain collocated facilities
9 throughout the state.

10
11 *II. It is Time for the Obvious Next Step*

12
13 **Q. Please explain how collocation came to be characterized by "case-by-case"**
14 **processes.**

15
16 **A.** The genesis of collocation can be traced to the birth of local competition with the
17 initial decisions of the New York Public Service Commission to accommodate
18 interconnected local facilities. A threshold issue was to find a way for entrants to
19 interconnect with NYNEX's facilities in a manner that was "equivalent" to the manner
20 that NYNEX interconnected its own facilities.

21
22 Ultimately, this issue was resolved through a dramatic concession (for the time) by

1 NYNEX: NYNEX would actually allow entrants to "collocate" facilities within
2 NYNEX's central offices. Long before new entrants enjoyed *any* of the rights granted
3 by the Telecommunications Act -- and long before local competition became a
4 national priority -- agreeing to place this equipment within a cage seemed a small
5 concession to gain such a unique opportunity.

6
7 Significantly, this basic construct of "collocation in a cage" is roughly a decade old --
8 a remarkably long time in an industry otherwise characterized by rapid change.
9 Further, one consequence of these pioneering efforts was that collocation came to be
10 characterized by relatively customized procedures; that is, each request was
11 individually designed, while central offices were physically modified to create
12 segregated space and special entrances available for competitive entrants.

13
14 **Q. Was customization a necessary consequence of a caged environment?**

15
16 **A.** No, not necessarily. But, as a practical matter, the industry (with some exception) did
17 come to accept processes for caged collocation that were end-office specific, with
18 applications, price quotes and unique planning associated with each collocation
19 request.

20
21 Of course, this "case-by-case" approach, with its unnecessary costs and provisioning
22 delays, was a major *reason* why collocation was reformed by the Federal

1 Communications Commission (FCC) to remove the prerequisite of the cage. The
2 principal point here, however, is that whether the slow, customized approach
3 traditionally adopted for *caged* collocation was ever appropriate is immaterial -- the
4 more relevant question is whether *cageless* collocation should still adhere to these
5 cumbersome procedures.

6
7 **Q. Is there any reason for cageless collocation to be offered using procedures**
8 **developed for a caged environment?**

9
10 A. No. The cageless option represents a sea-change in the nature of collocation.
11 Fundamentally, cageless collocation is the availability of a commodity -- rack space
12 in the central office -- that *can be* offered under standardized terms, with prices and
13 provisioning intervals known in advance. While there may be exceptions for some
14 end-offices -- just as there are special circumstances for all tariffed services -- there
15 is no reason that basic rack space cannot be offered like any other service, under
16 statewide terms, conditions and prices.

17
18 In fact, the standardized offering of cageless collocation is one of the *required*
19 reforms adopted by the Federal Communications Commission (First Report and
20 Order, In the Matters of Wireline Services Offering Advanced Telecommunications
21 Capability, Docket 98-147, March 18, 1999, "Collocation Order"). In explaining the
22 ILECs' obligations, the FCC noted:

1 We require incumbent LECs to make each of the
2 arrangements outlined below [i.e., shared, cageless and
3 adjacent] available to competitors as soon as possible, *without*
4 *waiting until a competitive carrier requests a particular*
5 *arrangement*, so that competitors will have a variety of
6 collocation options from which to choose.

7 Collocation Order, ¶ 40, emphasis added.

8
9 An important consequence of this directive is that the terms for these new collocation
10 arrangements should be known in advance, so that carriers can plan their entry and
11 order these arrangements without experiencing the cumbersome procedures -- i.e., the
12 ALEC applies, the ILEC prepares estimates, the ALEC reviews, the ILEC conducts
13 detailed engineering, etc... -- that impose unnecessary delay and cost.

14
15 It is also useful to note that when the FCC decided that ILECs must offer cageless
16 collocation in advance of any specific request, it explicitly rejected contaminating the
17 cageless process with the procedures that have hampered caged collocation:

18
19 ...BellSouth argues that, rather than adopt additional rules, the
20 Commission should "allow the parties to discuss and resolve any
21 issues they may have on a case-by-case basis"... The record is replete,
22 however, with evidence documenting the expense and provisioning

1 delays inherent in the caged collocation process.

2 Collocation Order, ¶ 40.

3
4 **Q. Why is it important for cageless collocation to be offered as a generally available**
5 **(i.e., tariffed) arrangement?**

6
7 A. There are three basic reasons why cageless collocation should be offered as a
8 generally available, standardized arrangement: speed, cost and certainty. These
9 reasons would justify this Commission ordering a generally-available offering even if,
10 as noted above, the ILECs were not already *obligated* by federal order to offer such
11 arrangements in advance (an obligation that can only be meaningfully satisfied through
12 a tariffed arrangement).

13
14 One critical factor to entrants is their "speed to market." Any process which delays
15 an entrant from offering its services, increases its capital requirements, or increases
16 uncertainty can eliminate a vital competitive edge. Indeed, for many new entrants,
17 being the first to make a service/product available may be their *entire* competitive
18 advantage. As a result, one of the most critical terms in any collocation offering will
19 be its provisioning intervals -- an issue that the FCC specifically left to the states for
20 resolution (see Collocation Order, ¶ 23). A standardized offering, known in advance,
21 should simplify and accelerate these important intervals.

1 In addition, eliminating the cumbersome procedures of caged-collocation will reduce
2 the costs of both the entrant and the ILEC. The *reason* that other processes and
3 services have been standardized is that they become more *efficient* to offer in that
4 manner. There is no reason that similar efficiencies are not possible here once
5 collocation is made a standard product of the ILEC instead of a specialized
6 arrangement.

7
8 **Q. Are standardized collocation offerings typical in the competitive environment?**

9
10 **A.** Yes. Competitive carriers typically offer collocation arrangements under standardized
11 terms. After all, these carriers do not view collocation as legal obligation so much as
12 they consider it an important product that their salespeople must be prepared to sell.
13 As noted by CompTel (Uncaging Competition: Reforming Collocation for the 21st
14 Century, CompTel White Paper #2, September, 1998, page 22, emphasis in original):

15
16 Unlike the ILECs, competitive entrants have no desire to foreclose
17 access to their networks by customers, including other carriers. As a
18 result, the CLEC industry approaches collocation with the goal of
19 accommodation and the desire to make their networks and space as
20 accessible as possible. In the CLEC community, collocation is a
21 *product* -- a product like all others which needs to be provisioned
22 inexpensively, rapidly, and with a minimum of complication and cost.

1 **Q. Are there examples of ILECs offering cageless collocation as a generally**
2 **available option?**

3
4 A. Yes. The Texas Public Service Commission requires that SBC offer collocation under
5 tariffed terms, conditions and prices. This tariff should serve as the model for the
6 Florida Commission's efforts to introduce collocation as a standard feature of the
7 competitive landscape, instead of the customized process that is currently applied by
8 the ILECs. If SBC can standardize collocation in Texas, there is no reason why
9 Florida's ILECs cannot do the same here.

10
11 **Q. What do you recommend?**

12
13 A. First, the Commission should resolve the specific issues in this proceeding and require
14 that the ILECs conform their *existing* practices to these decisions. This will assure
15 that these issues are resolved with immediate effect. The Commission should not,
16 however, end its involvement here. The Commission should also require that the
17 ILECs file generally available tariffs, conforming to this (and prior) decisions that
18 contain standardized terms, conditions and prices so that future activity can occur
19 within the certainty that a tariffed environment provides. It is time to *permanently*
20 simplify the process by making collocation a standard offering.

1 *III. Specific Listed Issues*

2

3 **Q. Are you testifying to each specific listed issue?**

4

5 A. No. Generally, individual FCCA members will be sponsoring testimony on the
6 specific listed issues. Rather than duplicate the testimony of its members, the
7 Association endorses the testimony of these parties and addresses a more limited set
8 of specific issues. In particular, my testimony will address:

9

10 * What terms and conditions should apply to convert virtual collocation
11 to physical collocation;

12

13 * What parameters should be used to reserve space for future ILEC and
14 ALEC use;

15

16 * How should the costs of security arrangements, site preparation,
17 collocation space reports, and other costs necessary to the
18 provisioning of collocation space be allocated among multiple carriers;
19 and

20

21 * When should an ILEC be required to respond to a complete and
22 correct collocation application?

1 **Q. What terms should apply when converting virtual collocation space to a**
2 **physical collocation arrangement?**

3
4 A. Although this issue is not specifically limited to a conversion to a *cageless* physical
5 collocation arrangement, it is this type of conversion that the industry is most
6 interested in. The principal distinction between a virtual and cageless collocation
7 arrangement concerns the entrant's right to visit its equipment for purposes of
8 maintenance and upgrade. Consequently, terms for converting virtual collocation
9 space to cageless space should require no more than reversing the "ownership" of the
10 virtually collocated equipment and assuring that the ALEC's employees are familiar
11 with whatever security procedure applies to cageless collocation more generally.
12 There should be no requirement, however, that the physical equipment itself be
13 disrupted or relocated.

14
15 **Q. What principle should the Commission apply when determining the ILEC's and**
16 **the entrant's right to "reserve space" for future needs?**

17
18 A. While it may be reasonable for an ILEC to reserve space for *its* immediate needs, it
19 is inappropriate to use space reservation as a means to deny space to *other* carriers
20 with immediate needs. In central offices where space is limited, a guiding principle
21 should be that *current use is given priority over future use*. As an objective
22 principle, a service today should generally take precedence over a service that will be

1 (or may be) offered in the future, irrespective of whether it is the ALEC or the ILEC
2 that has the future plans. Space should not be held for a future use if it can be put to
3 productive use today.

4
5 **Q. How will ILECs provide services in the *future* if entrants use central office space**
6 ***today*?**

7
8 A. It is important to understand that no space shortage should be considered permanent.
9 In those central offices where there is an *existing* constraint on space, then measures
10 must be taken to expand space for future use. Space maximizing actions should
11 include, for instance, removing obsolete equipment, relocating administrative space,
12 or creating new "adjacent" collocation space in conformance with federal rules (CFR
13 § 51.323 (k)(3), emphasis added):

14
15 An incumbent LEC must make available, where space is legitimately
16 exhausted in a particular incumbent LEC premises, collocation in
17 adjacent controlled environmental vaults or similar structures to the
18 extent technically feasible. The incumbent LEC must permit the new
19 entrant to construct or otherwise procure such an adjacent structure,
20 subject only to reasonable safety and maintenance requirements. *The*
21 *incumbent must provide power and physical collocation services and*
22 *facilities, subject to the same nondiscrimination requirements as*

1 *applicable to any other physical collocation arrangement.*

2

3 As new space becomes available, then this new space should be available to meet the
4 future needs of *both* ALECs and the ILEC. After all, the real test of non-
5 discrimination is that neither the ILEC nor the entrant should be disadvantaged by
6 locating its equipment in this new space. That is, if the space provides the same
7 access to the ILEC's network elements that the ILEC would otherwise enjoy, then the
8 ILEC should not be disadvantaged by placing its future investment in new collocation
9 space.

10

11 The deciding principle in space-constrained offices should be that the ILEC's *future*
12 needs should be assigned to *future* collocation space. It makes no sense to require
13 that an entrant with an immediate need wait until more space is available, if the ILEC
14 has idle space that will not be needed until the future. Following this simple policy
15 will both free existing space to more productive uses, as well as provide ILEC's the
16 incentive to make sure that expanded collocation space is as useful as possible.

17

18 **Q. How should the costs of security arrangements, site preparation, collocation**
19 **space reports, and other costs necessary to the provisioning of collocation space**
20 **be allocated among multiple carriers?**

21

22 A. The appropriate treatment of such costs is in the development of a statewide

1 collocation rate. In a cageless environment, both ILEC equipment and ALEC
2 equipment share central office space, and both benefit from nondiscriminatory security
3 arrangements. ILECs may not (CFR § 51.323 (k)(2)) require the construction of a
4 cage or similar structure, require the creation of a separate entrance to the
5 competitor's collocation space, and may not require competitors to collocate in a
6 room or isolated space separate from the incumbent's own equipment.

7
8 Although this may be a question of semantics, the cost of cageless collocation should
9 not be "allocated" among multiple carriers through some after-the-fact or case-by-
10 case procedure. These costs can be known in advance and be computed into a
11 tariffed rack-space charge that recognizes that this space will either be used by
12 collocators, or continue to be used by the ILEC.

13
14 **Q. When should an ILEC be required to respond to a complete and correct**
15 **collocation application?**

16
17 A. With cageless collocation offered in advance of any request (i.e., as part of a
18 generally-available tariff), the need for *any* collocation "application" disappears.
19 Entrants need not *apply* for collocation, they need only *order* it with full information
20 concerning its availability, terms, conditions and prices known in advance. The
21 traditional application phase is unnecessary, a gratuitous hold-over from a caged
22 environment that is largely obsolete. The goal should be a process that empowers

1 entrants to place their order *and* receive their space within a known and predictable
2 interval (for example, 45 days), without unnecessary iterations with the ILEC.

3

4 **Q. Does this conclude your testimony?**

5

6 A. Yes.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Testimony of Joseph Gillan has been furnished by (*) hand delivery and U. S. Mail this 28th day of October, 1999 to the following:

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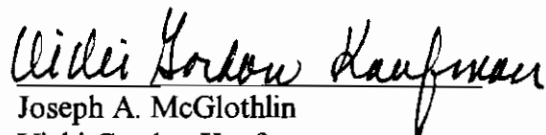
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