

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

 In the Matter of : DOCKET NO. 981834-TP
 :
 :
 Petition of Competitive :
 Carriers for Commission :
 Action to support local :
 competition in BellSouth :
 Telecommunications, Inc.'s :
 service territory. :

Petition of ACI Corp. d/b/a : DOCKET NO. 990321-TP
 Accelerated Connections, Inc. :
 for generic investigation to :
 ensure the 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. :



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VOLUME 3

Pages 350 through 503

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PROCEEDINGS: HEARING

BEFORE: COMMISSIONER J. TERRY DEASON
COMMISSIONER SUSAN F. CLARK
COMMISSIONER E. LEON JACOBS

DATE: Thursday, January 13, 2000

TIME: Commenced at 8:30 a.m.

LOCATION: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
FPSC Division of Records and Reporting
Chief, Bureau of Reporting

APPEARANCES: (As heretofore noted.)

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1 P R O C E E D I N G S

2 (Transcript follows in sequence from Volume 2.)

3 COMMISSIONER DEASON: Call the hearing to order.

4 Staff, I understand we have a couple of
5 preliminary matters we should address.

6 MS. KEATING: Just a couple of things,
7 Commissioner. Staff would like to withdraw the Hearing
8 Exhibit Number 4, which was Intermedia's responses to
9 staff's interrogatories and resubmit it with the revised
10 responses that Intermedia has provided us this morning.

11 COMMISSIONER DEASON: It will -- the revised
12 responses will be identified as Exhibit 4?

13 MS. KEATING: (Indicating yes.)

14 COMMISSIONER DEASON: Very well.

15 MS. KEATING: And, also, I believe that Mr.
16 Goodpastor mentioned to me that he would like to ask that an
17 order be added to the official recognition list.

18 MR. GOODPASTOR: Yes, Commissioner. We would
19 ask that we add an order of the State of New York Public
20 Service Commission in Case Number 99-C-0715 and Case Number
21 95-C-0657, entitled, "Order Directing Tariff Revisions
22 Issued by the Public Service Commission of the State of New
23 York," issued and effective August 31st, 1999. And I can
24 provide copies during the break, if necessary.

25 COMMISSIONER DEASON: Okay. Any objection?

1 Hearing no objection, then that will be added to Exhibit
2 Number 1.

3 MR. GOODPASTOR: (Indicating yes.)

4 MR. MELSON: Commissioner Deason, one additional
5 preliminary matter. During my cross-examination of Mr.
6 Milner yesterday, I handed out a three-page document, but I
7 forgot to ask for an exhibit number for it. I believe the
8 next number would be 14.

9 COMMISSIONER DEASON: No, I believe it is 15.

10 MR. MELSON: 15?

11 COMMISSIONER DEASON: Yes.

12 MR. MELSON: All right.

13 COMMISSIONER DEASON: It will be identified as
14 Exhibit Number 15.

15 MR. MELSON: Thank you.

16 (Exhibit Number 15 marked for identification.)

17 COMMISSIONER DEASON: Any other preliminary
18 matters? Okay. We were conducting cross-examination of Mr.
19 Milner. Ms. Kaufman, I think you ended your cross, is that
20 correct?

21 MR. SAPPERSTEIN: And in the interest of time, I
22 have no questions.

23 COMMISSIONER DEASON: Okay.

24 KEITH MILNER

25 having been previously sworn, resumed the stand and

1 testified as follows:

2 CROSS EXAMINATION

3 BY MR. BUECHELE:

4 Q Good morning. Mark Buechele, on behalf of Supra
5 Telecom.

6 A Good morning, sir.

7 Q I would just like to get a clarification on
8 premises. Is it your testimony that premises includes the
9 remote locations for remote terminals to hook up the
10 subloops?

11 A Yes. BellSouth's facilities such as remote
12 terminals that house telecommunications equipment, yes,
13 would be under -- would fall under the definition of
14 premises.

15 Q And, therefore, an ALEC would be entitled to
16 collocate in those spaces?

17 A Yes.

18 Q Okay. And that would include any DSL equipment?

19 A I believe so. I haven't thought about it in
20 those specific terms, but, yes.

21 Q Now, I would like to just get a little bit of
22 clarification. Yesterday you said that there is no magic
23 invisible line around the ALEC's equipment in a cageless
24 collocation environment whereby there is a delineation as to
25 whether or not the ALEC can hire the certified contractor to

1 do the work, the collocation space preparation work?

2 A Yes, I said something like that. Let me make
3 sure we are both on the same page. What I was trying to
4 explain was that in a cageless collocation there is,
5 obviously, the footprint that the equipment is housed on.
6 But I didn't want to leave the Commission the notion that
7 only work within that footprint was work that could be done
8 directly by the ALEC's designated contractor. So there are
9 other pieces of work, some kinds of power cabling and other
10 things like that that the ALEC can do for itself.

11 The distinction I was trying to draw was that
12 work that is outside that collocation arrangement that
13 affects or potentially affects parties other than the ALEC,
14 you know, whose collocation arrangement we are talking
15 about, is work that BellSouth does on behalf of that ALEC
16 and any other party in that building.

17 Q Okay. Well, let's do it step-by-step. There is
18 no dispute that the footprint where the equipment is, that
19 racking, the ALEC is entitled to hire somebody to install
20 the equipment there, correct?

21 A No dispute.

22 Q Okay. Now, to get that equipment connected to
23 BellSouth's equipment you have to run cables from that
24 equipment to what you call the main distribution frame?

25 A That is one place of demarcation, yes.

1 Q Okay. And in order to do that there is actually
2 physical cables that get placed in overhead racks that get
3 run to the equipment, then they get plugged into this frame
4 and then you are interconnected with BellSouth's equipment?

5 A Yes.

6 Q Okay. Is the ALEC allowed to hire somebody to
7 put in those cables?

8 A To put in the cables, yes.

9 Q Okay. Now, is the ALEC allowed to use existing
10 racking that is there?

11 A Yes.

12 Q Okay. Now, that wasn't the case a couple of
13 weeks ago, was that, sir?

14 A I don't know what you mean. That has been the
15 case for sometime.

16 Q Weren't you before the FCC, and you told them
17 that the ALEC had to buy their own racks?

18 A The ALEC buys new racks as required, yes. If
19 there are racks there and there is available space, then the
20 ALEC can use those. I think what we were discussing was the
21 case where there is cable congestion and where new racking
22 would have to be placed. And that is work -- the placing of
23 those racks is work that BellSouth would do on behalf of the
24 ALECs.

25 Q And you are familiar with the four central

1 offices that Supra was complaining about before the FCC?

2 A Yes.

3 Q And in those cases you charged for all new racks
4 in every circumstance?

5 A I'd have to go back and look at the cost
6 estimates to know for sure. But, again, the point that I
7 would make here is in answer to your question, if there is
8 available space in the racks, can Supra use it, and the
9 answer is yes. If there are new racks required to place
10 those cables, must Supra purchase those, and the answer to
11 that is yes. And that is work that BellSouth would have
12 done on behalf of Supra.

13 Q Why couldn't Supra have those racks installed
14 themselves by a certified contractor?

15 A Because those racks pass through parts of the
16 central office where other parties' equipment is located.
17 And if that work is not done well and if those racks are not
18 sized appropriately, then it has the potential to affect
19 parties other than Supra.

20 Q Well, can't you have an engineer oversee the
21 work, make sure it is done to BellSouth's standards?

22 A You can do that. But my point is this, if Supra
23 contracts directly to have those racks placed, I would
24 presume that Supra would -- would size that racking for only
25 its needs. That may not be the best solution. BellSouth,

1 on the other hand, when it was placing new racks would
2 consider Supra's needs, Bellsouth's needs, and any other
3 ALEC in that location.

4 Q Okay. Just so that we are clear, now, if there
5 is space available in existing BellSouth's racks, BellSouth
6 will allow you to run your cable over those racks?

7 A That is correct.

8 Q Okay. Now, isn't it true that in congested
9 central offices there is often a lot of old wiring, a lot of
10 old cabling in those racks?

11 A There is some, yes. I mean, that is the nature
12 of --

13 Q That is not used?

14 A Pardon?

15 Q That is not used?

16 A That is right. There may be cables, but let me
17 explain how those cables are placed. The racking is
18 sometimes referred to as troughs, and the cables are placed
19 in there, they are tied down, they are laced together and
20 then as growth occurs the new cables are placed on top of
21 those. They are often tied to the ones below it, and they
22 are sort of stacked up. So, yes, there might be unused
23 cables somewhere in that big stack. Getting them out
24 sometimes can be very expensive and potentially disruptive
25 to service that, you know, that is unrelated to those

1 cables.

2 Q Well, don't you usually disconnect a whole bundle
3 at a time?

4 A No, certainly not.

5 Q Does BellSouth have its own practice where it
6 goes back in and removes old cabling to make space for racks
7 for itself?

8 A It does. And, again, it does that where that is
9 practical. Again, it is potentially disruptive to service.
10 To remove one cable out of that bundle that you referred to
11 is difficult, it can be expensive, and it potentially causes
12 service problems. So it's done -- I won't say as a last
13 resort, but it is pretty far down on the list.

14 Q Okay. And BellSouth has done that for many
15 years?

16 A Well, cable mining has been done, yes, over time.
17 But, again, it is something you don't want to do.

18 Q And, in fact, you have a specific term that you
19 coin for that called cable mining?

20 A That is the phrase, generically, that is used to
21 describe that practice.

22 Q Now, the FCC's order that requires ALECs or ILECs
23 to remove old obsolete equipment, wouldn't that include the
24 removal of cabling if there, in fact, is congestion where
25 there is no more racking space?

1 A If that is -- yes, if cable congestion is that
2 thing that is preventing further collocation, then, yes, I
3 believe that would fall under that definition. However, I'm
4 not aware of any collocation request that has been denied
5 because of cable congestion.

6 Q Okay. So that we are clear now, who makes the
7 determination whether or not there is sufficient racking
8 space or that the ALEC has to buy new racks?

9 A BellSouth makes that decision.

10 Q Okay. Is the ALEC allowed to do a walk-through
11 and say, perhaps, "I would like to run my cables this way
12 where there is no congestion?"

13 A No.

14 Q Okay. And, in fact, you don't allow the ALECs to
15 do a walk-through at all, do you, until they pay you money
16 and they have accepted your design?

17 A That's right, and the ALEC's design, and uses its
18 own contractors to place its equipment which are very often
19 the same contractors that do BellSouth's work.

20 Q And that is the point where there is a firm order
21 commitment made?

22 A I'm sorry. What point is the --

23 Q You don't allow a walk-through until a firm order
24 commitment is made?

25 A Generally, the walk-through is done upon space

1 acceptance by the ALEC; that is, to make sure that it is
2 done --

3 Q Okay. So that is the first --

4 A That you got what you expected.

5 Q Okay. So that is the first time you are allowed
6 a walk-through, whenever you hand over the space to the
7 ALEC?

8 A That is generally when it occurs, yes.

9 Q So the ALEC will never know whether or not there
10 was a better way of routing the cabling to avoid extra
11 racking costs, correct?

12 A Well, that's -- no, I wouldn't characterize it
13 that way. The racking that is placed, again, if it -- if a
14 placement of that racking potentially affects other service
15 providers, then BellSouth does that work. There is some
16 racking within the collocation arrangement that the ALEC
17 would do for itself. So let me be clear that it is only
18 that that potentially affects other service providers that
19 BellSouth does the work for. And it does that work on
20 behalf of itself and taking into consideration the needs of
21 other ALECs that are collocated in that same central office.

22 Q Right, and those are circumstances in the
23 cageless collocation environment because you've got to go
24 over other people's equipment, including BellSouth's
25 equipment?

1 A That is exactly the point, yes.

2 Q So don't you think that the ALEC should be able
3 to hire -- if racking is necessary, don't you think
4 everybody should sit down, look at the central office, see
5 if there is space available, determine whether or not new
6 racking is needed, and come to an agreement?

7 A That is one of those things that sounds great in
8 principle, but I don't believe it's practical in the real
9 world. What you are suggesting is that all ALECs would get
10 together, would discuss their cabling needs with each other,
11 and then one of those ALECs would say, "I will take care of
12 providing for all our cabling needs," and that all the other
13 ALECs would agree with that.

14 Further, that the ALECs would agree not to have
15 recourse against BellSouth, but against Supra, let's say, if
16 that is who was going to do that, you know, provide for all
17 of that racking. I just don't think that works in the world
18 because I'm not sure that -- well, ALECs don't have the same
19 requirements for accommodating collocation that BellSouth
20 does, for example.

21 Q Well, let me ask you this, the requirement when
22 you talk about space exhaustion, it just doesn't apply to a
23 switch, it applies to any kind of equipment, correct?

24 A I'm not sure what you mean by your question,
25 space exhaustion.

1 Q When you deny space because you say space is not
2 available, it just doesn't apply to the physical equipment,
3 it applies to cabling, it applies to anything that needs to
4 be placed into that central office, correct?

5 A It could, yes. But, again, I will point out that
6 I'm not aware of any collocation request being denied
7 because of cable congestion and racking.

8 Q Well, isn't it fair, sir, that if you tell the
9 ALEC that they have to buy all new racks that, in essence,
10 you are telling them that there is space exhaustion in the
11 racking, and that they should be entitled to do a
12 walk-through to determine if that is correct or not correct?

13 A No, sir, I'm not saying that at all. The space
14 exhaustion is exactly that, space is one of the -- is
15 physical space on the floor to accommodate some kind of
16 equipment, switching equipment or transmission equipment.
17 There is rack -- excuse me. There is racking all throughout
18 the central office, and it provides for overhead transport
19 of cables from one place in the central office to another.

20 Q Space is a function of what needs to be placed
21 there. For example, if it needs to be in one ground plain
22 the space only applies to that area. If it needs to be in
23 another ground plain, what space is defined applies to that
24 area. It needs to be in --

25 MS. WHITE: Excuse me, I'm going to object. I

1 believe Mr. Buechele is testifying. I don't hear a question
2 in there.

3 COMMISSIONER DEASON: There is an objection to
4 the form of the question, if there were a question.

5 MR. BUECHELE: Well, I didn't get to finish the
6 question. So if she would allow me to finish it.

7 COMMISSIONER DEASON: If you are laying some
8 predicate for a question, I will allow it. But as an
9 exhibit, what you are saying is not testimony. It is not
10 evidence.

11 MR. BUECHELE: I understand, Your Honor.

12 BY MR. BUECHELE:

13 Q Isn't it correct, sir, that the definition of
14 space has to do with what you need to place in there and
15 whether or not that area is suitable for what needs to be
16 placed in there?

17 A Yes, that is a good general definition. However,
18 what we have talked about most often in terms of denial of
19 space or denial of a collocation request was where space
20 does not exist for transmission equipment, switching
21 equipment.

22 Q Okay.

23 A To the extent that there was cable congestion
24 that became a limiter of the amount of a floor that you
25 could use, that might be germane, but I don't know that --

1 I'm unaware of that having ever happened. Further, there
2 are a number -- there are a number of different overhead
3 racks that get from one place to another within the central
4 office. So it is a literal web of overhead supports. So
5 taking that all together, and saying, does that limit
6 collocation is, A, not practical because there is different
7 ways to get from one side of the central office to the
8 other, and, B, that overhead racking is almost always shared
9 at some point between several service providers.

10 Q Okay. So that we are clear, you are saying that
11 the ALEC can hire their own contractor to actually install
12 the cable, but you are going to tell them where it needs to
13 go. And if there needs to be new racking, you are going to
14 install the racking, correct?

15 A Yes, that's right.

16 Q Okay. Now, let's talk about power plant. There
17 is, essentially -- when we are talking about collocation, we
18 are essentially talking about two aspects of that, batteries
19 and rectifiers?

20 A Well, plus the cables themselves that feed the
21 power to the equipment. There is also in most of our
22 central offices a backup generator that is part of the power
23 plant.

24 Q Okay. Now, normally, that backup generator
25 doesn't need to be upgraded, is that correct?

1 A No, that is not correct. The generator has a
2 certain capacity rated in kilowatts, and so it is sized for
3 the amount of equipment in the central office. The more
4 equipment you have that requires power, the greater the
5 capacity of the generator. So, the generator is sized for
6 the aggregate amount of power drain. The generator is only
7 used in the case of a failure of commercial power. So it
8 has to be capable of supporting for some period of time the
9 entirety of the equipment in the central office. And what
10 really happens is that the generator comes on that charges
11 the batteries from which the equipment is directly powered.

12 Q Okay. Now --

13 A So there is -- I'm sorry to interrupt you, but --
14 so there are different sizes of generators and that is
15 considered part of the plant, the power plant. And as you
16 add more equipment it is often necessary to increase the
17 size of that generator.

18 Q You mean to tell me you don't think five years
19 ahead of time and put in a big enough generator to
20 accommodate your future growth?

21 A We have done the best we could. But, yes, there
22 are cases where the generator size is not sufficient and has
23 to be replaced, just like switches have to be replaced, just
24 like most things in life have to be replaced at some time.

25 Q In every -- in terms of talking about every other

1 collocation, with every other piece of collocation there is
2 going to be necessary -- an increase in batteries, there is
3 going to be a rectifier installed and there is going to be
4 cabling to the equipment, correct?

5 A In just about every case that will be the
6 requirement, yes.

7 Q Okay. Now, is there any reason why the ALEC
8 can't hire a contractor to install those batteries?

9 A Well, the answer is yes and no. If the
10 collocator wants its own power supply, and there is room
11 sufficient for that, and it can be done in such a way that
12 it meets safety and fire codes, that is fine. So if the
13 ALEC wants to put in its own backup batteries, then it can
14 do so. If it wants to install batteries in the existing
15 string of batteries which are used not only by BellSouth but
16 other collocators, then the answer is no, BellSouth would
17 have that work performed on behalf of the collocator and
18 anybody else in the building.

19 Q Now, if the ALEC wants to do it themselves, they
20 have to have a separate room, is that correct?

21 A Not necessarily a separate room, it has to be
22 done in such a way that it meets fire and safety codes.
23 Lead acid batteries emit hydrogen and oxygen, which is
24 potentially explosive. It has to be done very carefully.
25 The batteries themselves weigh a great deal, so it has to be

1 on floors that can stand that amount of load.

2 Q Okay. Are you familiar -- you are familiar with
3 the complaint that Supra brought before the FCC on your
4 collocation?

5 A Yes.

6 Q And you were there before the FCC?

7 A Yes.

8 Q And you were there with Mr. Jordan who wrote a
9 letter to Mr. Limick Cruso (phonetic) about the power issue?

10 A Yes.

11 Q And in that letter you are familiar with the fact
12 that Mr. Jordan said that there was no space in the four
13 central offices to put a new room for Supra to buy its own
14 batteries to put in there, that they needed a new room?

15 A He said it in those cases, yes. Those are four
16 specific cases. And what I said in my answer to your
17 question was that the ALEC can provide its own backup
18 batteries if there is room for those and if safety codes can
19 be met.

20 Q Why can't the batteries be placed in existing
21 space within the same battery room, just that they are not
22 connected to your batteries and they run directly to the
23 ALEC's equipment, and the ALEC hires a contractor to do
24 that?

25 A If there is room in the existing power room for

1 that, I don't see a problem for that. Power rooms are like
2 all other types of floor space within the central office and
3 they are -- that space is planned for. There are unique
4 safety requirements for power rooms because of the presence
5 of potentially hazardous materials.

6 Q Okay. So --

7 A I think Mr. Jordan was stating that in those four
8 central offices, there was not room to -- that the existing
9 power rooms were pretty much -- the space was already pretty
10 much used up and there was not room to construct new ones in
11 four specific central offices.

12 Q There wasn't room to construct a new room, but
13 BellSouth was going to -- we were going to have to pay --
14 Supra was going to have to pay BellSouth to put in new
15 batteries in the existing room, is that what you are saying?

16 A That is exactly what I'm saying, because the
17 existing power plant which is connected to the backup
18 generator is there to serve not only BellSouth's equipment
19 but Supra's and any other ALEC's equipment.

20 Q Sir, the only difference between it, too, is the
21 fact that the batteries can sit in the same place, but they
22 don't have to be hooked up to your batteries. Isn't that
23 correct, sir?

24 A That is not the only difference. There are a
25 number of other differences. There are new cable feeds that

1 have to be provided. There is the question of whether
2 Supra's batteries would be connected to the backup
3 generator. There are a number of different considerations.

4 Q Okay. So just so that we are clear then,
5 Bellsouth's position, then, is that the ALEC should be
6 allowed to, if they want to, contract their own certified
7 vendor to install their own batteries in the existing power
8 room and have those batteries separate, and they don't have
9 to be hooked up to BellSouth's batteries, and use those
10 batteries to run their own equipment at their own will?

11 A If that can be done in such -- first of all,
12 again, if there is room for that to be done; if that can be
13 done in a way that meets safety codes and is done in such a
14 way that it does not potentially affect other service
15 providers who have collocated equipment in that central
16 office, fine.

17 Q And if --

18 A That is a pretty long list of ifs, but if all of
19 those are satisfied, then yes.

20 Q And if the ALEC doesn't want to have any
21 batteries at all, that is their choice, too, because it
22 won't affect your equipment if they lose power to their
23 equipment, correct?

24 A Well, first of all, that is not even possible.
25 So the answer to your question is no. The equipment runs

1 off the batteries. The batteries are charged by the AC
2 equipment, the rectifiers and such that are fit for
3 commercial power. So your question is nonsensical to say
4 that the equipment doesn't have a power supply to it.

5 Q Well, the batteries act as a capacitor, so let's
6 do it this way. Why don't we just say -- let's say Supra
7 only wants an hour's worth of backup time, and it only
8 requires them to have a third or a fourth of the batteries.
9 They should be allowed to do that because that would have no
10 effect on your equipment, correct?

11 A Again, if it can be done in the space that is
12 available and done in a fashion that doesn't potentially
13 affect other service providers in there, then fine, have at
14 it.

15 Q Okay. Now, let's talk a little bit about these
16 building permit requirements. Is it accurate to say that in
17 the cageless collocation environment, primarily or the only
18 reason why you would need a building permit is for overhead
19 lighting and the air conditioning vent that you place over
20 the equipment?

21 A No, those are not the only reasons. There are
22 also electrical power supply considerations that may or may
23 not require permits.

24 Q Okay. Now, BellSouth whenever it does its own
25 expansion, it doesn't shut down its expansion for six months

1 waiting on a building permit because it needs to have an
2 overhead light over the switch, does it?

3 A If those lights are required by code and they are
4 not there, then BellSouth would have to get a permit to put
5 those in.

6 Q Now, we are physically talking about these lights
7 that are like above here that actually light the aisles,
8 correct?

9 A We are talking about access lighting, which some
10 people call stumble lighting; that is it's there for safety
11 reasons such that you don't walk around in the dark.

12 Q So you are telling me that BellSouth, a lot of
13 its central office just has no lighting fixtures in it at
14 all?

15 A There might be parts of a central office building
16 that do not yet have overhead lighting, yes.

17 Q Okay. And now would you be surprised if you were
18 told that other ILECs, such as Southwestern Bell or even
19 Sprint, say that building permits are never an issue because
20 all their central offices have lighting fixtures in the
21 aisles and that there is sufficient air conditioning and
22 ventilation?

23 A Yes, I would be very surprised by that, because
24 that would imply that those companies had spent money well
25 in advance of when they might have needed that space.

1 Ordinarily, the heating plant is -- heating and cooling is
2 provided at or near the time that you are going to put
3 equipment in a place. You don't cool a room that you don't
4 use. You don't do that at your house. If you've -- if
5 you've got a basement that is never occupied, I doubt that
6 you heat and cool that. You probably don't have very
7 elaborate lights in that basement, either. So, yes, I would
8 be surprised that they had spent that money to heat and cool
9 an area that they -- that potentially some time in the far
10 distant future might be used to locate equipment. That is
11 generally not the way it is done.

12 Q Well, let's take it one step at a time, though.
13 Let's talk about lights. First of all, when we are talking
14 about cageless collocation, we are talking about space being
15 rented. And the rental rates are -- some people
16 characterize as the highest in the world. Now, don't you
17 think that the overall --

18 MS. WHITE: Excuse me. I'm going to object. I
19 want to know the basis for his statement that the rates are
20 characterized by some people as the highest in the world.

21 MR. BUECHELE: I will rephrase it.

22 COMMISSIONER DEASON: He withdraws the statement
23 or the comment.

24 MS. WHITE: Okay.

25 BY MR. BUECHELE:

1 Q Now, we're talking about rental space here.
2 Don't you think that there should already be a light fixture
3 above the space when you go to rent it?

4 A No.

5 Q Okay. And if you wanted to save energy, couldn't
6 you just have the fixture in place there, and when somebody
7 moves their equipment in, you just screw in the light bulb,
8 and that way you don't have to wait six months for a
9 building permit?

10 A No. The cost -- the expense is not in the light
11 bulb. The cost is in running the conduits that hold the
12 wires that power the light fixtures and installation of the
13 light fixtures.

14 Q Shouldn't that be all part of just the general
15 cost of renting there? If I go to an apartment building, I
16 normally don't have to sit there and run light fixtures all
17 across the ceiling in all 12 rooms. It's usually there,
18 isn't it?

19 A If you are renting a finished apartment, that is
20 true. But you are not renting a finished apartment when you
21 are talking about collocation. The analogy would be that an
22 apartment building has a third floor on it that right now is
23 unfinished. There is probably not lights, there is probably
24 not air conditioning and heating in that third floor, since
25 it is unused, it is unfinished, unoccupied. That is the

1 proper analogy.

2 Q Now, you testified yesterday that it would be
3 your first choice to give that collocating ALEC space that
4 is already conditioned, that has the vent and already has
5 the light, correct?

6 A To the extent that that space is unused, yes.

7 Q Okay. But you don't allow the ALEC to do a
8 walk-through. If BellSouth comes back and says, no, you
9 need lighting fixtures here, you need an air conditioning
10 vent over your equipment, they are not allowed to do a
11 walk-through to determine if, in fact, there is another
12 space available there that is already conditioned, isn't
13 that correct?

14 A That's right. And BellSouth is not required by
15 the FCC's rules to provide a walk-through except in the case
16 of a space denial.

17 Q Okay. So nobody would ever know really whether
18 or not you are making that conditioned space available to
19 them first?

20 A Well, first of all, I stand by what I said
21 yesterday that our first choice is that if conditioned space
22 is available and it is unused, that is it is not in use by
23 BellSouth, or another ALEC, or it is not part of either
24 BellSouth's reserved space, or some ALEC's reserved space,
25 if it is unused and available, then that is a proper place

1 for it to go. But I deny the notion that BellSouth
2 arbitrarily puts collocation arrangements in places simply
3 to drive up ALEC cost. I categorically deny that.

4 Q Okay. Let's talk about air conditioning vents.
5 Is there a written standard whereby a BellSouth person and
6 anybody else who wanted to look could determine whether or
7 not an air conditioning vent needs to be placed over a piece
8 of equipment or not?

9 A Yes, there are numbers of mechanical engineering
10 standards that would show the proper way to move air and
11 cool air in -- move air from one place to another and the
12 cool --

13 Q That's not the question I asked. The question I
14 asked is let's say a collocater wants to put in a piece of
15 equipment that generates the same heat as perhaps a personal
16 computer. Is there a standard by which BellSouth would say,
17 "Okay, let's calculate the equipment that is going in. Does
18 there need to be a vent over this or does there not need to
19 be a vent?"

20 A BellSouth certified contractors make the decision
21 about the placement of vents over equipment that has to be
22 cooled.

23 Q So it is BellSouth that makes that determination?

24 A No, it is BellSouth's contractors that research
25 the situation and look at the amount of heat that is going

1 to be released by a given piece of equipment, look at the
2 existing ventilation plan and cooling plan and decide
3 whether or not augmentations to that HVAC equipment is
4 required or not.

5 Q Now is that the equipment vendor or is that
6 another -- who are you talking about? Are you talking about
7 the equipment vendor that is going to put in the equipment?

8 A Well, they work together. The equipment vendor
9 provides information about its equipment by which you can
10 figure out how much heat is going to be released and what
11 the temperature range that the equipment can operate safely
12 within, and then that is used by mechanical engineers --
13 contractors to do the heating and cooling work.

14 Q Okay. Now, just so that we are clear and we
15 understand how the central office works. There is a high
16 ceiling and the equipment is placed up to a certain height
17 and there is a lot of space on top for ventilation, correct?

18 A No, there is not a lot of space, and that is why
19 it is so critical above the equipment or cable racks, the
20 cables that we've talked about earlier, so movement of air
21 is a critical concern.

22 Q There is space down the aisles?

23 A Yes, there is space -- there are aisleways for
24 ingress and egress to work on the equipment, to get around
25 it.

1 Q Does BellSouth put an air conditioning vent over
2 every piece of its equipment?

3 A We put a vent over every piece of equipment where
4 that is the right thing to do, yes.

5 Q And is there an actual number that people can
6 look at and say, "Okay, under these circumstances I
7 calculate this, this, this. This calculation is met.
8 Either there isn't a necessity for a vent or there is a
9 necessity for a vent?"

10 A I'm not sure I understand. You're saying a
11 number.

12 Q Is there an actual physical measurable standard
13 by which somebody can verify the necessity of a vent?

14 A Yes. There are standards in the mechanical
15 engineering industry that are quite common that says, you
16 know, what size ductwork and the placement of that ductwork
17 to remove a certain amount of heat.

18 Q Do you know what those standards are?

19 A What are they?

20 Q Yes.

21 A They are the standards that civil and mechanical
22 engineers use to size and engineer cooling plants.

23 Q Okay. So if the ALEC wanted to it could hire its
24 own civil engineer that was certified by BellSouth and
25 should be able to say, "My civil engineer says I don't need

1 a vent?"

2 A No, for the same reason that BellSouth does not
3 allow you to put cable racking in parts of the central
4 office that potentially affect BellSouth's equipment and
5 other ALECs' equipment.

6 Q Okay. So --

7 A Let me finish my answer. Heat release obviously,
8 cannot be confined to a given locale within the central
9 office, especially if we are talking about cageless
10 collocation. There is nothing to keep that heat in one
11 place. There is nothing to keep that heat concentrated. So
12 you can't say, "Gee, I don't want a vent, so I don't care if
13 my equipment is cooled properly or not."

14 The reason that that is not workable is that your
15 equipment is probably fairly close to someone else's and the
16 heat released by your equipment potentially affects mine or
17 whoever else's is close by. So you can't make that kind of
18 decision in isolation and decide what is best for me.

19 That's why BellSouth makes those decisions taking into
20 account all collocators' equipment, BellSouth's equipment,
21 and coming up with an adequate heating and cooling plant.

22 Q So, then, the bottom line is only BellSouth is
23 allowed to determine whether or not a vent is required,
24 really required over that equipment?

25 A That's right. And BellSouth takes into

1 consideration that piece of equipment, adjacent pieces of
2 equipment, the aggregate amount of heat that is going to be
3 released by that equipment, what temperature range that
4 equipment is supposed to operate in, where the ducts and
5 vents are today, and the most efficient way to increase that
6 heating and cooling facility if augmentation is required to
7 make sure that everybody's equipment works well.

8 Q And there is no certified contractor out there
9 certified by BellSouth that BellSouth would allow the ALEC
10 to hire for a second opinion?

11 A No. Now, the contractors themselves are probably
12 the same ones that is on the same list that BellSouth would
13 use for itself. The notion is not whether the contractor is
14 capable of handling it for Supra, the issue is that one
15 party needs to look at all the requirements in a given
16 central office and that one party ought to be BellSouth.

17 First of all, it is our building. We are the
18 ones that have the obligation to provide collocation. We
19 have got to do that in ways that meet standards for heating
20 and cooling and electrical powering and all of those other
21 things. Those are our obligations, and no one else except
22 BellSouth, I don't believe, A, is required to do that or, B,
23 could do it on behalf of all the occupants of a building.

24 Q And BellSouth has only contracted with one person
25 to perform all of its collocation projects, correct?

1 A No, that is not correct. BellSouth has one
2 master contractor that oversees all of its collocation
3 projects, but that master contractor works with a number of
4 different vendors.

5 Q That is Parson's Infrastructure and Technology
6 Group?

7 A That's it.

8 Q Okay. And that is the only person that BellSouth
9 goes to?

10 A Again, that's our master contractor who deals
11 with individual contractors for heating work, electrical
12 work, mechanical work, putting up walls, all of those
13 things. Yes, that is our one master contractor.

14 Q All right.

15 COMMISSIONER DEASON: How do you choose that
16 master contractor?

17 THE WITNESS: We have a contract with them that
18 is renewed, you know, periodically. We put that contract up
19 for bid, and we choose. So they don't have a contract for
20 life with us. But periodically we look at other master
21 contractors and potentially could choose a different one
22 next time.

23 COMMISSIONER DEASON: Do you have a master
24 contractor for the entire company or is it on a region
25 basis, or a city basis, or a central office basis?

1 THE WITNESS: Well, our master contractor, that
2 is Parson's, is a region-wide agreement that we have.

3 COMMISSIONER DEASON: For the entire State of
4 Florida?

5 THE WITNESS: No, for all of our nine states,
6 including Florida.

7 COMMISSIONER DEASON: All nine states?

8 THE WITNESS: Yes.

9 COMMISSIONER DEASON: How many people do you have
10 bid for such a large contract that has a presence in all
11 nine states?

12 THE WITNESS: I'm not sure how many bidders there
13 were the last go around. I mean, obviously, it is a
14 good-sized piece of work. It is a good-sized contract, so
15 there is considerable interest, you know, in having that
16 contract.

17 COMMISSIONER DEASON: How often do you bid that
18 contract?

19 THE WITNESS: I don't know the answer. I would
20 hate to guess, but I would say probably every three years.

21 COMMISSIONER DEASON: Every three years?

22 THE WITNESS: I think, but I'm certainly not
23 clear -- I'm not positive about that.

24 BY MR. BUECHELE:

25 Q And, in fact, that is the way BellSouth handles

1 all of its infrastructure work. For example, equipment
2 vendors, installation vendors, or people who put in the
3 racks, or put in the power. There is only one person
4 assigned to that area, correct?

5 A No, that's not right. There is the company,
6 Parson's that we're talking about who is like a master
7 contractor who deals with other subcontractors for all of
8 those things. But BellSouth has planners and managers in
9 all of our nine states who work with Parson's to make sure
10 that that work is done well. So we have got space planners
11 and equipment planners in each of our nine states.

12 Q For example, in South Florida only Lucent
13 installs power, correct?

14 A That is my understanding, yes.

15 Q Okay. And anybody who wanted to get -- and
16 anybody who is going to have power plant upgrades done by
17 BellSouth would have to use Lucent?

18 A No, that is not correct. Well, let me qualify
19 that. To the extent that Supra has power work that it wants
20 done for its own equipment, let's say inside its collocation
21 arrangement, it can choose any of the certified vendors.
22 BellSouth has put up for bid its power work. Lucent came in
23 with the best offer, and that is the contract we signed.
24 That is not at all unusual that you get better rates by
25 agreeing to commit to a certain volume of work.

1 Q Right. Let's just say we are talking because it
2 was our impression a couple of weeks ago that all of this
3 infrastructure work, for example, in Supra's case, Supra
4 could not hire anybody to do that. So let's assume that if
5 that was the case, there would only be one person for all of
6 this work in any particular area, for example, Lucent?

7 A No. Let me make sure I'm clear. That BellSouth
8 for the work that it has done, power work, has chosen
9 Lucent. To the extent that Supra wants work done, power
10 work, it can choose any vendor, if that work is, you know,
11 within its collocation arrangement or doesn't have the
12 potential to adversely affect other collocators or
13 BellSouth.

14 Q Okay. But if we're forced to only have BellSouth
15 do the work for us, it's going to be one vendor in every
16 area?

17 A Well, you are not forced to have BellSouth do
18 work for you except where that work has the potential to
19 affect others. For the work that only affects your
20 equipment you can choose whoever you like, so long as it's a
21 certified vendor.

22 Q And what kind of standards do we have for
23 determining whether or not the work is going to affect
24 others? Is that just your determination?

25 A It is BellSouth's determination to see the nature

1 of the work, physically where in the central office that
2 work would be conducted, and make a conclusion based on that
3 whether the outcome has the potential to affect others or
4 not.

5 Q And is that on a case-by-case basis?

6 A I wouldn't think so, because generally it is
7 pretty clear that if you are doing work inside your
8 collocation arrangement, that is not likely to affect
9 others. The cases where you can do work outside your
10 collocation arrangement that don't have the potential to
11 affect others, we have identified already. If something
12 novel comes along, there might be some case-by-case view
13 that we would have to look at, but generally not. I mean,
14 we know the types of work that can be done by the ALEC that
15 don't have the potential to affect others. So it is not a
16 case-by-case basis.

17 Q On the four central offices that Supra complained
18 to the FCC about, originally BellSouth had stated that Supra
19 could not do any of that infrastructure work, the power,
20 cabling, racking, has that now changed? Is Supra allowed to
21 hire a certified contractor?

22 A No, that has not changed at all. I don't know
23 how many times I have to say this. But if it's -- what we
24 have been talking about is work that BellSouth told Supra it
25 could not do because that work had the potential to affect

1 others. The work that could be done within Supra's
2 collocation arrangement, Supra is entitled to contract off
3 the certified contractor list whoever it wants. So, no,
4 BellSouth's position has not changed a whit.

5 Q Okay. So when you talked about earlier in my
6 cross examination that you could be allowed to run the
7 cables, you could be, maybe, allowed to put some racking --
8 you said no about racking -- the cables and the power, that
9 doesn't apply to Supra's case in those four central offices.
10 BellSouth has to do that work, correct?

11 A That's right.

12 Q Okay. And it is BellSouth that made that
13 determination without letting Supra have a walk-through, is
14 that correct?

15 A That is correct, also.

16 Q And in those cases only one person has been
17 chosen, and it is the same person that has always done that
18 work there to do that infrastructure work?

19 A When you say "person," I presume you mean do we
20 have a contract with a company like Lucent for power work,
21 and the answer is yes. Again, that is work that we perform.
22 It is very common practice that you would -- that you would
23 get better rates from a contractor or a vendor in return for
24 a promise of a certain volume of work. That is exactly what
25 BellSouth has done.

1 Q So if Lucent had a completely different division
2 that was devoted to growing its CLEC business or ALEC
3 business, and they are willing to give Supra free batteries
4 and free power if they bought their switch, Supra couldn't
5 take advantage of that agreement because they would be
6 forced to have to buy the power from BellSouth, correct?

7 A Not necessarily. I mean, you want to twist this
8 all back together and I'm doing my best to keep it separate.
9 We talked about batteries and you said if Supra wanted its
10 own batteries not connected to BellSouth's power feeds and
11 not connected to our generators, could Supra do that. And I
12 think we got to the point that said, yes, if that could be
13 done in a way that, say, meets the codes, does not
14 potentially affect others, the answer is yes. So my answer
15 is still yes. If that work can be done in such a way that
16 it meets the code and doesn't affect others, Supra can do
17 that. So you are not held hostage to choose the same vendor
18 that BellSouth has chosen.

19 Q Except in the four tandem offices that we're
20 talking about that we went to the FCC for, correct?

21 A No. Only for the work in those four central
22 offices that has the potential to affect others besides
23 Supra. That is the work we are talking about.

24 Q And in those four central offices, those four
25 tandem offices, we are talking about the power, cabling and

1 racking. BellSouth has to do that, correct?

2 A Not only those four, but all of BellSouth's
3 offices.

4 Q And you have seen the proposed contract,
5 collocation agreement that BellSouth presented here today in
6 this proceeding?

7 A Yes.

8 Q Okay. And you have seen that Exhibit A that --
9 do you have it in front of you?

10 A No.

11 Q Do you want me to show it to you?

12 A Yes, please.

13 Q Okay. Do you see there where you have frame
14 aisle lighting? That is on an individual contract basis,
15 correct, individual case basis?

16 A Yes. This here.

17 Q Right.

18 A Yes, I agree.

19 Q And the mechanical HVAC, that charge does not
20 include the ducting?

21 A I see your note to that effect. That is not what
22 it says. It just says per ton, one ton minimum for -- and
23 there is a price for that.

24 Q Okay. That charge is for the cooling to the
25 actual chiller unit. They have to pay for the ducting on an

1 individual case basis, correct?

2 A Well, first of all, I'm not an expert on the
3 prices that are presented here. I would have to study the
4 whole thing. But it doesn't say that on the page we are
5 looking at here.

6 Q And it is the same thing for cable racking,
7 individual case basis?

8 A Yes.

9 Q And is there any reason why BellSouth can't just
10 make that all standardized costs like, perhaps, Southwestern
11 Bell does?

12 A Well, I recall that Mr. Hendrix talked about that
13 at length yesterday. That is his area of expertise, not
14 mine. There is not a reason why it can't be done. My
15 observation as a nonexpert is that any rates that are set
16 like that there are going to be some cases wherever that,
17 let's say numeric average was of the individual case basis,
18 there will be some cases that are above that and some,
19 obviously, below it. So a fixed rate represents, you know,
20 some price that has some certainty to it, but perhaps is
21 different from the actual cost and resultant price if you
22 looked at an individual case.

23 Q Now, you were here yesterday when I asked Mr.
24 Hendrix about the prior Florida Public Service Commission
25 order in that arbitration proceeding with AT&T and MCI?

1 A Yes.

2 Q And that is actually part of the official
3 recognition list. And do you recall where the Commission
4 stated in there that power plant expansions are more
5 appropriately recovered in recurring charges because they
6 will benefit both BellSouth and future collocators?

7 MS. WHITE: If the counsel for Supra could hand a
8 copy of that to the witness to review, I would appreciate
9 it.

10 THE WITNESS: Thank you. If I might, I will read
11 the sentence that you've highlighted. It says, "Power plant
12 expansions are more appropriately recovered in recurring
13 charges because they will benefit both BellSouth and future
14 collocators."

15 BY MR. BUECHELE:

16 Q Okay. And it is your position that that only
17 applied to that arbitration proceeding, and that for the
18 rest of us who want to collocate we have to be -- pay for
19 power plant upgrades on a nonrecurring basis up front?

20 A Again, I'm not an expert on the costs. If you
21 would like, I can refer to BellSouth's letter to FCC that
22 discussed that situation.

23 Q Okay. One more thing.

24 A Well, I wasn't quite through. In BellSouth's
25 letter to the FCC -- this was a letter from Mr. Whit Jordan

1 of BellSouth dated November 24. I'll just read the part of
2 that letter that is our response to Supra's allegation. And
3 this is a quote from that letter. "The language quoted by
4 Supra relates to an arbitration proceeding in which the FPSC
5 addressed the recovery of power upgrades that were to be
6 shared by several collocators. In such situations,
7 BellSouth does include the cost for the upgrade in the
8 recurring costs. In situations where the upgrade is to be
9 used by only one collocator, however, BellSouth charges the
10 cost of the upgrade to the collocator as an upfront cost.
11 The cost for the upgrade is not included in the recurring
12 power charges. In these instances there is no attempt to
13 double recover these costs."

14 So, again, there is two things that are being
15 sort of mixed and matched. Where, in conformance with this
16 Commission's order, the power expansion is used by more than
17 one party, then that is recovered, the costs of that are
18 recovered through recurring charges. In the case -- in
19 response to Supra's allegation, our letter pointed out that
20 where the upgrade is used solely by one party, it doesn't
21 fit this Commission's rules; and, therefore, would be
22 recovered up front, that is, as a nonrecurring charge.

23 Q Okay. Let me just ask you this, did you see that
24 one-page exhibit that we provided on the collocation charges
25 for the Daytona Beach central office? That is in the

1 record.

2 A No, I have not seen this, no.

3 Q That applies to just one central office. In that
4 instance BellSouth quoted us, Supra, \$315,000 to collocate
5 in that central office.

6 A Yes.

7 Q Okay. And that included, I guess, about \$178,000
8 worth of power upgrades?

9 A Yes.

10 Q And none of that Supra was allowed to contract
11 itself to do?

12 A No.

13 Q And that included the other three offices that we
14 were also complaining about before the FCC?

15 A I'm sorry. What did, this letter?

16 Q The other three offices were the same where Supra
17 was not allowed to contract to do any of that work?

18 A Again, to do work that has the potential to
19 affect other parties, that's correct.

20 MR. BUECHELE: I don't have anything further.

21 Thank you.

22 COMMISSIONER DEASON: Other parties? Staff?

23 MS. KEATING: Staff has no questions.

24 COMMISSIONER DEASON: Commissioners?

25 COMMISSIONER JACOBS: Mr. Milner, in this order

1 BellSouth was requested to clarify their provisions relating
2 to recovery of power costs. Do you know what the status of
3 that is?

4 THE WITNESS: No, sir. I apologize, I don't.
5 Perhaps on the break I can find that out and get back to you
6 on it.

7 COMMISSIONER JACOBS: Thank you.

8 COMMISSIONER DEASON: Redirect?

9 MS. WHITE: Yes, just a couple of questions.

10 REDIRECT EXAMINATION

11 BY MS. WHITE:

12 Q Mr. Milner, I think it was in response to a
13 question from Mr. Rehwinkel, you were in a discussion
14 concerning POT bays and whether POT bays were allowed in the
15 collocation, various collocations as a point of demarcation.
16 Do you recall that?

17 A I recall that.

18 Q Are there any situations in Florida where POT
19 bays would not be an appropriate demarcation point?

20 A Yes. It's possible that POT bays would not be an
21 appropriate demarcation point if there is just not room for
22 them. So in a case where you are at space exhaust, there
23 may be some other place that's a more appropriate
24 demarcation than a POT bay in those cases.

25 Q Okay. In response to several questions from Mr.

1 Buechele, he repeatedly discussed a complaint that Supra
2 filed with the FCC. Are you familiar with that complaint?

3 A Very much.

4 MS. WHITE: For the ease of the Commission and
5 for the assistance of the Commission, there were several
6 letters that went back and forth on that complaint. I have
7 a package of them. I'm going to hand them out and ask that
8 they be identified for the record.

9 COMMISSIONER DEASON: They will be identified as
10 Exhibit 16.

11 (Exhibit Number 16 marked for identification.)

12 MS. WHITE: These can be identified as a
13 composite, but I will tell you individually what they are
14 made up of. There is a September 20th, 1999 letter from Mr.
15 Buechele to Mr. Reynolds of the FCC. There is an October
16 8th, 1999 letter from Mr. Jordan of BellSouth to Mr.
17 Reynolds of the FCC. There is a November 13th, 1999 letter
18 from Mr. Buechele to Mr. Reynolds of the FCC. And there is
19 a November 24th, 1999 letter from Mr. Jordan of BellSouth to
20 Mr. Reynolds of the FCC. And then there is a November 24th,
21 1999 letter from Ms. Shelfer of Supra to Mr. Reynolds. And
22 that is Composite Exhibit 16, Commissioner Deason?

23 COMMISSIONER DEASON: Yes.

24 MS. WHITE: Thank you.

25 BY MS. WHITE:

1 Q Mr. Milner, you are familiar with these letters?

2 A Yes, ma'am, I am.

3 MS. WHITE: Okay. I would like to ask that these
4 -- I'm sorry, I've already done that. I have no further
5 questions, and I would like to move Exhibits 14 and 16.

6 COMMISSIONER DEASON: There is a motion to move
7 Exhibits 14 and 16. Without objection, Exhibits 14 and 16
8 are admitted.

9 (Exhibit Numbers 14 and 16 received into
10 evidence.)

11 COMMISSIONER CLARK: Mr. Chairman, I would like
12 to ask clarification of some questions. I apologize for
13 not --

14 COMMISSIONER DEASON: That's fine.

15 COMMISSIONER CLARK: -- speaking up earlier.

16 Mr. Milner, when you -- Mr. Buechele asked you
17 about the collocation in the Daytona office. And he
18 indicated that BellSouth said it would be about \$300,000 to
19 collocate, is that correct?

20 THE WITNESS: That was the total of the charges,
21 yes.

22 COMMISSIONER CLARK: Okay. And how much of that
23 was power?

24 THE WITNESS: I don't have that in front of me
25 still. 180,000 or so.

1 COMMISSIONER CLARK: 180,000?

2 THE WITNESS: I think that's right. Perhaps Mr.
3 Buechele can correct me if that is not correct.

4 COMMISSIONER CLARK: And that is work that you
5 maintain needs to be done by BellSouth?

6 THE WITNESS: Yes, because that is upgrades to
7 the power plant that -- or that is work that we would have
8 our contractor do that benefits Supra, obviously, for their
9 collocation arrangement, but the nature of the work has the
10 potential to affect other service providers in that same
11 central office.

12 COMMISSIONER CLARK: Well, then why isn't that
13 part of a recurring charge?

14 THE WITNESS: Well, there is two parts of it.
15 The work itself only benefits Supra, but the work has the
16 potential to affect others. And so we concluded that it was
17 appropriate to include it as a nonrecurring charge because
18 it was there, the work was to be done only for Supra.
19 However, BellSouth had the work done because the way in
20 which the work was done potentially could affect service by
21 other collocators or by BellSouth.

22 COMMISSIONER CLARK: And it was your conclusion
23 that it would not in any way benefit the other occupants of
24 the central office?

25 THE WITNESS: That's correct.

1 COMMISSIONER JACOBS: There was one question that
2 came to mind. In your testimony, I think it is your direct
3 testimony, you indicate that one of the factors that you
4 look at when you are determining how -- how to site
5 equipment in the central office is whether or not you can
6 group equipment into common areas. Is that -- is the
7 concept that you take -- that you try to put equipment from
8 multiple ALECs into one area?

9 THE WITNESS: Yes, generally. I think what I
10 said was, or I used the phrase "families of equipment." And
11 by family, switching equipment might be a family,
12 transmission equipment a different family. And that is for
13 -- we group it that way for a couple of reasons.

14 First of all, switching equipment requires a more
15 sensitive ground supply than does transmission equipment.
16 So there are physical separation requirements between
17 equipment that is grounded from one place to equipment that
18 is grounded in another place.

19 The problem is if you could physically touch both
20 of those pieces of equipment at the same time, because they
21 have potential differences in ground, you might get shocked
22 or electrocuted. So that is the first reason is to group
23 the equipment by the type of grounding that is required.

24 The second reason is that by keeping that
25 equipment together when you replace, let's say a switch, if

1 BellSouth, you know, replaces one of its switches by a newer
2 technology, then you get back a whole chunk of space in one
3 area rather than, you know, a little bit here and a little
4 bit on the other end of the floor. So that is the reason
5 that the equipment is, to the extent we can, kept in these
6 families, that is, clusters of equipment time.

7 COMMISSIONER JACOBS: Okay. It would seem to
8 appear, then, that that would lend itself to a more general
9 approach to developing the conditioning for that space,
10 i.e., I would think, then, that you could develop a broader
11 plan for how you are going to do the air conditioning and
12 lighting if you have anticipation of grouping a family of
13 equipment in a particular site. Does that sound reasonable?

14 THE WITNESS: Yes, that is reasonable. To the
15 extent that all ALECs are collocating the same kinds of
16 equipment. At this point, they are not. Their market
17 entries -- market entry strategies are different. Some
18 ALECs have chosen only to collocate transmission equipment,
19 other ALECs have chosen to collocate switching equipment,
20 some both. Most of the collocation that we have had to date
21 was for the collocation of transmission equipment. Not that
22 many for switching. Some, but not a lot.

23 But, yes, generally what you have said is
24 correct. But where we are in the continuum is that ALECs
25 are not -- they are not collocating all of those different

1 equipment types. And, certainly, they don't all have -- you
2 know, they don't all have the same entry strategy and the
3 reflection of that is in the type of equipment that they are
4 placing.

5 COMMISSIONER JACOBS: Thank you.

6 COMMISSIONER DEASON: Further redirect?

7 MS. WHITE: No, thank you. And I would ask that
8 Mr. Milner be excused.

9 MR. BUECHELE: Could I ask one question in
10 reference to the issue they asked --

11 COMMISSIONER DEASON: You need to come to a
12 microphone.

13 MR. MELSON: While he is coming up, I will move
14 Exhibit 15.

15 COMMISSIONER DEASON: Without objection? Hearing
16 no objection, Exhibit 15 is admitted.

17 (Exhibit Number 15 received into evidence.)

18 RECROSS EXAMINATION

19 BY MR. BUECHELE:

20 Q Mr. Milner, just so that we are clear, the FCC
21 complaint includes those two central offices, North Dade
22 Golden Glades and West Palm Beach Gardens, which this
23 Commission ordered there was space available for Supra in
24 December of 1998?

25 A Yes, I believe that is correct.

1 MR. BUECHELE: Okay.

2 MS. WHITE: I'm sorry, I have one follow-up
3 question.

4 COMMISSIONER DEASON: Please proceed.

5 FURTHER REDIRECT EXAMINATION

6 BY MS. WHITE:

7 Q Has BellSouth made space available for Supra in
8 those two offices?

9 A Yes, they have. Yes, BellSouth has. And let me
10 also say that the rules under which the waivers were
11 requested by BellSouth allow the creation of separate common
12 areas and common rooms, as they were called then, which are
13 not allowed under the FCC's most recent rules. So the basic
14 rules are quite different before and after those waivers.
15 But, yes, BellSouth has made available space to Supra.

16 MS. WHITE: Thank you. And I would ask that Mr.
17 Milner be excused.

18 COMMISSIONER DEASON: Well, I believe Mr. Milner
19 indicated to Commissioner Jacobs he was going to follow up
20 on something. And I apologize, I don't remember the
21 specific subject matter.

22 THE WITNESS: The question was about power
23 equipment and the prices. I will be here to find out that
24 information.

25 COMMISSIONER JACOBS: You can do that later. It

1 was just whether or not -- what the status of the request in
2 the order that the Commission had on clarifying procedures
3 on recovery of power costs. It was in the order on AT&T and
4 MCI and Metro Fiber, the order that we discussed.

5 MS. WHITE: Okay. We will check into that.

6 COMMISSIONER JACOBS: Okay.

7 COMMISSIONER DEASON: So Mr. Milner will be
8 around for awhile then?

9 MS. WHITE: Well, yes. I keep trying to get rid
10 of him, but -- yes, he will be around for awhile.

11 COMMISSIONER DEASON: Okay. Thank you.

12 Thank you, Mr. Milner. You are temporarily
13 excused.

14 THE WITNESS: Thank you.

15 COMMISSIONER DEASON: That concludes BellSouth's
16 witnesses. Before we proceed to GTE, we will take a
17 ten-minute recess.

18 (Recess.)

19 COMMISSIONER DEASON: Call the hearing back to
20 order. Before we proceed, let me make an announcement. I
21 have been advised that there is a white vehicle that has its
22 lights on, and it may be someone in this hearing. The
23 license plate is TFK77Q. I hope it is not the witness'
24 vehicle.

25 Ms. Caswell.

1 MS. CASWELL: GTE calls Mr. Ries.

2 Thereupon,

3 JOHN RIES

4 was called as a witness on behalf of GTE Florida
5 Incorporated and, having been duly sworn, testified as
6 follows:

7 DIRECT EXAMINATION

8 BY MS. CASWELL:

9 Q Mr. Ries, can you please state your name for the
10 record?

11 A John Ries.

12 Q And by whom are you employed and in what
13 capacity?

14 A I work for GTE Network Services. I'm a program
15 manager in access services.

16 Q Did you submit direct testimony in this
17 proceeding?

18 A Yes.

19 Q Did you also submit revised direct testimony?

20 A Yes.

21 Q Did that revised direct testimony supersede and
22 replace your original direct testimony?

23 A Yes, it did.

24 Q Do you have any changes to your revised direct
25 testimony?

1 A No, I do not.

2 Q So that if I asked you those questions today,
3 your answers would remain the same?

4 A Yes.

5 Q And were there two exhibits attached to your
6 revised direct, Exhibit A and Exhibit B?

7 A Yes, there were.

8 MS. CASWELL: I would ask that Mr. Ries' revised
9 direct testimony be inserted into the record as though read.

10 COMMISSIONER DEASON: Without objection, it shall
11 be so inserted.

12 MS. CASWELL: And could we have Exhibits A and B
13 marked as a composite?

14 COMMISSIONER DEASON: Yes, Exhibit 17.

15 MS. CASWELL: Thank you.

16 (Composite Exhibit Number 17 marked for
17 identification.)

18 BY MS. CASWELL:

19 Q And did you also submit rebuttal testimony in
20 this proceeding?

21 A Yes.

22 Q Do you have any changes to that testimony?

23 A No.

24 Q So that if I asked you those questions your
25 answers would remain the same?

1 A Yes.

2 MS. CASWELL: I would ask that Mr. Ries' rebuttal
3 testimony be inserted into the record as though read.

4 COMMISSIONER DEASON: Without objection, it shall
5 be so inserted.

6 MS. CASWELL: Thank you.

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GTE FLORIDA INCORPORATED

DIRECT TESTIMONY OF JOHN W. RIES

DOCKET NOS. 990321-TP AND 981834-TP

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Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is John W. Ries. My business address is 600 Hidden Ridge, Irving, TX 75038.

Q. BY WHOM ARE YOU EMPLOYED, AND WHAT IS YOUR POSITION?

A. I am employed by GTE Network Services as Program Manager, Access Services.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from the University of Missouri - Columbia in 1982 with a Bachelor of Arts degree in Mathematics and Statistics. My employment with GTE commenced in May 1982 in the Network Planning Department. I held several positions during my first six years with Network Planning. My responsibilities included capital budgeting, capital portfolio management, implementation of enhanced support products for Network Planning, and coordination of technical responses for business customer requests. In 1988, I moved into the Business Pricing group and remained there for four years. My responsibilities there included pricing new network services for tariff offerings, as well as pricing individual case applications.

1 In December, 1992, I became the Product Manager for Expanded
2 Interconnection Services. My responsibilities included coordinating
3 GTE's response to the FCC's Docket 91-141 Order on Special Access
4 and Switched Transport Interconnection, a task which required
5 organizing diverse resources within GTE to determine how the
6 Company would offer physical and virtual collocation.

7
8 In January, 1998, I moved into my current position of Program
9 Manager, Access Services. Over the past year and a half, I have
10 been involved in analyzing competitive information relating to GTE's
11 Network Services, as well as contract negotiations with major
12 interexchange carriers and competitive local exchange carriers.

13

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 A. I will explain GTE's positions on the issues identified for resolution in
16 dockets 981834-TP and 990321-TP. These positions were
17 formulated largely in response to the FCC's March 31, 1999 Order in
18 *Deployment of Wireline Services Offering Advanced*
19 *Telecommunications Capability* (FCC 99-48, Docket 98-147)
20 *(Advanced Services Order)*. For example, GTE does not agree with
21 the FCC's interpretation of the collocation obligations reflected in
22 section 251(c)(6) of the Telecommunications Act of 1996 (Act) or the
23 cost recovery mechanisms, and has thus appealed the FCC' Order.
24 As such, many of the policies and practices I discuss here are
25 compliance positions only; GTE reserves the right to change them if

1 its appeal succeeds.

2

3 **Q. TO WHAT AREAS DOES THE TERM "PREMISES" APPLY, AS IT**
4 **PERTAINS TO PHYSICAL COLLOCATION, AND AS IT IS USED IN**
5 **THE ACT, THE FCC'S ORDERS AND FCC RULES?**

6 A. The FCC says the term "premises" refers to an incumbent LEC's
7 central offices and serving wire centers, as well as all buildings or
8 similar structures owned or leased by an ILEC that house its network
9 facilities, and all structures that house ILEC facilities on public rights-
10 of-way, including, but not limited to, vaults containing loop
11 concentrators or similar structures. (47 C.F.R. 51.5)

12

13 **Q. HOW DOES GTE INTERPRET THIS DEFINITION?**

14 A. GTE interprets it to mean that any GTE location identified in the
15 NECA #4 tariff (listing GTE sites nationwide) is available for
16 collocation, although common sense must be used in real world
17 applications of this definition. For instance, in a multistory building
18 which houses GTE employees and telecommunications equipment,
19 alternative local exchange carriers (ALECs) may be allowed to
20 collocate on a floor other than that which houses existing GTE
21 telecommunications equipment. However, this would only be the
22 case if space were available.

23

24 **Q. WHAT OBLIGATIONS, IF ANY, DOES AN ILEC HAVE TO**
25 **INTERCONNECT WITH ALEC PHYSICAL COLLOCATION**

1 **EQUIPMENT LOCATED "OFF-PREMISES"?**

2 A. Whether the ALEC's equipment is located on or off premises doesn't
3 alter GTE's obligation to interconnect. The Act requires all
4 telecommunications carriers to interconnect directly or indirectly with
5 the facilities of other telecommunications carriers.

6

7 **Q. WHAT TERMS AND CONDITIONS SHOULD APPLY TO**
8 **CONVERTING VIRTUAL COLLOCATION TO PHYSICAL**
9 **COLLOCATION?**

10 A. In general, if an ALEC currently has virtual collocation and desires
11 physical collocation, it must follow the standard process for a new
12 physical collocation request. This process, as well as GTE's
13 collocation products and related information, are detailed in GTE's
14 Collocation Services Packet (CSP), which is provided to any ALEC
15 expressing interest in collocating in a GTE location.

16

17 **Q. WHY IS IT NECESSARY FOR GTE TO TREAT THIS AS A NEW**
18 **COLLOCATION REQUEST?**

19 A. It is necessary because the same site survey and engineering
20 analysis need to be done as would be required with any other
21 collocation request, and because physical collocation is a
22 fundamentally different product than virtual collocation.

23

24 **Q. WHAT IS THE PRIMARY DIFFERENCE BETWEEN PHYSICAL AND**
25 **VIRTUAL COLLOCATION?**

1 A. The primary difference between the two is the location of the
2 equipment within GTE's central office. Since GTE personnel are
3 operating and maintaining virtually collocated equipment, it may be
4 commingled with other GTE equipment. Physically collocated
5 equipment is never commingled with GTE equipment because such
6 an arrangement would inhibit GTE's ability to cage off its equipment
7 from that of the collocators, as allowed by the FCC. (*Advanced*
8 *Services Order* at 42.)

9

10 **Q. WHAT ARE THE APPROPRIATE RESPONSE AND**
11 **IMPLEMENTATION INTERVALS FOR ALEC REQUESTS FOR**
12 **CHANGES TO EXISTING COLLOCATION ARRANGEMENTS?**

13 A. It depends upon the type of change requested. However, in general,
14 the response and implementation intervals are the same for changes
15 to existing collocation space as they are for new collocation requests,
16 because the same tasks need to be completed in response to either
17 type of request.

18

19 **Q. WHEN SHOULD THE ILEC BE REQUIRED TO RESPOND TO A**
20 **COMPLETE AND CORRECT APPLICATION FOR COLLOCATION**
21 **AND WHAT INFORMATION SHOULD BE INCLUDED IN THAT**
22 **RESPONSE?**

23 A. Once the ALEC's completed collocation application and application
24 fee check have been received, GTE will inform the ALEC within 15
25 calendar days whether space is available; if it is, GTE will provide a

1 collocation price quote at this time, as well. The ALEC then has 90
2 calendar days from receipt of the price quote to place a firm order.
3 Any guidelines the Commission adopts in this docket should permit
4 GTE to maintain this approach.

5

6

7 **Q. DOES GTE PLAN TO DETERMINE PRICE QUOTES ON A CASE-**
8 **BY-CASE BASIS?**

9 A. No. GTE intends to file a tariff reflecting an averaged flat rate for
10 costs associated with site modification, HVAC and power modification,
11 and security and electrical requirements. This rate will apply to all
12 ALECs collocating in any office in the state of Florida. The charge for
13 collocation space reports will remain separate.

14

15 **Q. WHAT ARE THE ADVANTAGES OF THIS APPROACH?**

16 A. There are a number of pro-competitive advantages. By eliminating
17 almost entirely the need for case-by-case price quotes, the tariff
18 approach helps expedite collocation implementation intervals.
19 Because GTE will provide both space availability and price
20 information within 15 calendar days, the ALEC will be able to place a
21 firm order at that time.

22

23 This approach should also ease entry for an ALEC which is first into
24 an office that requires significant modification, and facilitate the
25 ALECs' planning process by providing greater certainty about

1 collocation costs.

2

3 **Q. WHAT INFORMATION IS INCLUDED IN THE ALEC's INITIAL**
4 **APPLICATION?**

5 A. The ALEC will fill out GTE's standard collocation application, which is
6 available upon the ALEC's request. In general, the ALEC must state
7 the type of collocation requested, amount of space required, type of
8 equipment to be installed, power requirements, and cabling
9 requirements on the initial application.

10

11 **Q. WHAT INFORMATION DOES GTE PROCESS WITHIN THE 15-DAY**
12 **RESPONSE PERIOD?**

13 A. Once an application is received, assuming it is complete, GTE must
14 do a space availability check. This requires site visits to the central
15 office and review of forecasted growth requirements. This process is
16 completed within 15 days, upon which GTE will tell the ALEC whether
17 the requested space is available. In the case of volume applications
18 that is, when the ALEC submits 10 or more applications within a 10-
19 day period the 15-day initial response period will increase by 10 days
20 for every additional 10 applications or fraction thereof. As noted
21 above, GTE will now also provide a price quote within the 15-day
22 response period.

23

24 **Q. IF THE INFORMATION PROVIDED BY THE ILEC IN ITS INITIAL**
25 **RESPONSE IS INSUFFICIENT FOR THE ALEC TO COMPLETE A**

1 **FIRM ORDER, WHEN SHOULD THE ILEC PROVIDE SUCH**
2 **INFORMATION, OR SHOULD AN ALTERNATIVE PROCEDURE BE**
3 **IMPLEMENTED?**

4 A. There is no need for an alternative procedure under GTE's approach.
5 If the ALEC submits a complete and correct application, the
6 information provided by GTE in its 15-day response is sufficient for
7 the ALEC to submit a firm order. A firm order must be made within 90
8 days from the price quote; an order is considered to be firm upon
9 GTE's receipt of 50% of the non-recurring charges (NRCs) associated
10 with the collocation request.

11

12 **Q. PLEASE EXPLAIN GTE'S POLICY ON REQUIRING 50% OF THE**
13 **NON-RECURRING CHARGES FOR AN ORDER TO BE**
14 **CONSIDERED FIRM.**

15 A. GTE has this policy for two reasons. First, multiple parties may have
16 interest in a site where space is limited. Requiring 50% of the NRCs
17 is an equitable way to establish the first commitment to the space.
18 Without this policy, an individual ALEC could send in a blanket of
19 different orders in an attempt to keep other competitors out. Second,
20 a financial commitment from the ALEC is necessary to ensure that
21 GTE recovers its costs for space preparation.

22

23 **Q. FOR WHAT REASONS, IF ANY, SHOULD THE PROVISIONING**
24 **INTERVALS BE EXTENDED WITHOUT THE NEED FOR AN**
25 **AGREEMENT BY THE APPLICANT OR THE ILEC FILING A**

1 **REQUEST FOR EXTENSION OF TIME?**

2 A. If major system upgrades, such as those involving HVAC or power,
3 are required in conjunction with a physical or virtual collocation
4 request, provisioning may take longer than usual. In these instances,
5 parties should be able to negotiate a date for completion of the
6 collocation arrangement (based upon the extent of the required
7 modifications, contractor availability, and the like) without the need to
8 request a waiver.

9
10 Likewise, no waiver should be required in the case of equipment
11 delivery delays. GTE's standard practice is to provide virtual
12 collocation within 30 days of receipt of all the ALEC's equipment. This
13 is somewhat different from this Commission's guideline in the PAA,
14 which requires completion within 60 days from receipt of a firm order.
15 GTE's concern with the Commission's guideline is that it doesn't
16 recognize that the equipment ordering is completely out of GTE's
17 control. If the ALEC doesn't order its equipment early enough in the
18 process, the 60-day interval may come and go before GTE even
19 receives delivery of the ALEC's equipment. The best solution would
20 be for the Commission to adopt GTE's provisioning interval for virtual
21 implementation, which should eliminate any need for waivers in this
22 instance, or even for establishing a revised agreement with the ALEC.
23 The next best solution would be to permit automatic extensions in
24 those instances where untimely equipment delivery makes such
25 extensions necessary.

1 Another situation that is largely out of the ILEC's control is issuance
2 of building permits. Permits may be required for both physical and
3 virtual arrangements. When it is not possible to obtain building
4 permits in a timely manner, an extended due date should be
5 negotiated between GTE and the ALEC, based on the schedule of the
6 permitting agency.

7
8 Finally, there should be no need to seek a waiver when GTE and the
9 ALEC agree to an extension for any reason; when the ALEC makes
10 modifications to its application that will cause material changes in
11 provisioning the collocation arrangement; or when the ALEC fails to
12 complete work items for which it is responsible in the designated time
13 frame.

14
15 **Q. WHAT ARE THE RESPONSIBILITIES OF THE ILEC AND**
16 **COLLOCATORS WHEN A COLLOCATOR SHARES SPACE WITH,**
17 **OR SUBLEASES SPACE TO, ANOTHER COLLOCATOR?**

18 A. Shared caged collocation refers to a newly established arrangement
19 in which two or more ALECs will share caged collocation space
20 pursuant to terms and conditions determined by those ALECs. In a
21 subleased caged collocation arrangement, vacant floor space
22 available in the already existing caged collocation area of one ALEC
23 space is made available to one or more other ALECs. Again, the
24 ALECs themselves determine the sublease conditions, within the
25 guidelines set by GTE. The respective responsibilities of GTE and

1 the ALECs in shared caged and subleased caged collocation
2 arrangements are detailed in Exhibit A, attached to my testimony.

3

4 **Q. WHAT ARE THE RESPONSIBILITIES OF THE ILEC AND**
5 **COLLOCATORS WHEN A COLLOCATOR CROSS-CONNECTS**
6 **WITH ANOTHER COLLOCATOR?**

7 A. GTE refers to this situation as a CLEC-to-CLEC interconnect
8 arrangement; the respective responsibilities of GTE and the
9 collocators in this instance are listed in Exhibit B.

10

11 **Q. WHAT IS THE APPROPRIATE PROVISIONING INTERVAL FOR**
12 **CAGELESS PHYSICAL COLLOCATION?**

13 A. The appropriate provisioning interval for cageless physical collocation
14 is the same as for caged physical collocation. The only difference
15 between caged and cageless physical collocation is construction of
16 the cage itself. Extending power and providing overhead support and
17 cable racking are typically the most time consuming aspects of the
18 provisioning process. These tasks, which generally dictate the
19 provisioning interval, are required whether cageless or caged physical
20 collocation is being provisioned.

21

22 **Q. WHAT IS THE APPROPRIATE DEMARCATION POINT BETWEEN**
23 **ILEC AND ALEC FACILITIES WHEN THE ALEC'S EQUIPMENT IS**
24 **CONNECTED DIRECTLY TO THE ILEC'S NETWORK WITHOUT AN**
25 **INTERMEDIATE POINT OF INTERCONNECTION?**

1 A. The appropriate demarcation point is the ALEC-provided block that
2 connects to the main distribution frame (MDF) or a digital signal cross-
3 connect (DSX) panel.

4

5 **Q. WHAT ARE REASONABLE PARAMETERS FOR RESERVING**
6 **SPACE FOR FUTURE LEC AND ALEC USE?**

7 A. *GTE or an ALEC should be able to reserve the amount of space it can*
8 *support with a documented, funded business plan, which would*
9 *include a date by which the space will be occupied. Additionally,*
10 *ALECs reserving space should be charged for the floor space*
11 *reserved, just as GTE is required to pay for utilities, taxes and*
12 *maintenance on any vacant space currently in its central offices.*
13 *Finally, as a condition of space reservation, ALECs should be*
14 *required to install their cage or bay at the time of reservation. This will*
15 *ensure that the proper spacing between cages and/or bays is*
16 *maintained and will facilitate the provisioning of future ALEC*
17 *collocation requests.*

18

19 **Q. WITH REGARD TO RESERVING SPACE, DO THE SPACE**
20 **REQUIREMENTS VARY DEPENDING UPON THE TYPE OF**
21 **EQUIPMENT?**

22 A. Yes. Some types of equipment--switching and power, for example--
23 require contiguous space for growth, while other types-- transmission,
24 for example--do not. These characteristics should be taken into
25 account when determining whether an entity should be allowed to

1 reserve a specific piece of space.

2

3 **Q. CAN GENERIC PARAMETERS BE ESTABLISHED FOR THE USE**
4 **OF ADMINISTRATIVE SPACE BY AN ILEC WHEN THE ILEC**
5 **MAINTAINS THAT THERE IS INSUFFICIENT SPACE FOR**
6 **PHYSICAL COLLOCATION? IF SO WHAT ARE THEY?**

7 A. No. Trying to define such parameters would be futile. Each ILEC
8 premises has its own, unique set of circumstances. These unique
9 circumstances mean that it is impossible to specify generic
10 parameters for the ILEC's use of administrative space. In addition, it
11 is inevitable that, even if the ILEC met the parameters in a particular
12 case, ALECs would still dispute space availability, forcing a case-
13 specific assessment in any event.

14

15 **Q. WHAT TYPES OF EQUIPMENT IS THE ILEC OBLIGATED TO**
16 **ALLOW IN A PHYSICAL COLLOCATION ARRANGEMENT?**

17 A. The FCC answered this question in its Advanced Services Order, at
18 28, where it said its rules "require incumbent LECs to permit
19 collocation of all equipment that is necessary for interconnection or
20 access to unbundled network elements, regardless of whether such
21 equipment includes a switching functionality, provides enhanced
22 services capabilities, or offers other functionalities. The FCC went on
23 to clarify, in 30: "We continue to decline, however, to require
24 incumbent LECs to permit the collocation of equipment that is not
25 necessary for either access to UNEs or for interconnection, such as

1 equipment used exclusively for switching or for enhanced services."
2 GTE believes this is sufficient direction for this Commission to
3 determine ILEC obligations in this area. Indeed, it would be not be
4 possible or desirable to draw up an exhaustive list of particular pieces
5 of equipment that could be collocated, as the ALECs might advocate.
6 Such a list would, no doubt, be obsolete as soon as it was
7 established, and there would inevitably be ALEC requests to collocate
8 equipment not on the list. If there are disputes about interpretation of
9 the FCC rule as applied to a particular piece of equipment, the only
10 practical approach is for the Commission to address them on a case-
11 by-case basis.

12

13 **Q. IF SPACE IS AVAILABLE, SHOULD THE ILEC BE REQUIRED TO**
14 **PROVIDE PRICE QUOTES TO AN ALEC PRIOR TO RECEIVING A**
15 **FIRM ORDER FOR SPACE IN A CENTRAL OFFICE?**

16 A. Providing a price quote prior to a firm order by the ALEC is a standard
17 part of GTE's collocation procedures. As stated earlier in my
18 testimony, once the ALEC receives the price quote, it has 90 days to
19 accept the quote and to pay 50% of the NRCs associated with the
20 estimate, thus establishing a firm order.

21

22 **Q. IF AN ILEC SHOULD PROVIDE PRICE QUOTES TO AN ALEC**
23 **PRIOR TO RECEIVING A FIRM ORDER FROM THE ALEC, WHEN**
24 **SHOULD THE QUOTE BE PROVIDED?**

25 A. As I stated, GTE will provide the price quote within 15 days of receipt

1 of a complete and correct application.

2

3 **Q. IF AN ILEC SHOULD PROVIDE PRICE QUOTES TO AN ALEC**
4 **PRIOR TO RECEIVING A FIRM ORDER FROM THAT ALEC,**
5 **SHOULD THE QUOTE PROVIDE DETAILED COSTS?**

6 A. No detailed cost information should be necessary, since prices for
7 collocation arrangements will, in most instances, be set by reference
8 to a tariff.

9

10 **Q. SHOULD AN ALEC HAVE THE OPTION TO PARTICIPATE IN THE**
11 **DEVELOPMENT OF THE ILEC'S PRICE QUOTE, AND IF SO,**
12 **WHAT TIME FRAMES SHOULD APPLY?**

13 A. The ALEC participates in preparation of the price quote by completing
14 its collocation application with accurate information. Since the price
15 will come from a tariff in most instances, there really is no further
16 involvement required on the part of the ALEC.

17

18 **Q. SHOULD AN ALEC BE PERMITTED TO HIRE AN ILEC-CERTIFIED**
19 **CONTRACTOR TO PERFORM SPACE PREPARATION, RACKING**
20 **AND CABLING, AND POWER WORK?**

21 A. No. GTE has a responsibility to all its customers located in or served
22 by a particular central office to ensure safe, smooth and efficient
23 operation of that office. Because collocation work affects more than
24 just the collocater's space, it is imperative that GTE maintain control
25 of and responsibility for the contractor doing this work. This will avoid

1 scheduling conflicts, liability issues and will ultimately result in quicker
2 and more efficient installations than if each ALEC directed the
3 contractor's work, without any centralized control.

4

5 **Q. AN ISSUE IN THIS CASE IS THE ALLOCATION AMONG**
6 **MULTIPLE COLLOCATORS OF THE COSTS OF SECURITY**
7 **ARRANGEMENTS, SITE PREPARATION, COLLOCATION SPACE**
8 **REPORTS, AND OTHER COSTS NECESSARY TO THE**
9 **PROVISIONING OF COLLOCATION SPACE. WHAT HAS THE**
10 **FCC SAID IN THIS REGARD?**

11 **A.** In its March 31 Advanced Services Order, at paragraph 51, the FCC
12 stated:

13 [I]ncumbent LECs must allocate space preparation,
14 security measures, and other collocation charges on a
15 pro-rated basis so the first collocator in a particular
16 incumbent premise will not be responsible for the entire
17 cost of site preparation. For example, if an incumbent
18 LEC implements cageless collocation arrangements in
19 a particular central office that requires air conditioning
20 and power upgrades, the incumbent may not require
21 the first collocating party to pay the entire cost of site
22 preparation. In order to ensure that the first entrant into
23 an incumbent's premises does not bear the entire cost
24 of site preparation, the incumbent must develop a
25 system of partitioning cost by comparing, for example,

1 the amount of conditioned space actually occupied by
2 the entrant with the overall space conditioning
3 expenses.

4

5 **Q. DOES GTE AGREE WITH THE FCC'S COLLOCATION COST**
6 **ALLOCATION REQUIREMENTS?**

7 A. No. GTE has appealed the matter to the United States Court of
8 Appeals for the District of Columbia. GTE believes that the FCC
9 misconstrued the requirements of section 251(c)(6) of the Act and that
10 the cost allocation requirements improperly prevent GTE from
11 recovering its actual costs, as mandated by the Act and other
12 applicable law.

13

14 Many of the fixed costs associated with collocation space preparation
15 do not depend on the number of competitors that ultimately occupies
16 the space, or the amount of space that any one collocator uses. The
17 FCC's approach would prevent GTE from appropriately recouping all
18 of these fixed costs unless there is immediate, permanent, full
19 occupancy by collocators. It would force GTE and its customers to
20 absorb costs incurred solely to benefit collocators and to effectively
21 underwrite the start-up costs associated with competitive entry.

22

23 **Q. DOES GTE'S TARIFF APPROACH NEVERTHELESS COMPLY**
24 **WITH THE FCC'S REQUIREMENTS?**

25 A. I am told by GTE's lawyers that it does.

1

2 **Q. HOW WILL GTE DEVELOP THE TARIFFED RATE?**

3 A. The rate will be based upon information from past collocation activity.

4 The relevant types of costs associated with collocation arrangements

5 over a period of time will be summed and then divided by the total

6 number of collocations over that same time period. Some of these

7 would have had these costs associated with them and some would

8 not. The resulting rate will be one that can be applied to every

9 collocation request in the future.

10

11 **Q. IF INSUFFICIENT SPACE IS AVAILABLE TO SATISFY A**
12 **COLLOCATION REQUEST, SHOULD THE ILEC BE REQUIRED TO**
13 **ADVISE THE ALEC AS TO WHAT SPACE IS AVAILABLE?**

14 A. This is GTE'S practice today, so it would not oppose such a
15 requirement.

16

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

25 A. Any changes in the exempt status of a central office will be posted on

1 GTE's exempt central office website within 10 business days of the
2 status change. This is the fairest and easiest way to notify all
3 potentially interested parties of the change in space availability.

4

5 **Q. WHAT PROCESS, IF ANY, SHOULD BE ESTABLISHED FOR**
6 **FORECASTING COLLOCATION DEMAND FOR CENTRAL OFFICE**
7 **ADDITIONS OR EXPANSIONS?**

8 A. The FCC has already addressed this issue. In ¶585 of its First Report
9 and Order, *Implementation of the Local Competition Provisions in the*
10 *Telecommunications Act of 1996*, the FCC said: "we conclude that
11 incumbent LECs should be required to take collocator demand into
12 account when renovating existing facilities and constructing or leasing
13 new facilities, just as they consider demand for other services when
14 undertaking such projects." GTE's current process does this,
15 considering, for example, requests received within the particular
16 metropolitan area and other information about potential collocation
17 demand.

18

19 **Q. APPLYING THE FCC'S "FIRST-COME, FIRST-SERVED" RULE, IF**
20 **SPACE BECOMES AVAILABLE IN A CENTRAL OFFICE WHO**
21 **SHOULD BE GIVEN PRIORITY?**

22 A. Priority will be given to ALECs in the order in which they submit
23 checks for 50% of the NRCs associated with their collocation
24 requests.

25

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2 A. Yes, it does.

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GTE FLORIDA INCORPORATED
REBUTTAL TESTIMONY OF JOHN W. RIES
DOCKET NOS. 990321-TP AND 981834-TP

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is John W. Ries. My business address is 600 Hidden Ridge, Irving, TX 75038.

Q. ARE YOU THE SAME JOHN W. RIES WHO FILED DIRECT TESTIMONY IN THIS CASE?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL?

A I will respond to certain points discussed in other parties' Direct Testimony.

Q. ALL OF THE ALECS SEEM TO FAVOR COLLOCATION TARIFFS, RATHER THAN THE INDIVIDUAL CASE BASIS (ICB) PRICING THAT IS USED NOW. WILL GTE AGREE TO TARIFF ITS COLLOCATION OFFERINGS?

A. Yes. By the end of this year, GTE plans to modify its existing, federal tariff for traditional, physical collocation to reflect an averaged price for collocation site preparation, security and other non-recurring costs that had formerly been determined on a case-by-case basis. This tariffed price will apply to the great majority of collocations. GTE will

1 also revise its state tariffs to reflect an averaged price for site
2 preparation charges. In addition, GTE plans to file a cageless
3 collocation tariff in the Florida jurisdiction, again with similar pricing for
4 such charges.

5
6 As the ALECs have testified, tariffing will introduce greater simplicity,
7 speed, and certainty into the collocation process. (See, e.g., Levy DT
8 at 3-4; Gillan DT at 6; Closz DT at 22, 24.)

9

10 **Q. THE TIMING AND CONTENT OF THE ILEC'S RESPONSE TO THE**
11 **ALECS' COLLOCATION APPLICATIONS HAVE BEEN VERY**
12 **CONTROVERSIAL SUBJECTS IN THIS DOCKET. HOW WILL**
13 **GTE'S TARIFFING APPROACH AFFECT THESE ISSUES?**

14 **A.** Tariffing of collocation rates should largely moot these issues. The
15 fundamental concern of the ALECs in this docket appears to be
16 reducing collocation implementation intervals. In this regard, they
17 want price quote information as quickly as possible to allow them to
18 place a firm order, which will trigger the space preparation process.
19 The Commission's Proposed Agency Action Order in this case
20 contemplates a two-step response, which has been widely used by
21 ILECs, including GTE. Under this approach, the ILEC gives an
22 answer as to space availability in an initial response (e.g., within 15
23 days), then provides a price quote later (e.g., in 15 more days).

24

25

1 GTE's new approach will collapse this process into just one response.
2 Without the need to calculate ICB prices for each collocation, GTE will
3 be able to provide both space availability and price information in 15
4 days in most cases. The ALEC can then place a firm order at that
5 point. I believe this timetable is consistent with or even more
6 ambitious than some that the ALECs have recommended.

7

8 **Q. IS FCCA WITNESS GILLAN CORRECT THAT TARIFFING**
9 **CAGELESS COLLOCATION ELIMINATES THE NEED FOR AN**
10 **APPLICATION PROCESS? (GILLAN DT AT 13.)**

11 A. No. An initial application for cageless or any other type of collocation
12 is necessary to properly provision and implement the request. The
13 ALEC's application quantifies the request and begins the processing
14 interval. Specifically, it indicates how much space the ALEC needs,
15 the type of equipment to be installed, power requirements, and the
16 like. The ILEC will need to do the same availability, engineering, and
17 cost analysis whether prices are set by a tariff or through an ICB
18 approach. The only step that is eliminated though the tariff process
19 is the pricing analysis.

20

21 **Q. MCG'S WITNESS LEVY, LIKEWISE, CONTENDS THAT TARIFFING**
22 **OBVIATES THE NEED FOR A RESPONSE BY THE ILEC AND A**
23 **FIRM ORDER FROM THE ALEC. (LEVY DT AT 10.) DO YOU**
24 **AGREE?**

25 A. No. Mr. Levy appears to incorrectly assume that there will always be

1 space available to fulfill the ALEC's particular request. An ILEC
2 response is necessary to tell the ALEC whether or not space
3 conforming to the ALEC's requirements is, in fact, available. Through
4 the firm order, the ILEC receives a definite confirmation from the
5 ALEC (in the form of a financial commitment) that the ALEC wishes
6 to proceed with the collocation arrangement.

7

8 **Q. SOME ALECS PROPOSE SHORTER COLLOCATION**
9 **IMPLEMENTATION INTERVALS FOR CAGELESS COLLOCATION**
10 **THAN CAGED COLLOCATION. ARE DIFFERENT**
11 **IMPLEMENTATION INTERVALS WARRANTED?**

12 A. No. The tasks required to prepare caged and cageless space are not
13 significantly different, so the implementation intervals should not be,
14 either. Each type of request centers around the need to place
15 telecommunications equipment into a central office, with the chief
16 potential difference being where the equipment is placed. The type
17 of equipment to be installed will not vary with the category of
18 collocation request. For each request, the ILEC must assess space
19 availability; power requirements; heating, ventilation and air
20 conditioning (HVAC) impacts; cable racking requirements; cable
21 termination requirements; available cable routes; and cable (fiber,
22 transmission, and power) length estimates, in accordance with the
23 ALEC's requirements reflected in the application. For each type of
24 collocation, the ILEC must then engineer and prepare the collocation
25 area prior to equipment installation.

1 GTE has proposed a 90-day implementation interval for physical
2 collocation (both caged and cageless), unless the arrangement
3 involves major upgrades for power or HVAC. Contrary to some
4 ALECs' beliefs, (e.g., Levy DT at 14; Falvey DT at 9; Closz DT at 15),
5 cage construction is not an intensive or time-consuming task, as the
6 cage provisioned in parallel with the other components. Thus, the
7 presence or absence of a cage does not justify different provisioning
8 intervals. Certainly, it does not warrant reducing the provisioning
9 interval by 30 days or more, as some have suggested. (See, e.g.,
10 Closz DT at 15; Strow DT at 8.)

11

12 **Q. THE ALECS WOULD ALSO DEFINE A SHORTER**
13 **IMPLEMENTATION TIME FOR VIRTUAL THAN CAGED**
14 **COLLOCATION. IS THIS JUSTIFIED?**

15 **A.** No. While virtual collocation can sometimes be provisioned faster than
16 the typical physical arrangement, it would be a mistake to set an
17 implementation timeframe on the assumption that this is always the
18 case. The ILEC will need to perform similar kinds of tasks whether the
19 request is for physical or virtual collocation. Moreover, as I stated in
20 my Direct Testimony, the key event driving the virtual collocation
21 implementation date is the delivery of the ALEC's equipment. Unlike
22 physical collocation arrangements, where the ALEC installs its own
23 equipment, the ILEC must install the equipment in case of virtual
24 collocation. Because equipment delivery is largely out of the ILEC's
25 control, the fairest and most practical approach for both the ALEC and

1 ILEC is to set an implementation deadline from the date of such
2 delivery. In this way, the ALEC has maximum control over its own
3 implementation date and GTE cannot be held responsible for events
4 beyond its control.

5
6 GTE endeavors to prepare virtual collocation space in a timely
7 manner; its standard practice is to install, test, and turn up the
8 arrangement within 30 days of receipt of all the ALEC's equipment.
9 GTE believes this is a more reasonable approach than the
10 Commission's proposal to require completion within 60 days of the
11 firm order.

12

13 **Q. MANY ALECS HAVE SUGGESTED THAT REQUESTS FOR**
14 **CHANGES TO EXISTING COLLOCATION SPACE SHOULD BE**
15 **PROCESSED DIFFERENTLY THAN INITIAL COLLOCATION**
16 **REQUESTS. WHAT IS GTE'S RESPONSE?**

17 A. In this regard, GTE distinguishes between major and minor augments.
18 At the time it originally submits its collocation application, the ALEC
19 indicates the amount of power it will need and the amount of heat (in
20 BTUs) that its equipment will generate. The ALEC may then place
21 equipment that does not exceed the capacity of the engineered
22 space. As long as any changes the ALEC wishes to make are within
23 the ALEC's original specifications, the change is considered to be a
24 minor augment. A fee will apply to minor augments that require GTE
25 to perform a service or function on behalf of the collocator (e.g.,

1 pulling cable for CLEC-to-CLEC interconnects, DS0, DS1, and DS3
2 facility terminations, and virtual circuit card installations). A fee will
3 not be required for augments performed solely by the collocator (e.g.,
4 installing additional equipment in its cage).

5
6 If the requested augment would exceed the power and BTUs
7 originally specified, or if it would require additional space, it is
8 considered a major augment. Major augments will be treated like new
9 collocation applications. In these cases, the ILEC will need to assess
10 potential impacts of requested changes on power, HVAC, cabling,
11 and space requirements. While it will not take 90 days to provision
12 every such change, it would be impossible to define some uniform,
13 shorter interval, because change requests can vary widely in the
14 amount of work they require. GTE will work with the ALEC to
15 complete the change in a timely manner; however, absent a clear
16 description of what a particular change will involve, one cannot
17 assume it will take less time than an original application.

18

19 **Q. WILL CONVERSION OF VIRTUAL TO PHYSICAL COLLOCATION**
20 **BE TREATED AS A NEW REQUEST AS TO BOTH CAGED AND**
21 **CAGELESS ARRANGEMENTS?**

22 A. Yes, physical collocation can be provisioned as either a caged or
23 cageless arrangement, so the policy I stated in my Direct Testimony
24 applies to both. As I stated before, the same site survey and
25 engineering analysis need to be done in either case, so there's no

1 reason to treat them differently.

2

3 **Q. THE ALECS SEEM TO BELIEVE THAT CONVERSION FROM**
4 **VIRTUAL TO CAGELESS COLLOCATION CAN BE EFFECTED**
5 **ALMOST IMMEDIATELY AND WITH LITTLE OR NO EXPENSE. IS**
6 **THIS TRUE?**

7 A. No. Again, the ALECs portray the collocation provisioning process as
8 much easier than it is. It is not necessarily a simple matter of a
9 “reversing the ownership of the virtually collocated equipment.”
10 (Falvey DT at 7; Gillan DT at 10.) For instance, since virtual
11 collocations are maintained by the ILEC, the equipment and all circuit
12 assignments are reflected in the ILEC systems. A conversion will thus
13 require ordering and processing activities to update these systems
14 accordingly. Furthermore, equipment relocation may be necessary for
15 some conversions. Requests for in-place conversions will be
16 reviewed on a case-by-case basis. In some instances, they can be
17 granted. In others, such as where the virtually collocated equipment
18 is commingled with the ILEC’s equipment, it may be necessary to
19 move the ALEC’s equipment to properly separate it. In this regard,
20 the FCC allows ILECs to take reasonable steps to protect their own
21 equipment, such as enclosing the equipment in its own cage. (See
22 Deployment of Wireline Services Offering Advanced
23 Telecommunications Capability, First Report & Order, Mar. 31, 1999
24 (Advanced Services Order) at para. 42.)

25

1 **Q. INTERMEDIA'S WITNESS STROW CONTENDS THAT ILECS**
2 **CANNOT REQUIRE ALECS TO RECONFIGURE OR MOVE**
3 **EXISTING VIRTUAL EQUIPMENT TO A SEPARATE SPACE WHEN**
4 **CONVERTING FROM VIRTUAL TO CAGELESS PHYSICAL**
5 **COLOCATION. DO YOU AGREE?**

6 A. No, and neither does the FCC. As the FCC quote in Ms. Strow's
7 testimony states, the ILECs "may not utilize unreasonable segregation
8 requirements to impose unnecessary additional costs on competitors."
9 (Strow DT at 4-5, citing Advanced Services Order at para. 42.)
10 Plainly, this is not the absolute prohibition that Ms. Strow appears to
11 believe it is. GTE has a right, under the FCC's rulings, to secure its
12 own equipment. To this end, it can impose reasonable segregation
13 requirements with a legitimate purpose.

14
15 **Q. SOME PARTIES ADVOCATE DEFINED TIME LIMITS FOR SPACE**
16 **RESERVATION. (HUNSUCKER DT AT 15; MARTINEZ DT AT 14;**
17 **STROW DT AT 10.) DOES GTE BELIEVE THIS APPROACH IS**
18 **FEASIBLE?**

19 A. No. As I stated in my Direct Testimony, ILECs and ALECs should be
20 able to reserve space in parity based on the type of equipment in
21 question and supportable documentation for future plans. An
22 inflexible timeframe for space reservation is not workable; for
23 instance, stand-alone switching and power plant equipment need to
24 grow into contiguous space and will have relatively longer engineering
25 and planning intervals than transmission, multiplexing and routing

1 equipment, which do not demand contiguous growth space.

2

3 **Q. E.SPIRE'S WITNESS FALVEY STATES THAT REQUIRING AN**
4 **ALEC TO HIRE AN ILEC-CERTIFIED VENDOR TO PERFORM**
5 **SPACE PREPARATION, RACKING AND CABLING, AND POWER**
6 **WORK IS MEANT TO OBSTRUCT ALECS' EFFORTS TO PROVIDE**
7 **SERVICE. IS THIS TRUE?**

8 A. No. GTE is the landlord of its central offices, which are some very
9 important real estate to telecommunications consumers in this state.
10 Maintaining the safety and reliability of GTE's network is critical to
11 GTE's end users, as well as the end users of carriers which
12 interconnect with GTE or resell its services. Requiring an ILEC-
13 certified vendor for work that affects more than just the individual
14 collocator space is not an attempt to drive up the ALEC's costs or
15 obstruct provisioning, but rather part of GTE's responsibility to
16 safeguard its facilities and those of its collocator-tenants. In any
17 event, this requirement should not be hard to comply with. There are
18 many ILEC-certified vendors which can perform provisioning.

19

20 **Q. SOME ALECS WOULD REQUIRE THE ILEC TO NOTIFY ALL**
21 **ENTITIES THAT WERE PREVIOUSLY DENIED SPACE IN A**
22 **CENTRAL OFFICE IN THE ORDER OF APPLICATION DATE**
23 **WHEN AVAILABLE SPACE IS CREATED THROUGH**
24 **MODIFICATIONS. DOES GTE SUPPORT THIS PROPOSAL?**

25 A. No. While this approach may appear to be the fairest one in concept,

1 it is not likely to be very effective or beneficial to the ALECs in
2 practice, thus placing unwarranted administrative burdens on the
3 ILEC. An office that is exempt from providing collocation space is
4 likely to remain so for a prolonged period of time--until, for example,
5 a building modification is implemented. The waiting list process
6 proposed in varying degrees of specificity by the ALECs, (Williams DT
7 at 17; Levy DT at 22; Martinez DT at 21-22; Hunsucker DT at 30-35;
8 Nilson DT at 21-22; Strow DT at 11-12), would encourage ALECs to
9 seek space even in offices where they have no foreseeable interest,
10 in order to be placed on the waiting list should space become
11 available in the future. They have nothing to lose in doing so. An
12 ALEC which receives space under this process, but which doesn't
13 really have much interest in collocating in the office, could use the
14 additional space primarily as a subleasing opportunity, which probably
15 isn't the kind of incentive this Commission wants to create. Also,
16 when space is created in a central office, ALECs which were at the
17 top of the list to receive notification may well have implemented other
18 alternatives to enter that market area. Finally, the time spent by each
19 ALEC, within the pecking order, to decide on space acquisition can
20 delay use of the space by an ALEC which stands ready to
21 immediately place a firm order and quickly enter the market.

22

23 **Q. WHAT IS GTE'S APPROACH TO THIS ISSUE?**

24 A. As stated in my Direct Testimony, GTE will publish a notice on its
25 website when new collocation space is created in a particular office

1 that was previously exempt from physical colocation. This is the
2 fairest and easiest way to notify all potentially interested parties of the
3 change in space availability. Once the notice is published, the first
4 firm order GTE receives will be given first priority. .

5 **Q. MCI'S MR. MARTINEZ SUGGESTS THAT THE ILEC SHOULD**
6 **PUBLISH FUTURE PLANS AND ESTIMATED DATES WHEN**
7 **SPACE WILL BE CREATED IN AN EXEMPTED CENTRAL OFFICE.**
8 **WHAT IS GTE'S RESPONSE?**

9 A. This suggestion is unworkable and would, in any event, have little
10 value for the ALEC's planning process. Plans for activities that may
11 create space in a central office often undergo major revisions due to
12 re-evaluation of technical alternatives, budget changes, and the like.
13 Thus, ALECs could not rely with any certainty on such plans (or
14 subsequent revisions), and GTE could not be held to them. If a
15 central office remains exempted for an extended period of time, then
16 GTE would propose allowing an ALEC or the Commission to ask GTE
17 for a walk-through or an analysis of planned alternatives to create
18 space.

19
20 **Q. MR. LEVY ARGUES THAT A COMMISSION FILING SHOULD BE**
21 **REQUIRED EVEN WHERE THE ALEC AND ILEC AGREE TO**
22 **EXTEND PROVISIONING INTERVALS. (LEVY DT AT 20.) DO YOU**
23 **AGREE?**

24 A. No. In situations where the parties agree on an implementation date,
25 it would serve no purpose to require the ILEC to seek a waiver, only

1 to have the ALEC file a response agreeing to the extension. This
2 approach would waste company and Commission resources and
3 undermine the Commission's policy favoring negotiated agreements.

4
5 It appears that other ALECs would not advocate Commission filings
6 where the parties agree to extend provisioning intervals. (See, e.g.,
7 Williams DT at 5.)

8

9 **Q. SOME ALECS HAVE PROPOSED THAT ONLY ESSENTIAL**
10 **PERSONNEL SHOULD BE RETAINED IN CENTRAL OFFICES**
11 **WHERE THERE IS OTHERWISE NO COLLOCATION SPACE.**
12 **(LEVY DT AT 16; MARTINEZ DT AT 15-16; HUNSUCKER DT AT**
13 **18-19.) WHAT IS GTE'S VIEW OF THIS PROPOSAL?**

14 **A.** As I stated in my Direct Testimony, it is infeasible to define rules for
15 administrative space in central offices because each office is unique.
16 In this regard, there should be no blanket requirement to move "non-
17 essential" personnel. For instance, in some cases, GTE's central
18 office facilities happen to be located in office buildings which house
19 several floors of employees supporting GTE's operations, but not
20 necessarily just the operations of the central office facilities in that
21 building. All of these personnel would be considered "non-essential"
22 and would have to be moved under the ALECs' proposals for a
23 uniform rule. This kind of extreme effect of a blanket rule is plainly
24 unreasonable.

25

1 Any evaluation of the ILEC's use of central office space, including the
2 type of personnel housed there, should be done on a case-by-case
3 basis, as it is today, with due consideration of the effect on GTE's
4 business and its employees' lives. If a move is determined to be
5 appropriate in a particular case, then the ALEC(s) causing the move
6 should pay the associated costs.

7

8 **Q. INTERMEDIA COMMUNICATIONS WITNESS STROW**
9 **RECOMMENDS THAT IF THE AMOUNT OF AVAILABLE SPACE**
10 **WITHIN A CENTRAL OFFICE FALLS BELOW A "THRESHOLD"**
11 **AMOUNT, THE ILEC SHOULD BE REQUIRED TO BEGIN TO**
12 **CREATE PLANS FOR EXPANSION OF THE CENTRAL OFFICE**
13 **SPACE. (STROW DT AT 10.) IS THIS CONSISTENT WITH FCC**
14 **REQUIREMENTS?**

15 **A.** No. In its First Report and Order on Implementation of the Local
16 Competition Provision in the Telecommunications Act of 1996, CC
17 Docket No. 96-98, (First Report and Order), the FCC concluded that
18 "incumbent LECs should be required to take collocator demand into
19 account *when* renovating existing facilities and constructing or leasing
20 new facilities, just as they consider demand for other services when
21 undertaking such projects." (First Report and Order at para. 585
22 [emphasis added].) This is not a requirement to keep vacant space
23 above a certain threshold level, but rather a requirement to take into
24 account the space requirements of others if GTE concludes it needs
25 to add space for itself.

1 Ms. Strow's proposal would, in any event, be bad policy. Collocation
2 demand varies widely with offices, so a uniform requirement for
3 expansion at a defined threshold would likely leave the ILEC with
4 substantial unused space and no means of recovering the cost of
5 creating the space.

6

7 **Q. WHAT IS GTE'S POSITION RELATIVE TO ALEC PROPOSALS TO**
8 **USE ALEC COLLOCATION FORECASTS AS A BASIS FOR**
9 **DETERMINING THE SIZE OF CENTRAL OFFICE EXPANSIONS?**
10 **(LEVY DT AT 22; HUNSUCKER DT AT 29-30.)**

11 A. GTE does not oppose consideration of ALEC collocation forecasts as
12 one element in GTE's space planning process, which factors in all
13 available market and historical information (including held
14 applications). But GTE would strongly oppose any requirement for
15 ILECs to expand or add space based on ALEC forecasts. ALECs
16 have no financial commitment to such forecasts and there is no way
17 of verifying their validity. Expanding central offices is a capital-
18 intensive and time consuming process requiring substantial lead-time.
19 Requiring the ILEC to add an additional 500 feet to a central office
20 because ALECs have submitted forecasts that say they'll need the
21 space in three years is not fair or reasonable. ALECs have nothing to
22 lose in submitting overblown space forecasts. In fact, they will have
23 the incentive to do so, either as a way of trying to assure there will be
24 plenty of space in the event they do need it, or as a means of driving
25 up the ILEC's costs. It is, moreover, inevitable that some ALECs'

1 business plans will change and that some will not be as successful as
2 they anticipated. The result in each case is that the ILEC will be left
3 with unused space and stranded investment.

4

5 Conversely, an approach that relies heavily on ALEC forecasts could
6 underestimate the need for additions. GTE believes ALECs would
7 consider collocation forecasts to be competitively sensitive
8 information. In GTE's experience, ALECs are reluctant to share this
9 kind of information. Also, this process will be meaningless absent
10 complete and accurate information about all potential collocations.
11 But there is no practical way to obtain forecasts from all ALECs which
12 may not have expressed interest in collocation yet. Mr. Levy, for
13 example, admits that "MCG has no opinion on how to forecast space
14 needs from new collocators that have not yet submitted applications
15 expressing interest in collocation in a particular central office." (Levy
16 DT at 23.)

17

18 **Q. DOES GTE BELIEVE THAT SPACE EXHAUSTION VERIFICATION**
19 **PROCEDURES SHOULD APPLY WHEN AN ILEC DENIES ANY**
20 **PORTION OF AN ALEC'S SPACE REQUEST, AS SOME ALECS**
21 **SEEM TO SUGGEST?**

22 **A.** No. If the Commission adopted this kind of expansive proposal, there
23 there would be no way to prevent ALEC abuse of their tour rights. If
24 the ILEC is compelled to conduct continuous tours, it will mean less
25 resources available for actually implementing collocation requests.

1 **Q. MR. MARTINEZ LISTS A NUMBER OF ITEMS HE BELIEVES THE**
2 **ILEC SHOULD PROVIDE IN ITS INITIAL RESPONSE TO THE**
3 **ILEC'S COLLOCATION REQUEST. (MARTINEZ DT AT 4- 5.) CAN**
4 **GTE COMPLY WITH THIS SUGGESTION?**

5 A. No. Many of the items on Mr. Martinez' list are pieces of information
6 that GTE would not have collected at this early stage in the
7 collocation process. Some of these details would require GTE to do
8 detailed engineering work and GTE could not know some of this
9 information until the ALEC's space in the central office is finalized.
10 Until the ALEC has placed a firm order, GTE cannot be expected to
11 begin preparing the space or performing detailed engineering work.
12 Otherwise, GTE will be forced to divert scarce resources away from
13 confirmed collocation projects to run "what-if" scenarios for ALECs
14 that may not be serious about a collocating in a particular office.

15
16 **Q. MR. MARTINEZ ALSO TAKES THE POSITION THAT THERE**
17 **SHOULD RARELY BE ANY SECURITY COSTS TO ALLOCATE**
18 **AMONG ALECS. (MARTINEZ DT AT 19.) DO YOU AGREE?**

19 A. No, and apparently the FCC does not, either. Paragraph 48 of the
20 First Report and Order and Further Notice of Proposed Rulemaking
21 in CC Docket No. 98-147 clearly states, "We permit incumbent LECs
22 to install, for example, security cameras or other monitoring systems,
23 or to require competitive LEC personnel to use badges with
24 computerized tracking systems." The agency goes on to say, "We
25 expect that state commissions will permit incumbent LECs to recover

1 the costs of implementing these security measures from collocating
2 carriers in a reasonable manner.” It is the collocation of ALEC
3 equipment that is causing GTE to incur these additional security
4 costs; therefore, their recovery should come from the rates charged
5 to the ALECs.

6

7

8 **Q. DO YOU AGREE WITH MR. LEVY THAT A POTS BAY IS THE**
9 **“ONLY WAY TO ESTABLISH A DEMARCATION POINT”**
10 **BETWEEN THE ILEC AND ALEC? (LEVY DT AT 15.)**

11 A. No. In fact, the ALECs themselves appear divided on the use of
12 POTs bays. Mr. Williams, for example, contends that intermediate
13 arrangements such as POTs Bays drive up the ALEC’s
14 interconnection costs. (Williams DT at 13.)

15

16 As I stated in my Direct Testimony, GTE considers the ALEC-
17 designated block on the main distribution frame (MDF) to be the most
18 appropriate demarcation point. In general, GTE does not favor POTs
19 Bays because its engineers believe they may introduce a potential
20 source of failure into the network. However, GTE will employ them
21 in particular circumstances when the configuration of the central office
22 leaves no other practical options.

23

24 GTE does not agree with some ALECs that they should be able to
25 connect to the network at any point they choose. (See, e.g., Williams

1 DT at 14.) In particular, allowing ALECs to connect directly to the
2 MDF raises issues of network security and reliability.

3

4 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

5 **A.** Yes, it does.

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1 BY MS. CASWELL:

2 Q And, Mr. Ries, do you have a summary of your
3 direct and rebuttal testimony?

4 A Yes, I do.

5 Q Can you give that to us now, please?

6 A Yes. Good morning. The ALECs' main concern in
7 this proceeding is in compressing collocation provisioning
8 intervals as much as possible. To this end, the ALECs have
9 suggested a tariffing collocation offering would simplify
10 and expedite collocation provisioning. GTE agrees.

11 Last month GTE filed a state collocation tariff
12 that will greatly reduce the individual case-based pricing
13 that was necessary for all collocation requests in the past.
14 This new tariff that the ALEC can -- this new tariff means
15 that the ALEC can receive an answer about space availability
16 and price within 15 calendar days. This eliminates the
17 additional 15 days that was formerly necessary to finalize
18 the price quote. This process also provides greater cost
19 certainty for ALECs even in offices that may require
20 significant modification.

21 Many of the issues in this proceeding have arisen
22 because of the FCC's expansion of collocation options.
23 Cageless collocation has been a particular focus. Cageless
24 defers from the traditional physical collocation offering in
25 that the ALEC's equipment is not enclosed in a cage, but

1 placed in accessible rack space within the central office.
2 One point of controversy has been the placement or location
3 of the cageless equipment within the central office floor
4 plan.

5 While the FCC has stated that the ILEC cannot
6 utilize unreasonable segregation requirements to impose
7 unnecessary costs on ALECs, it has also made clear that the
8 ILEC can take reasonable steps to protect its own equipment,
9 including enclosure of that equipment in its own cage. This
10 is important if GTE is able to protect and grow the public
11 switch network. It is GTE's practice to place cageless
12 collocations in a separate lineup from GTE's own equipment
13 when space is available or at least one vacant bay from
14 GTE's equipment.

15 The Commission should reject ALEC suggestions
16 that ILECs are required to place ALEC equipment within the
17 ILEC's own equipment lineup. ALEC requests for conversion
18 of in-place virtual arrangements to caged or cageless
19 physical arrangements also implicate equipment location
20 questions. The ALECs insist that the ILECs must leave
21 existing virtually collocated equipment in place for
22 conversions to physical. But as I have stated, the FCC
23 allows ILECs to cage their own equipment and to reasonably
24 separate collocated equipment from the ILEC network.

25 If the ALEC equipment is being -- that is being

1 converted is commingled with ILEC equipment, the ILEC has a
2 right to relocate it. In other cases relocation may not be
3 necessary. Each conversion will be reviewed on a
4 case-by-case basis. But each conversion will require
5 physical and administrative work to be performed.

6 Another issue relative to cageless is the
7 appropriate provisioning interval. The ALECs advocate a
8 much shorter interval for cageless than for caged
9 collocation by comparing it to virtual. This comparison is
10 unjustified. Cageless collocation is a physical collocation
11 offering. Except for cage construction, it requires the
12 ILEC to perform the same kinds of tasks to prepare the
13 space. In GTE's experience, the provisioning intervals for
14 caged and cageless arrangements have thus been very similar.
15 Caged construction is not a significant factor in
16 determining provisioning intervals. Certainly, it does not
17 justify reducing provisioning time frames by a month or
18 more, as the ALECs suggest. GTE urges the Commission to
19 recognize that cageless collocation is a physical offering,
20 and that the Commission's physical collocation provisioning
21 intervals of 90 days should apply to cageless and caged
22 collocation alike.

23 The next issue is space reservation. GTE
24 believes all parties should be able to reserve space based
25 on documented needs. Establishing a specific time frame

1 will not work because different types of -- different types
2 of equipment have different planning and implementation
3 intervals. If GTE were only able to reserve space on a
4 one-year increment, for example, then it would be forced to
5 plan and implement switch additions on a year-by-year basis.
6 This would be very inefficient and a costly approach to
7 network additions. The fact the switching equipment
8 requires contiguous space for growth, where transmission and
9 other equipment do not, further recommends allowing all
10 parties to reserve space for a period that can be reasonably
11 documented. Since ILECs and ALECs alike will have the same
12 burden to justify their space needs, this approach is fair
13 and nondiscriminatory.

14 Moving to the subject of demarcation points, the
15 issue here is the manner in which the ALEC's equipment is
16 connected to the ILEC's network. GTE believes each party
17 should perform the wiring of the interconnection cable on
18 its own equipment. Where this approach cannot be managed,
19 then a separate point of termination or POT bay could be
20 established in which both parties wire from their equipment
21 to this intermediate point. In no event should the ALEC
22 have access to the ILEC's main distribution frame to perform
23 end-to-end wiring. The MDF is a cross-connect point for
24 wiring or jumping numerous pieces of central office
25 equipment. Keeping accurate records of the thousands of

1 jumpers on an MDF is an onerous task. And allowing ALEC
2 access directly to the MDF will thus raise network
3 reliability -- I'm sorry, will thus raise network
4 reliability and security concerns. GTE would not expect to
5 be allowed to do wiring on the ALEC's equipment, likewise,
6 GTE cannot be expected to allow the ALECs to work on GTE's
7 equipment.

8 That concludes my summary.

9 MS. CASWELL: Mr. Ries is available for cross.

10 COMMISSIONER DEASON: Questions?

11 MS. MASTERTON: Yes, I have questions. Susan
12 Masterton, representing Sprint.

13 CROSS EXAMINATION

14 BY MS. MASTERTON:

15 Q Mr. Ries, it is GTE's position in response to
16 Issue 17 that space preparation costs should be allocated as
17 provided in your tariff, is that correct?

18 A That is correct.

19 Q And GTE has filed tariffs at the FCC and in
20 Florida reflecting such allocations, is that correct?

21 A Yes, it has.

22 MS. MASTERTON: Mr. Chairman, I have a couple of
23 exhibits I would like to use for cross-examination, and I
24 would like to have exhibit numbers assigned at this time.

25 The first one is the GTE Florida collocation

1 tariff filed December 30th, 1999. And the second one is the
2 FCC order on the GTE FCC tariff issued December 20th, 1999,
3 including as attachments Sprint's petition to reject the FCC
4 tariff and GTE's response to Sprint's position.

5 COMMISSIONER DEASON: This will be identified as
6 Composite Exhibit 18.

7 (Composite Exhibit Number 18 marked for
8 identification.)

9 BY MS. MASTERTON:

10 Q Mr. Ries, as GTE's witness in this proceeding,
11 you are familiar with these tariffs, is that correct?

12 A I am familiar with the tariffs, yes.

13 Q And you are also generally familiar with the cost
14 allocation methodology as it relates to space allocation
15 costs represented in the Florida tariff, correct?

16 A I have some knowledge on basic methodology, but
17 not specifics.

18 Q Is it your testimony that the FCC tariff is
19 consistent with the FCC's collocation order?

20 A Yes.

21 Q And you would also agree that the Florida tariff
22 is consistent with the FCC tariff, wouldn't you?

23 A I would.

24 Q At least respecting the allocation of the space
25 preparation charges, is that correct?

1 A That is correct.

2 Q In the Florida tariff at Page 20, GTE represents
3 a nonrecurring charge for the caged site preparation of \$336
4 per square foot for the first 100 square feet, is that
5 correct?

6 A Yes.

7 Q And the per square foot charge for each
8 additional square foot is \$42, is that correct?

9 A That is correct.

10 Q The above square foot charges are based on a
11 statewide average of costs you identified as site
12 preparation costs, divided by an assumed number of
13 collocators, right?

14 A The costs are based on averaging. I'm not sure
15 what the numerator and denominator of the equipment --

16 MS. CASWELL: Excuse me. Susan and Commissioner
17 Deason, Mr. Ries is generally familiar with the Florida
18 tariff to the extent that it reflects the concepts that are
19 in his direct and rebuttal testimony. He is not a cost
20 methodology expert, he is not a pricing expert, nor is he
21 offered as an expert on this tariff.

22 And I would object to questions that go
23 specifically to the tariff pricing in here and the
24 derivation of that pricing. I would point out moreover that
25 this is not a tariff challenge proceeding. So I would

1 object to questions that go specifically to the tariff
2 prices. Again, he can answer questions as to the concepts
3 in the tariff, because those concepts are reflected in his
4 testimony. But anything beyond that I think goes beyond the
5 scope of this proceeding.

6 COMMISSIONER DEASON: Ms. Masterton.

7 MS. MASTERTON: Well, GTE has answered the cost
8 allocation questions in their testimony by referring to
9 their tariff. So I think that it is fair to be able to
10 question the tariff in order to establish whether their
11 recommended methodology is a fair one.

12 COMMISSIONER DEASON: I will allow the question.
13 To the extent the witness has knowledge, he may answer. And
14 if the witness is uncomfortable, he may so state.

15 BY MS. MASTERTON:

16 Q Would you agree that the site preparation charge
17 that is in the Florida tariff does not represent the cost of
18 any specific site except perhaps by chance?

19 A The site preparations are based on GTE's work on
20 previous projects and coming up with some averages for what
21 the site preparation would cost.

22 Q So you are agreeing that it doesn't represent the
23 cost at any particular location or the cost at a location
24 that a collocator might be wishing to collocate at?

25 A The whole purpose of the tariff is to eliminate

1 individual case-based pricing. And so with that you have
2 averages that will in some cases reflect the rate that is
3 higher than actual costs, and in some cases you will have
4 projects where the price would come in lower than the cost.

5 Q Isn't it true that GTE's FCC collocation tariff
6 was the subject of an FCC order suspending --

7 MS. CASWELL: Objection. The FCC tariff is not
8 relevant to this proceeding.

9 MS. MASTERTON: Once again, I would say that GTE
10 referenced this tariff as their recommended methodology for
11 allocating collocation site preparation costs, and so I
12 believe that it is relevant.

13 MS. CASWELL: I'm not sure that we did reference
14 it in our testimony. I think we talk about our intention to
15 file a state tariff. And I would point out that the federal
16 tariff doesn't even include cageless collocation.

17 COMMISSIONER DEASON: Ms. Masterton, if you can
18 show me the reference in the testimony to the federal --

19 MS. MASTERTON: They did reference it in the
20 direct. On Page 20, I believe, there is a reference to the
21 -- in the direct on page -- in the revised direct on Page 7
22 and the rebuttal on Pages 2 and 3. And also on --

23 COMMISSIONER DEASON: Well, let's take it just
24 one at a time. Show me on Page 7.

25 MS. CASWELL: The reference on Page 7 says GTE

1 intends to file a tariff in the state jurisdiction. I don't
2 see a reference to the federal tariff.

3 MS. MASTERTON: And in the revised direct on Page
4 18, GTE talks about the federal tariff and whether or not it
5 is in compliance with the FCC's requirements.

6 MS. CASWELL: That is talking about the state
7 tariff. There is no mention of the federal tariff there,
8 either.

9 MS. MASTERTON: Since Mr. Ries agreed that the
10 methodology used in the Florida tariff was consistent with
11 the federal tariff, then I believe that also makes the FCC's
12 actions on the federal tariff relevant to the proceeding.

13 MS. CASWELL: Well, I didn't object at that time
14 because I wanted to see where Ms. Masterton was going with
15 her questions. And when I found that they were irrelevant,
16 then I felt the objection was warranted.

17 COMMISSIONER DEASON: Ms. Masterton, I'm having a
18 difficult time understanding the relevancy of the FCC
19 tariff. If you could explain than to me, I would appreciate
20 it.

21 MS. MASTERTON: Well, I believe the relevance is
22 that the cost methodology, the cost allocation methodology
23 for the site preparation costs that they use in the federal
24 tariff is the same as the methodology that they use in the
25 Florida tariff. And that, in fact, the Florida tariff was

1 filed consistent with the FCC tariff.

2 COMMISSIONER DEASON: Well, you need to ask the
3 witness that to see if you can make the connection. If you
4 can make the connection, I will allow the questions. And if
5 the witness denies that, well, then I will deny the
6 opportunity to proceed further.

7 BY MS. MASTERTON:

8 Q Mr. Ries, is the methodology used to develop the
9 site preparation charges, the cost allocation methodology
10 used to develop the site preparation charges in your Florida
11 tariff consistent with the methodology used in the FCC
12 tariff?

13 A Yes, it is.

14 COMMISSIONER DEASON: Please proceed.

15 BY MS. MASTERTON:

16 Q I believe I was asking if it was not true that
17 the FCC tariff had been -- that the FCC had suspended the
18 federal tariff for a day and ordered an investigation
19 because of concerns expressed in a petition by Sprint to
20 this tariff, is that correct?

21 A I don't know the specifics to that. I do know
22 that with every collocation tariff since 1993 the Commission
23 has put it into effect with an on-going investigation. So
24 it would not surprise me that this tariff followed the same
25 suit.

1 Q So are you aware of the FCC order that was issued
2 in response to Sprint's petition suspending this tariff and
3 ordering an investigation? It is one of the exhibits that I
4 had provided you.

5 A No, I was not aware of this particular exhibit.

6 Q I would like you -- I would like to point you to
7 Paragraph 3 of the FCC order and have you read it for us.

8 A "We find that Sprint's petition raises
9 substantial questions of lawfulness that warrant
10 investigation. These issues include, but are not limited
11 to, whether the site preparation charge associated with the
12 filing is adequately supported by cost and investment data.
13 The filing includes sufficient data regarding the specific
14 costs that will be incurred in the provision of the service
15 and the demand data included in the filing is inadequate."

16 Q Thank you. Mr. Ries, do you think it is
17 appropriate to fairly assign costs for site preparation
18 allocation to entities who do not require conditioning work
19 to be performed?

20 A Absolutely.

21 Q Do you also think that it is appropriate to
22 recognize the potential benefits to GTE as the owner of the
23 central office when allocating the site preparation costs?

24 A If site preparation costs also benefit GTE, then
25 it would make sense that GTE would allocate a portion of

1 that cost to itself.

2 Q One of the exhibits that I provided you was GTE's
3 response to Sprint's petition to suspend the FCC tariff.

4 And I would like for you to look at the faxed Page 14 of
5 that response. And I ask, do you agree that the work paper
6 represents the development of the 336-square-foot charge in
7 the Florida tariff?

8 A I'm sorry. You need to show me what reference I
9 need to look at again.

10 Q Okay. It is Page 14 in the upper right-hand
11 corner of the thick document that is GTE's reply to Sprint's
12 petition.

13 A Okay.

14 Q And my first question is do you agree that this
15 work paper represents the development of the 336 per square
16 foot charge for site preparation in the Florida tariff?

17 A I'm sorry. I do not see the 336 on this page.
18 You said Page 14?

19 Q Well, I'm actually referring as well -- I'm
20 asking about the Florida tariff, the charge on Page 20, 336
21 per square foot for the first 100 square feet as the cage
22 site preparation charge. And then I'm asking if the
23 worksheet on Page 14 of GTE's response reflects the
24 development of that charge?

25 A I cannot answer that because, again, on Page 14,

1 I do not see a reference of the \$336 amount. So I do not
2 know if this page coincides with that rate element or not.
3 I mean, maybe I'm missing something here.

4 Q Okay. Thank you. Would you agree with the
5 position that it is not appropriate for GTE to double
6 recover its costs through the nonrecurring and recurring
7 charges for space preparation as set forth in the Florida
8 tariff?

9 A GTE does not elect to use a policy that would
10 double recover costs, no.

11 Q And looking at the charge in the Florida tariff,
12 \$336 for the first 100 square feet and \$42 for each square
13 foot after that, I'm going to use an example and see if you
14 agree with the calculations that would result from that. If
15 one CLEC requested 1,000 square feet, then my calculations
16 show that under the Florida tariff the price for that CLEC
17 would be 333,600 -- I mean, \$33,600 for the first 100 square
18 feet, plus \$37,800 for the subsequent 900 square feet, for a
19 total of \$71,400 for the space. Would you agree with those
20 calculations, subject to your --

21 A Subject to actually calculation.

22 Q And then my --

23 A I'm sorry. We have never had a collocation
24 request of 1,000 square feet. But if one were to order that
25 much space based on your analysis, then I would agree with

1 your numbers.

2 Q And then under another scenario that I would like
3 to propose, if ten CLECs each ordered 100 square feet each
4 one of them would pay \$33,600 and the total revenue to GTE
5 would be \$336,000. Would you agree with that calculation?

6 A When you have multiple CLECs ordering space
7 within a given central office, you will have -- obviously,
8 each of these rates apply to each CLEC that elects to
9 collocate. You have to realize that with the tariff -- as I
10 mentioned before, we are not doing individual case-based
11 pricing. You will have some projects that require extra
12 power, extra environmental conditioning costs to be placed
13 in that central office to accommodate the CLEC collocation
14 requests. Other requests in other central offices will not
15 require additional power and additional HVAC work.

16 But in order to get beyond the scope of doing an
17 individual case-based pricing for every collocation request,
18 we chose, and many ALECs have advocated, a tariff approach
19 in which you do averaging, and which this cost applies to
20 all CLECs coming in. It provides you cost certainty and,
21 again, it provides -- it's an average of the many factors
22 that go into provisioning collocation space.

23 Q But you never answered my -- directly my question
24 about the calculation, that it would result in revenue of
25 336,000 to GTE under the scenario of ten individual

1 collocators. Could you just answer yes or no, please?

2 A Based on your calculation if ten collocation
3 requests came in for a particular central office, these
4 rates are specific to each request, then I would agree with
5 your number.

6 Q So that it would appear that the tariff could
7 potentially allow GTE to recover an amount far in excess of
8 its costs in Scenario B, or in a scenario where there were
9 more collocators versus one, do you agree with that?

10 A I agree with that, but you must also realize that
11 you can easily have a case where you will only have one
12 collocation request in a central office, and that one
13 request will require additional HVAC, additional power, in
14 which case one times the rate elements in here do not
15 recover the cost to provision collocation space. So you
16 will have situations based on the number of applicants
17 within the central office that may or may not allow the
18 company to fully recover its costs.

19 MS. MASTERTON: Thank you. No further questions.

20 CROSS EXAMINATION

21 BY MR. MELSON:

22 Q Mr. Ries, Rick Melson, representing Rhythms Links
23 and MCI WorldCom. You talk in your -- well, let me ask
24 this, are you familiar with the term "off-site adjacent
25 collocation?"

1 A Yes.

2 Q And could you tell me just in a sentence what
3 that means to you?

4 A To me off-site adjacent collocation is the
5 condition in which an ALEC is acquiring space that is off
6 the GTE or the ILEC premise. It may be a block away, across
7 the street, but it would be within a proximity that, you
8 know, you would use the term adjacent.

9 Q And isn't it correct that GTE permits off-site
10 adjacent collocation? And, in fact, is interconnected with
11 Rhythms in both California and New York through the use of
12 adjacent -- excuse me, California and North Carolina with
13 adjacent off-site arrangements?

14 A The arrangements that we have with Rhythms, I'm
15 not sure I would use really adjacent off-site collocation to
16 categorize those. There are arrangements in which we have
17 provided copper interconnection and met Rhythms outside our
18 premise boundary. But I don't really consider that to fall
19 into the line of adjacent collocation, because -- I'm not
20 specific enough with the familiarity of those projects, but
21 I don't know how the equipment that Rhythms brings to that
22 configuration really -- I'm not sure of that configuration.
23 I just know that we provided copper to Rhythms in order to
24 have interconnection to our central office.

25 Q All right. In your rebuttal testimony there is

1 an issue in this case about augmentations to existing
2 collocation space. And if I understand your testimony
3 correctly, when an ALEC initially takes space it estimates
4 power and heating requirements, and so forth, is that right?

5 A Yes.

6 Q And if I understand correctly, it is GTE's
7 position that a change to collocation space that did not
8 cause those initial power or heating requirements to be
9 exceeded would be treated as a minor augmentation, there
10 would be no charge by GTE in connection with that change, is
11 that right?

12 A Partially. With minor augmentations -- we have a
13 major and minor augmentation format. The major
14 augmentation, as you alluded to, does not require us to do
15 additional work for power or HVAC. For a minor augment it
16 may require GTE to run transmission cable or other types of
17 cross-connect cables. If GTE work is required in that
18 sense, then there would be a fee for the minor augment. But
19 in some cases GTE work would not be required, and in that
20 case you are correct that there would be no minor
21 augmentation fee.

22 Q All right. With regard to extension of
23 provisioning intervals, I take it from your testimony that
24 you -- that GTE essentially agrees with the procedure the
25 Commission has put into place, which is if an extension is

1 required, first attempt to negotiate with the ALEC, and
2 failing negotiations, GTE would come to the Commission on an
3 expedited basis for an extension or a waiver?

4 A Correct.

5 Q And in your view is that procedure adequate to
6 take -- to accommodate any situations in which you might
7 encounter, for example, delays with building permits?

8 A I believe that procedure is adequate.

9 Q With regard to space reservation, it is my
10 understanding GTE's position is that in order to reserve
11 space an ALEC must install a cage or a bay at the time of
12 reservation, is that correct?

13 A That is correct.

14 Q With respect to space that GTE reserves for its
15 own future use, does GTE, likewise, install a bay or some
16 other physical equipment at the time the space is reserved?

17 A GTE identifies within a central office floor plan
18 space that is required for future use. With regard to
19 collocation requests, when a customer is requesting caged
20 collocation, generally they will have room in that cage for
21 growth, and they will buy enough square footage within the
22 cage to allow them to place equipment and put in more
23 equipment for growth. Likewise, with cageless they will
24 purchase additional racks, which they may not use initially,
25 but they will use in the future. That is what we refer to

1 as buying space for future use.

2 Q So I guess the answer to my question is no, when
3 GTE reserves space for GTE's future use, you don't
4 necessarily install any racks or other equipment?

5 A Right. Because we may not -- we may have
6 multiple uses for that space, and depending on which uses
7 would come first would determine what type of racks we would
8 install.

9 Q In what way does an ALEC have to review what
10 space GTE has got reserved for future use in a central
11 office?

12 A The process of reviewing space that is being
13 reserved for future use, both from an ILEC reserving space
14 for future use as well as for an ALEC reserving space for
15 future use, really isn't relevant until we have to deny a
16 request for collocation. At that point all parties that
17 have space reserved for future use need to document and
18 verify the reasonableness for what they claim they need for
19 future space. So prior to a denial of a collocation
20 request, I don't see the relevance in either an ALEC or an
21 ILEC publicly providing what their future plans may be.

22 Q And I assume that at the time of denial of a
23 request GTE would provide whatever drawings it has got
24 showing space reserved on a floor plan?

25 A Yes, we would.

1 Q Let's take the situation -- I want to talk just a
2 minute about the application of the first-come, first-served
3 rule, which I understand to be the rule that applies when
4 space has not been available and becomes available in a
5 central office. Is it GTE's position that when it denies --
6 well, let me ask this, when GTE denies space on the grounds
7 that space is unavailable, do you put the applicants for the
8 space on a waiting list?

9 A We have had, I believe in California, a
10 Commission directive that we keep a waiting list. Our
11 general policy though is, no, until further ordered we
12 really don't see the benefit by going through this waiting
13 list process.

14 Q Well, then, let me ask you, it is your position
15 that when space does ultimately become available through an
16 addition, or equipment retirement, or whatever, that you
17 would post a notice of availability on your website, is that
18 right?

19 A Right. Within ten days of when the space becomes
20 available, we put it on our website. And it is clearly
21 marked that this office used to be exempt from having
22 available space and now the space is available. And at that
23 time the first party that comes forth with an application
24 and with the 50 percent deposit for the nonrecurring charges
25 would then have first-come, first-served for that available

1 space.

2 Q So you start your first-come, first-served after
3 space becomes available, you don't start a list during the
4 period of time that the office is essentially closed?

5 A Right. And the reason for that, unless the
6 Commission ordered, is when an office is put in the category
7 of not having space, it typically will not have space for a
8 lengthy period of time, maybe two to three years. To
9 develop a waiting list by all the CLECs to be placed on
10 that, for the first part, I think every CLEC would -- I
11 think it would encourage CLECs just to be put on the list,
12 because when space does become available then they would
13 have an opportunity to have space and maybe sublease it.

14 You also have to go through the process then of
15 checking with each CLEC, you know, three years down the
16 road, do you still want space in this original office?
17 Well, many CLECs may have already come forth with other
18 market entry plans and would now have to do a re-evaluation
19 of do I really want collocation space or not? How much time
20 do you give that party to do that evaluation is critical,
21 because as you go down the pecking order you are having time
22 spent that is not very beneficial when you may have a party
23 that is ready to come in and use the space. And, again, all
24 parties are equally notified by looking at the website when
25 space becomes available. So we figure -- from our view, it

1 seems to be more effective and a better process.

2 Q So if the company I represent checks the website
3 on Monday, Wednesday, and Friday, and the company Mr. Hatch
4 represents checks it every day of the week, he could be
5 first-come, first-served, despite the fact that I had
6 applied for space and been denied ten months ago?

7 A That could happen. But, likewise, with any
8 collocation office, any party that comes in would have
9 first-come, first-served at that space.

10 Q You said in California you do maintain a waiting
11 list because you have been ordered to do so by the
12 Commission?

13 A That is correct.

14 Q I assume if the Florida Commission were to order
15 the same type of requirement, you would comply with it here?

16 A Yes, we would.

17 MR. MELSON: That's all I've got. Thank you.

18 CROSS EXAMINATION

19 BY MR. HATCH:

20 Q Mr. Ries, I'm Tracy Hatch. I'll ask you just a
21 couple of questions on behalf of AT&T.

22 When an ALEC files a request for collocation and
23 they file their application and they give you an application
24 fee, what do they get for that fee? What is involved in
25 that?

1 A The application fee begins a process to where GTE
2 would make a determination that space is available within
3 the central office, and, also, from our own perspective to
4 look at the power and HVAC requirements that the applicant
5 has to determine what we may have to provision in order to
6 properly provide the space.

7 Q I believe in your testimony on Page 8 -- if you
8 want to review it it's Lines 13 through 15 -- one of the
9 processes involved in reviewing whether space is available
10 as part of the initial process is a site review to the
11 central office, is that correct?

12 A Are you referring to my direct or rebuttal?

13 Q I believe it is your revised direct.

14 A Okay. And you said Page 8?

15 Q Page 8, Lines 13 through 15.

16 A Okay. Could you repeat the question?

17 Q Yes. One of the things on there, I believe it is
18 at Line 14, refers to you have to conduct a site visit or
19 site review?

20 A Correct.

21 Q Now, do you do a site -- I'm assuming the site
22 visit refers to the CO that is being requested for space?

23 A Correct.

24 Q For each application do you do a site visit?

25 A It is possible that we might. Obviously, the

1 timing of the collocation request would verify -- if you had
2 two requests in the same time frame for a specific central
3 office, you would not need to make a second visit. But,
4 again, a lot of that is based on timing of when the request
5 is received.

6 Q Now, in one central office where the first
7 application for collocation has been filed, you will have
8 done a site visit, correct?

9 A That is correct.

10 Q Now, for every other application for that same CO
11 do you then do another site visit?

12 A It's very well possible, because the conditions
13 of the central office will change both with ALEC activity
14 and GTE activity for using space for equipment. So even
15 though you have done a site survey and determined you can
16 accommodate this particular collocation request, does not
17 eliminate the need to look at the site and to do a survey
18 three months from now to determine if space is still
19 available.

20 Q Do your central office records maintain
21 information on each central office in terms of all of the
22 equipment in that central office and engineering drawings as
23 to where that equipment is laid out?

24 A We do have records that show where equipment is
25 in the central office. But, likewise, we still prefer to do

1 a manual check because you always have lag time where you
2 may have equipment that has been placed in but has not yet
3 been put onto the individual drawings.

4 Q I guess what I'm getting at is wouldn't it be
5 more efficient just to do a site survey for each of your
6 central offices and do an inventory of all the space
7 available for collocation?

8 A GTE has over 4,000 central offices nationwide, so
9 that would be an incredibly burdensome task. Plus, once you
10 do that six months later the environment has changed. So
11 you would be forced to again go back and verify that the
12 equipment that you have in your drawings from your
13 site-specific records are, in fact, concurrent with
14 day-to-day operations.

15 Q And so what you are suggesting is if I get an
16 application in day one, you will do a site visit. If I get
17 another application ten days later, I will do another site
18 visit. If I do another application three -- you know,
19 another ten days later, I will do another site visit. What
20 will have changed in those three in that 30-day process,
21 essentially?

22 A Well, in that case when you have multiple visits
23 that are coming in for a particular central office within a
24 two or three-week time period, no, we would not be doing a
25 site visit every time. But that is not generally the case.

1 You have collocation requests coming from multiple ALECs for
2 multiple central offices throughout a time frame.

3 And, again, it is based on a timing condition as
4 to whether or not you need to physically go back and make
5 another site visit. But as a general rule, I would say we
6 do, on just about every collocation request, conduct a visit
7 or a person will make a phone call to a technician in that
8 central office to determine if that space is still available.

9 Q But for every application fee that comes in, you
10 are being paid for a site visit whether you need one or not,
11 would that be correct?

12 A For every application that comes in, I am
13 receiving -- I am charging a per site visit, correct.

14 Q Whether you need it or not?

15 A I am charging a per site visit because, as a
16 general rule, I need to do a manual site visit to determine
17 where space is available. I cannot -- again, it goes back
18 to the tariff having an average of rates. In some cases I
19 don't have to perform work, in some cases I will. But I am
20 charging through the tariff an average rate for work that
21 needs to be done in order to provision collocation space.

22 Q Are you willing to prorate your application fee
23 based on work that you determine actually does not need to
24 be done, but is presumptively included up front in the
25 application fee?

1 A I don't know how the specific costs were
2 developed for the application fee, so I cannot respond to
3 that.

4 Q Could you turn to Exhibit B?

5 A Exhibit B?

6 Q Exhibit B, as in boy, the CLEC-to-CLEC
7 interconnection arrangements.

8 A Sure. Okay.

9 Q For two ALECs in contiguous space, do you charge
10 anything for them to interconnect with each other in
11 contiguous space, from one ALEC space to another that
12 doesn't really --

13 A If the two spaces are contiguous, I would not
14 charge -- basically, the CLEC has the option whether to
15 perform that work themselves or to hire GTE or a GTE
16 contractor to perform that work. It is up to the CLECs.

17 Q Okay. Now for noncontiguous ALECs in a CO, how
18 would that work?

19 A For noncontiguous ALECs in a CO, again, the CLEC
20 would have the option to run that cable from CLEC A to CLEC
21 B. The only way in which there may be problems is if the
22 collocation spaces are on different sides of the building
23 and running of that cable overpasses GTE equipment and other
24 ALEC equipment. In that case we may require that the CLEC
25 use a certified contractor to do that work. But as a

1 general rule, the CLEC would have the availability to run
2 interconnection cable between him and another party.

3 Q Does GTE pursuant to its CLEC-to-CLEC
4 interconnection rates require an application fee for that
5 interconnection?

6 A We require an application fee because additional
7 cable is being brought into the central office, and we need
8 to be aware of the cable and the fact that it has taken up
9 space within the overhead structure. But because we require
10 an application does not mean that there is a cost associated
11 to the CLEC for that work.

12 Q Do you charge an application fee for the request
13 to interconnect to noncontiguous CLECs?

14 A Only if the request is asking GTE to perform a
15 portion of the work.

16 Q Could you look at the interconnection guidelines
17 or the interconnect arrangements, because I'm -- maybe you
18 can explain this to me. If you will look, it's the second
19 bold paragraph, "The following are the CLEC responsibilities
20 with respect to CLEC-to-CLEC interconnection arrangements."
21 Do you see that?

22 COMMISSIONER DEASON: Mr. Hatch, you need to slow
23 down a little bit.

24 MR. HATCH: I'm sorry.

25 THE WITNESS: Yes, I'm there.

1 BY MR. HATCH:

2 Q Okay. That first bullet, could you read that for
3 just a second?

4 A Uh-huh. The first bullet states, "The CLEC that
5 initiates the CLEC-to-CLEC interconnection arrangement must
6 submit a collocation application form, ASR, and the
7 appropriate fee."

8 Q What is that appropriate fee?

9 A The appropriate fee would be if the ALEC is
10 asking GTE to perform that interconnection cabling, we have
11 a minor augment charge that is charged to the CLEC. But,
12 again, it does not require the CLEC to pay a fee because the
13 CLEC would have the option to do that work themselves.

14 Q So the appropriate fee referred to there is not a
15 new collocation application fee?

16 A No, it is not.

17 MR. HATCH: Thank you. That's all I've got.

18 CROSS EXAMINATION

19 BY MR. GOODPASTOR:

20 Q Good morning, Mr. Ries.

21 A Good morning.

22 Q My name is Chris Goodpastor, and I'm with Covad
23 Communications. I have just a few questions for you.

24 On Page 17 of your rebuttal testimony, GTE
25 maintains that an ALEC should not be allowed to request a

1 tour of a CO when only a portion of its requested space has
2 been denied. Isn't that correct?

3 A Correct. When GTE denies a collocation request,
4 GTE would allow the tour. If a collocation customer
5 requested 400 square feet, and we can provide 300, we do not
6 see a need to provide a tour, nor do we think the FCC has
7 stated that is a requirement.

8 Q And according to your testimony the reason for
9 that position is that you believe an ALEC may use that
10 provision to abuse its right to tour the collocation
11 premises, isn't that correct?

12 A We would like to minimize the amount of tours
13 that we are required to do.

14 Q But in your testimony, didn't you state that
15 there would be no way to prevent ALEC abuse of their tour
16 rights, isn't that correct?

17 If you could refer to Page 17, Lines 22 and 23.

18 A The response is really to the question of when we
19 have space exhaustion, and it goes to the point that we have
20 denied space, we have allowed a tour for that party, you now
21 have subsequent parties that want to see whether or not you
22 have space. We feel once you go through the first process
23 of verifying you do not have space, that that should be
24 sufficient and you should not have to continually grant
25 tours for offices that do not have space. That is what we

1 meant by abusing the tour rights.

2 Q Okay. Well, let me make sure I understand your
3 response to the question. The question that was drafted
4 presumably by your attorney was, "Does GTE believe that
5 space exhaustion verification procedures should apply when
6 an ILEC denies any portion of an ALEC's space request as
7 some ALECs seem to suggest?" And your response was, "No, if
8 the Commission adopted this kind of expansive proposal there
9 would be no way to prevent ALEC abuse of their rights,"
10 isn't that correct?

11 A Correct. This question refers back to not only
12 tours after space has been denied for a request, as well as
13 tours when we have to deny a partial request.

14 Q Now, an ALEC under the situation in which you are
15 claiming that GTE is opposed to, it is not your
16 understanding that an ALEC would be able to just request a
17 tour when no denial of space was made by GTE, is it?

18 A I'm sorry, say that again.

19 Q Well, it just doesn't allow an ALEC just to come
20 in to GTE and say, "I want to tour the premises," if GTE has
21 not denied a portion of the space requested?

22 A That is correct.

23 Q Okay. And so the only time that an ALEC would be
24 able to tour the space or the CO under the proposal
25 suggested would be when at least a portion of the space

1 requested was denied, isn't that correct?

2 A It is GTE's policy that we will grant a tour when
3 we deny a request for collocation, not just -- if we deny a
4 request that says, "You do not have 400 feet; we can only
5 give you 300 feet," it is GTE's policy that we would not
6 provide a tour at that time, only when we totally deny the
7 request.

8 Q Mr. Ries, are you aware that GTE filed responses
9 to interrogatories posed by staff in this docket?

10 A Yes.

11 Q Did you assist in drafting those responses?

12 A Yes, I did.

13 Q Now, in a virtual collocation situation, in that
14 situation the type or the equipment required for that
15 collocation arrangement is already in place, isn't that
16 correct?

17 A That is correct.

18 Q And that equipment is already configured in that
19 situation, as well, isn't that correct?

20 A It is configured for a virtual collocation
21 environment, yes.

22 Q And presumably if virtual collocation is
23 available there is space for the equipment that is used in
24 that virtual collocation, isn't that correct?

25 A If the virtual equipment is in place, then there

1 was space to put that equipment in.

2 Q Now, it is GTE's position that an ALEC cannot
3 place its equipment in the same lineup as GTE's equipment,
4 isn't that correct?

5 A It is GTE's position that we will place the
6 cageless equipment in a separate lineup when space is
7 available.

8 Q Okay. I want you to assume for me now that GTE
9 doesn't have that requirement and if that requirement didn't
10 exist. If I were going to convert a virtual arrangement to
11 a cageless, we wouldn't need to find new space for the
12 equipment because the equipment would already be in that
13 spot that the virtual collocation arrangement was occupying,
14 isn't that correct?

15 A The virtual equipment would be in the central
16 office -- yes, that space would be taken up -- there would
17 be space taken up by virtual equipment.

18 Q And if I wanted to convert the virtual to a
19 cageless arrangement, but I didn't want to make any
20 modifications or augments, there shouldn't be any
21 reconfiguration of the equipment itself in that space, isn't
22 that correct?

23 A If you were making no -- well, there is one
24 definite change. With virtual collocation, the ILEC or GTE
25 is providing maintenance and monitoring capability. When

1 that gets converted to cageless, the ALEC will take on the
2 responsibility for maintenance and monitoring. So the alarm
3 network, the physical -- I mean, the virtual equipment needs
4 to be disengaged from GTE's network such that the ALEC can
5 now monitor and alarm the network back to his ALEC's
6 network. So there is always physical activity required with
7 setting up the alarms.

8 Q But other than changing the alarms and the
9 maintenance and the monitoring aspects of the arrangement,
10 if I didn't request an augment to that arrangement, there
11 wouldn't be any other physical work required, isn't that
12 correct?

13 A No, there would be other physical work required.
14 Because the virtual equipment is located as GTE equipment,
15 the power that we have to that equipment is usually shared
16 with other GTE equipment in terms of fuse panels, circuit
17 breakers and so forth. When we have cageless collocated
18 equipment, we will have a separate fuse panel such that if
19 the ALEC's equipment goes out of service it does not
20 interfere with the ILEC's equipment.

21 It doesn't change the amount or the type of power
22 that we provide to you, but it does have a different feed
23 such that you are not tied in with our same fuse panels. It
24 is separated so that your equipment will not affect our
25 equipment and, likewise, our equipment will not affect

1 yours.

2 But as another condition I think you have to be
3 aware of, there will be other virtual collocation
4 requirements. Because the ALEC is now doing that
5 monitoring, the ALEC will probably need to provide
6 additional DSX panels such that they have a test point with
7 the configuration of that equipment.

8 And as a general rule, if you were going to be
9 providing DSX panels, that's going to require additional
10 wiring. And in that regard you would actually have less
11 downtime by relocating the equipment than converting the
12 equipment in place.

13 Q But additional DSX panels would be the choice of
14 the ALEC requesting the conversion, wouldn't it?

15 A That is correct.

16 Q And so that would fall under a situation where we
17 were -- an ALEC was requesting an augment or modification to
18 the configuration of the equipment, not a situation where we
19 are just seeking to convert the equipment as is, isn't that
20 correct?

21 A That is true, but the as-is conversion, I don't
22 think, would fit the CLEC's needs because of the CLEC's
23 requirement to do maintenance and monitoring. But as you
24 look at cageless and caged equipment, you see the separate
25 DSX patch panels such that they have a test point, and as

1 the general virtual collocation is tied into GTE's network
2 today a straight conversion of that with only changes in the
3 alarms I don't think would meet the needs of the ALEC. But
4 if that were --

5 Q But an ALEC can determine its needs.

6 A But if that were the case, then, yes, we would
7 not -- DSX panels would not be required at each conversion.
8 I just would say that in a number of instances the ALEC
9 would request that.

10 Q Now, if we already have an existing virtual
11 collocation arrangement in place, presumably there is
12 already heating and ventilation and that HVAC that runs to
13 that collocation space, as well, isn't that correct?

14 A That is correct.

15 Q Does GTE notify ALECs when it finalizes a space
16 reservation policy and actually makes a space reservation
17 for future growth in a CO?

18 A GTE does not notify ALECs for our future plant
19 plans for space, nor do we require ALECs to notify parties
20 for their future plans as to what those plans may be.
21 Again, as I mentioned earlier, the only time we see that
22 information being relevant is when you have a limitation on
23 space availability and you have parties reserving space that
24 now must document if that space is required.

25 Q If an ALEC wants to reserve space in a GTE CO, it

1 has to file an application, isn't that correct?

2 A That is correct.

3 Q But GTE doesn't have to file an application or
4 otherwise notify the ALECs that it is reserving space, isn't
5 that correct?

6 A We do not have to file an application for our own
7 use within our central office, no.

8 Q GTE prohibits or -- let me rephrase this
9 differently. GTE will not terminate its portion of the
10 network on a POT bay that an ALEC provides in its own space,
11 isn't that correct?

12 A There may be an instance where a POT bay based on
13 the configuration is a useful item within the network. As a
14 general rule, we think a POT bay just adds another potential
15 point of failure in the network, and we do not generally
16 utilize POT bays in a collocation arrangement. But should
17 the ALEC wish to have a POT bay, then we could look at that,
18 assuming space was available.

19 Q Are you aware that Covad has requested to place a
20 POT bay in its own collocation space in a GTE CO?

21 A I am not aware, but you should be able to place
22 within your own collocation space that type of equipment.

23 Q And it would be GTE's position that we could use
24 that POT bay as a point of demarcation, isn't that correct?

25 A Well, you have to be careful when you start

1 talking about points of demarcation because you also talk
2 about access to that space. GTE would not in any
3 circumstance want to be working on your -- within your cage
4 or on your space with wiring on your equipment. So when we
5 have interconnection cable that connects your equipment to
6 my equipment, you would do the wiring on your side, GTE does
7 the wiring on our side. We would view the demarcation point
8 to be on our equipment, you would view the demarcation point
9 on your equipment in terms of who has access.

10 Q Well, let me make this clear, then. If Covad
11 wishes to put a POT bay in its collocation space and use
12 that as a demarcation point, it is GTE's position that Covad
13 can't do that, isn't that correct?

14 A No. GTE would allow Covad to put a POT bay in
15 their collocation space. What GTE would not be in favor of
16 is GTE performing the wiring on equipment that is in the
17 Covad space, that we would provide you the cables and then
18 you would terminate the cables in your space as you would
19 see fit.

20 Q Does GTE require drug testing of ALEC contractors
21 and other employees that enter the central office?

22 A With regards to background checks and drug
23 testing, the only thing I'm aware of is GTE's policy is that
24 the practices and procedures that we have for ourselves are
25 no more stringent than the procedures we put forth for

1 ALECs.

2 Q So are you aware of a policy that requires ALEC
3 contractors or employees to undergo drug testing?

4 A I'm only aware of a policy that GTE does require
5 drug testing of all of its employees and resources, and that
6 we expect the same type of policies to be met with regards
7 to the CLEC personnel, but I don't know the specifics of
8 that.

9 Q Does GTE pay for these drug tests?

10 A I do not know.

11 Q Have you ever been inside a GTE CO?

12 A I have been inside with regards to a tour type of
13 arrangement.

14 Q Have you undergone a drug test?

15 A No.

16 Q Is GTE willing to produce documentation to prove
17 that its employees operating in a CO have undergone the same
18 drug test and other security training that it requires of
19 ALEC contractors and employees?

20 A I'm not sure what our policies would be on
21 providing that. I don't know.

22 Q So if you didn't provide that information, ALECs
23 wouldn't have a way of verifying that you are actually
24 applying the same security requirements to your own
25 employees as you are to ALEC employees?

1 MR. SAPPERSTEIN: No questions.

2 CROSS EXAMINATION

3 BY MR. BUECHELE:

4 Q Good morning. Mark Buechele for Supra. Just a
5 few questions. We, first of all, applaud the effort to do a
6 tariff. But let me ask you this, does GTE allow ALECs to,
7 in choice of tariff items, to hire GTE certified contractors
8 to do the work instead?

9 A With regards to the hiring of certified
10 contractors, if the work being performed is specific to the
11 CLEC request, then the CLEC can hire the contractors to do
12 the work. However, like BellSouth, if the work that is
13 being performed affects GTE equipment or can affect other
14 CLECs' equipment, then the CLEC does not have the option of
15 hiring that contractor. GTE will perform that work or hire
16 that contractor to do that work.

17 Q Does that include cabling running from the
18 cageless collocation equipment to the main distribution
19 frame?

20 A Yes, it would.

21 Q So that means only GTE is allowed to do that?

22 A GTE with regards to access to the main
23 distribution frame does that work internally. We do not
24 even contract that work out.

25 Q Does that include for the racks, installation of

1 any racks that may be necessary to hold the overhead
2 cabling?

3 A Well, when you start talking about racks that
4 hold overhead cabling, if the CLEC is working directly with
5 the contractor, then one issue I have is ownership. If that
6 contractor puts in the rack for the CLEC, the racking really
7 need to be a common area because multiple CLECs will need
8 access to that rack as well as GTE. So GTE's view is that a
9 contractor that GTE would hire would provide the associated
10 overhead cabling racks or superstructure with regards to
11 collocation provisioning. However, the CLEC may choose to
12 hire a contractor to run its individual cable over those
13 racks.

14 Q Okay. And to the main distribution frame?

15 A With regard to the main distribution frame, you
16 would give us the cable, but GTE would terminate that cable
17 on the main distribution frame.

18 Q And what about dedicated power, can the CLEC have
19 the option of hiring a certified contractor to have power
20 that only powers their equipment like, for example, the
21 batteries?

22 A Well --

23 Q Or do they have to be tied into the main battery
24 plant of GTE?

25 A GTE provides power to CLEC equipment in the same

1 manner we provide power to our own equipment. GTE would
2 perform the work. And in some regions GTE does not even
3 contract that work out, but GTE does that internally. GTE
4 would request the option to perform all power-related work
5 via GTE's employees.

6 Q So if the cageless collocation required the
7 addition of new batteries, the ALEC or CLEC could not
8 contract out with a certified contractor to have those new
9 batteries installed?

10 A That is correct.

11 Q Have you seen our Exhibit 12, which is the
12 Southwestern Bell breakdown?

13 A I saw a Southwestern Bell tariff breakdown
14 yesterday.

15 Q On Page 3, can you turn there? Can you see where
16 Southwestern Bell gives the ALEC the option, it has two
17 tariff rates, an option for where Southwestern Bell provides
18 the cable racks and where the service provider provides the
19 cable racks? Do you see any reason why GTE cannot provide
20 the same option, either have a tariffed rate or allow a
21 certified contractor to do the same?

22 A It goes back to the point I mentioned earlier.
23 If the CLEC is providing cable racks, let's be specific that
24 the cable rack is the frame in which the equipment is being
25 placed as opposed to a cable rack that is an overhead

1 superstructure.

2 I assume that in this that the providing of cable
3 racks -- well, I'm not sure what the cable rack reference
4 exactly is here. When you look at cable racks you are
5 really looking at overhead structure that supports not only
6 individual CLEC cables, but other CLECs as well as GTE's
7 cables. And so the provisioning of that in GTE's
8 perspective and through our tariff would be done by GTE.

9 Q Can you turn to Page 5?

10 A Of this?

11 Q Of that same exhibit.

12 A Yes.

13 Q Do you see where Southwestern Bell gives you an
14 option of dedicated power, which is just your own power and
15 power that they provide? Is there any reason why GTE can't
16 do the same thing, give you the option of a tariffed rate or
17 let the ALEC install a separate battery pack that only runs
18 their equipment?

19 A GTE does not plan to go forth with that type of
20 arrangement because, again, power is a very sensitive and
21 important component of the central office switch, the space
22 required for power. GTE performs all power work and will
23 provide power to the CLEC in the same manner that it
24 provides itself.

25 Q Now, when you are talking about power upgrades,

1 you're talking about actually putting new batteries in that
2 hook up to the same battery string that you have there, is
3 that correct?

4 A Potentially.

5 Q Okay. And in that case, the cost of those new
6 batteries actually benefit the ILEC, as well, don't they?

7 A It has the potential to benefit the ILEC
8 depending on how the configuration is tied together.

9 Q So it's a fair statement that the surplus was
10 there because the ALEC needed it, but the batteries also
11 benefit the ILEC?

12 A The batteries benefit both, just like the fact
13 that the existing power supply when you come in and order
14 collocation equipment, the existing power supply that is in
15 place benefits both GTE and the ALECs.

16 Q Okay. And do you -- if you are adding those
17 battery strings that you put in, do you tariff this as a
18 recurring charge or a nonrecurring charge?

19 A The power rates for collocation have both a
20 nonrecurring and a monthly recurring charge.

21 Q And is the nonrecurring the cost of the actual
22 battery that goes into the same line-up?

23 A I'm not sure what goes into the nonrecurring
24 charge, whether that is just labor activity or whether there
25 is -- I would assume it is labor activity. But, again, I'm

1 not familiar with that cost detail.

2 Q Can you turn to Page 7 of that same exhibit?

3 A Yes.

4 Q Do you see where Southwestern Bell gives the ALEC
5 the choice of either installing their own fiber or having
6 Southwestern Bell install it throughout the CO?

7 A You are talking in terms of fiber, is that what
8 you said?

9 Q Yes. Is there any reason why GTE can't have a
10 tariffed amount which a party can choose from or hire a
11 certified contractor to do the work themselves?

12 A With regards to transmission cabling, such as
13 fiber, the collocater has the option of providing that
14 equipment himself in terms of the cable or having GTE
15 provide the equipment. In terms of work performed to
16 install the equipment, if the work is specific in terms of
17 the fiber to the CLEC, the CLEC can hire a contractor to do
18 that work.

19 Q Is there any reason why a certified contractor
20 hired by the CLEC or the ALEC couldn't sit down with GTE,
21 who has in their infinite wisdom all the plans for that
22 central office and just work out how the work should be
23 done, but letting the ALEC negotiate the price delivery and
24 everything else on certain work like cable, racking, and
25 power?

1 A Well, if there is a particular contractor that
2 the CLEC would like to utilize within the configuration
3 process, and that contractor is on GTEs approved list, GTE
4 can definitely sit down with the CLEC and try to utilize
5 that contractor on that particular work. But I must again
6 caution you that with regard to power, gte generally does
7 power work itself and would not contract that work out.
8 However, with regards to transmission and fiber cable, there
9 is no reason why that could not be coordinated.

10 Q Okay. So then I guess we agree in concept that
11 tariffs are a good thing, but at least for some items the
12 ALEC should have the choice of hiring a certified contractor
13 to do the work themselves if they so choose instead of
14 paying the tariffed amount?

15 A Well, we have rates in the tariff that would only
16 apply if the customer chose GTE to provide the cabling and
17 GTE to perform the work. Again, some of the rates are
18 optional based on the CLEC request.

19 Q Do you think in that sort of circumstance that
20 the ALEC should be given the opportunity before choosing
21 which to do, to tour the central office and determine
22 whether or not it is in their better interest to pay your
23 tariffed rate or to go ahead and hire their own certified
24 contractor to do the work?

25 A From GTE's perspective we don't see the need to

1 conduct another pre-site tour. Again, GTE will be providing
2 specific collocation equipment, frames, power, cabling, in
3 the central office where we think that equipment is best
4 suited for collocation and provide that via the tariff.
5 And, again, there are some elements that you can provide
6 themselves, but we are not in favor of having a
7 pre-application tour.

8 Q Now, in order to actually get a quote, let's say,
9 from a certified contractor, it would be necessary generally
10 for that contractor to walk through the central office to
11 determine the scope of the work, correct?

12 A If there were elements that you chose not to use
13 out of the tariff, but to provide yourself, then, yes, the
14 approved contractor would need to go in and determine the
15 lengths to give you a quote, and that would be acceptable.

16 Q So in general, then, you would not be opposed to
17 allowing that kind of walk-through?

18 A As I think back on this, I really -- I think the
19 correct response is GTE will provide the contractor, GTE
20 will provide the CLEC the distances required and the cabling
21 types required should you elect to do that work yourself. I
22 do not -- providing that type of information to you, I
23 think, would not also require a walk-through. So I would
24 say, no, we would not have a walk-through with the
25 contractor. We would just provide him the specifications.

1 Q Do you know if your central offices already have
2 overhead lighting?

3 A We have over 4,000 central offices. I don't know
4 particular ones that do or do not have certain
5 characteristics.

6 MR. BUECHELE: That's it. Nothing further.

7 COMMISSIONER DEASON: Staff.

8 MS. KEATING: Good morning.

9 CROSS EXAMINATION

10 BY MS. KEATING:

11 Q Good morning, Mr. Ries. I hope you can see me
12 through the sea of microphones.

13 A Yes, I can.

14 Q I'm Beth Keating, I just have a few questions for
15 you on behalf of staff, most of which are really geared
16 toward clarifying what a funded documented business plan is
17 and how GTE uses that.

18 A Okay. Every quarter GTE looks at future forecast
19 requirements to determine when a particular switch would
20 need a switch addition. Within that process we also will
21 have, you will see triggers that say in year two or year
22 three you need a switch addition to accommodate your growth.
23 We have a process to estimate the capital and expense costs
24 for those individual projects. And by that combination of
25 events, we would view that to be a funded documented plan.

1 Q Well, when you talk about a plan like that, does
2 it actually include forecasted growth, or is that something
3 that is separate and apart from the plan itself?

4 A It's all based on forecasted growth. The
5 forecasted growth will dictate the interval in which a
6 switch addition would be required. You would then do some
7 capital estimates to determine the impact that those
8 additions would have within your budgeting process.

9 Did that answer the question sufficiently?

10 Q I guess what I'm trying to get at is whether that
11 is actually -- when you talk about having a plan like that,
12 whether that is a required component of the plan, or whether
13 that is something that is considered separate and apart from
14 the plan?

15 A I would view that whole sequence of events to be
16 required.

17 Q Okay. And would you say the same thing for the
18 demand and facility chart?

19 A Right. The demand and facility chart really is
20 the forecast that is triggering future switch additions.

21 Q Now, does an ALEC have the ability to review or
22 obtain a copy of GTE's documented funded business plan that
23 you have described?

24 A Again, the relevance of the future plans for
25 growth become germane when an office no longer has space.

1 At that time through the review of the Commission or a third
2 party, that information, the CLEC would -- subject to
3 proprietary agreements, would be able to review that
4 information.

5 Q So they could review it at that point?

6 A Assuming that they follow through the proprietary
7 and all of that information, yes.

8 Q I would like to refer you now to GTE's responses
9 to staff's first set of interrogatories, and I believe you
10 mentioned earlier that you had assisted in preparing those
11 responses, is that correct?

12 A Yes.

13 Q In GTE's response to Interrogatory 1A it is
14 indicated that GTE will update its forecasted growth each
15 quarter. And just to clarify, how often is the forecasted
16 growth in GTE's plan currently updated?

17 A I believe it is updated on a quarterly basis.

18 Q You have also indicate in your testimony that an
19 ALEC should be allowed to reserve the amount of space it can
20 support with its own documented funded business plan, is
21 that correct?

22 A That is correct.

23 Q Should and ALEC's plan also include forecasted
24 growth?

25 A If we run into the condition where space is no

1 longer available and both parties have reserved space, both
2 parties need to document that. And like GTE, the ALEC
3 should be required to show a forecast for its future needs
4 to support that it needs space to accommodate that plan; so,
5 yes.

6 Q So similarly you would think that it needed to
7 include the demand and facility chart, is that correct?

8 A I would. They may have another term or another
9 process by which they forecast demand, but they would need
10 to support their need for space through some sort of
11 forecast, yes.

12 Q How about budget requirements, should an ALEC's
13 plan be required to include budget requirements?

14 A I think when they are looking at I need space for
15 future use, and I have these plans, that I think it is only
16 natural that the Commission or whoever is reviewing that
17 should request, you know, what are the impacts of this
18 approach in terms of budget. Likewise, GTE is going to
19 provide that with its information. So I think it is
20 relevant to supporting your need for space.

21 Q Now, you have indicated that GTE considers its
22 plan to be proprietary information?

23 A Right.

24 Q If an ALEC considers its plan to be proprietary,
25 can an ALEC still reserve collocation space with respect to

1 installing equipment without actually submitting its plan to
2 GTE?

3 A Yes. In terms of submitting a plan when we are
4 talking about documenting space that you had reserved that
5 now all of a sudden we have an exhaustion problem, with that
6 type of documentation I would expect some forecast, I would
7 expect some budgeting efforts.

8 If you are coming in and requesting collocation
9 space and say, I need 400 square feet, I'm going to be
10 bringing in this type of equipment, we need to know the type
11 of equipment that is going to occupy the 400 feet and the
12 time frame you are bringing that equipment in. But we do
13 not need, you know, your individual market forecast to
14 solidify why you are requesting space at the time of
15 application, no.

16 Q Okay. Are there any situations when an ALEC
17 wouldn't be required to have what you would consider a
18 documented funded business plan to reserve space?

19 A I'm sorry, say that again.

20 Q Are there any situations when an ALEC would not
21 need such a plan to reserve space?

22 A If space was available in the central office to
23 accommodate new requests, then that is not needed.

24 Q Does GTE currently reserve space for itself in
25 any situations where it doesn't use a documented funded

1 business plan?

2 A I am not aware of a situation of that, no.

3 MS. KEATING: Thank you. Those are all the
4 questions staff has.

5 COMMISSIONER DEASON: Commissioners. Redirect.

6 MS. CASWELL: I have a just a few questions.

7 REDIRECT EXAMINATION

8 BY MS. CASWELL:

9 Q The first one concerns GTE's administration of
10 the first-come, first-served policy that you discussed, I
11 believe, with Mr. Melson.

12 In your experience, Mr. Ries, have there been any
13 problems with holding future space or new space based solely
14 on the date of an ALEC's application for space?

15 A Yes. We have had problems, and specifically even
16 in Florida where we had an area of I would say around 400
17 square feet of space available for collocation. And, again,
18 this was back in the '94/'95 time frame. We had a
19 collocation application for 200 square feet of space, we
20 marked it down as, okay, this space is yours. We had other
21 requests.

22 However, the initial applicant was slow in
23 putting equipment in or even slow in continuing the process,
24 and we were starting to get other requests when we noticed
25 that, you know, we can't really accommodate this request

1 because we had applicant one and two submit a desire for
2 space, but that is all they did, was submit an application.

3 So we changed our policy to say in order to have
4 that space to become firm so you the right for that space,
5 you need to not only go through the application process, but
6 submit 50 percent of the nonrecurring charge and then that
7 space officially becomes yours because they have now made a
8 financial commitment to that space. And we thought that was
9 a better approach than the very initial approach we had from
10 day one which was just space granted based on the initial
11 application only.

12 Q And why is it important for GTE to avoid
13 continuous tours of its central offices?

14 A Well, continuous tours basically take our
15 engineering installer technical reps away from activity they
16 can be doing for GTE work and even doing work for
17 provisioning space for collocation. So just granting a
18 number of tours just makes additional work that we would not
19 feel compelled to perform unless necessary.

20 Q I think you discussed with Mr. Goodpastor
21 conversion from virtual to cageless and you testified that
22 because of the need for changes in alarm systems,
23 maintenance, and shared power there wouldn't be many
24 situations where there would be no modifications to a
25 virtual arrangement. That said, do you think in-place

1 conversion would require the ALEC to take down its equipment
2 for some period of time in most cases?

3 A It depends on the configuration. When you do an
4 in-place conversion, depending on the wiring that is
5 required, there would be a period of time where the
6 equipment is down. And the amount of time that equipment is
7 down is going to really vary based on the number of circuits
8 and the total types of redesign that may be required.

9 Q How many virtual collocations does GTE have in
10 all of Florida?

11 A Currently in the State of Florida we have 17
12 virtual collocations in service.

13 Q And have there been any requests for conversion
14 of those virtual arrangements to cageless?

15 A At this time we have not received a request that
16 I am aware of to convert a in-place virtual to cageless.

17 MS. CASWELL: That's all I've got. Thank you,
18 Mr. Ries.

19 COMMISSIONER DEASON: Exhibits.

20 MS. CASWELL: I would like to move Exhibit 17
21 into the record, please.

22 COMMISSIONER DEASON: Without objection, Exhibit
23 17 is admitted.

24 MS. MASTERTON: Sprint would like to move Exhibit
25 18 into the evidence.

1 COMMISSIONER DEASON: Without objection --

2 MS. CASWELL: I do have a continuing objection to
3 admission of the federal tariff material.

4 MS. MASTERTON: And I think we have sufficiently
5 established the connection between the federal tariff and
6 the Florida tariff.

7 COMMISSIONER DEASON: The objection is noted, and
8 Exhibit 18 is admitted in its entirety. And we will take
9 ten-minute recess.

10 (Exhibit Numbers 17 and 18 admitted into
11 evidence.)

12 (Brief recess.)

13 (Transcript continues in sequence with Volume 4.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON)

CERTIFICATE OF REPORTER

3 I, JANE FAUROT, RPR, Chief, FPSC Bureau of
4 Reporting FPSC Commission Reporter,

5 DO HEREBY CERTIFY that the hearing in Docket
6 No. 991834-TP and 990321-TP was heard by the Florida
Public Service Commission at the time and place herein
stated; it is further

7 CERTIFIED that I stenographically reported
8 the said proceedings; that the same has been
9 transcribed by me; and that this transcript, Volume
10 3, pages 350 through 503, constitutes a true
transcription of my notes of said proceedings
and the insertion of the prescribed prefiled
testimony of the witnesses.

11 DATED this 18th day of January, 2000.

12

13



JANE FAUROT, RPR
FPSC Division of Records & Reporting
Chief, Bureau of Reporting

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