

ORIGINAL



GTE SERVICE CORPORATION

One Tampa City Center  
201 North Franklin Street (33602)  
Post Office Box 110, FLTC0007  
Tampa, Florida 33601-0110  
813-483-2606  
813-204-8870 (Facsimile)

Marceil Morrell\*  
Assistant Vice President &  
Associate General Counsel  
Region Operations-East

Anthony P. Gillman\*  
Assistant General Counsel

Florida Region Counsel\*\*  
Kimberly Caswell  
M. Eric Edgington  
Ernesto Mayor, Jr.  
Elizabeth Biemer Sanchez

\* Certified in Florida as Authorized House Counsel  
\*\* Licensed in Florida

Ms. Blanca S. Bayo, Director  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

October 28, 1999

Re: Docket No. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth's service territory

Docket No. 990321-TP - Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for Generic Investigation into Terms and Conditions of Physical Collocation

Dear Ms. Bayo:

Please find enclosed an original and fifteen copies of the Direct Testimony of John W. Ries on behalf of GTE Florida Incorporated for filing in the above matters. Service has been made as indicated on the Certificate of Service. If there are any questions regarding this filing, please contact me at (813) 483-2617.

- AFA \_\_\_\_\_
  - APP \_\_\_\_\_
  - CAF \_\_\_\_\_
  - CMU \_\_\_\_\_
  - CTR \_\_\_\_\_
  - EAG \_\_\_\_\_
  - LEG \_\_\_\_\_
  - MAS \_\_\_\_\_
  - OPC \_\_\_\_\_
  - PAI \_\_\_\_\_
  - SEC \_\_\_\_\_
  - WAW \_\_\_\_\_
  - OTH \_\_\_\_\_
- Sincerely,  
*Kimberly Caswell*  
Kimberly Caswell  
KC:tas  
Enclosures

RECEIVED  
SERVICE COMMISSION  
99 OCT 28 AM 11:16  
MAIL ROOM

RECEIVED & FILED  
*Kimberly Caswell*  
FPSC-BUREAU OF RECORDS

A part of GTE Corporation

DOCUMENT NUMBER-DATE  
13247 OCT 28 99  
FPSC-RECORDS & REPORTING

**ORIGINAL**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition of Competitive Carriers for )  
Commission action to support local competition )  
in BellSouth Telecommunications, Inc.'s service )  
territory. )

Docket No. 981834-TP

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

Docket No. 990321-TP

**DIRECT TESTIMONY OF**

**JOHN W. RIES**

**ON BEHALF OF**

**GTE FLORIDA INCORPORATED**

**OCTOBER 28, 1999**

DOCUMENT NUMBER-DATE

**13247 OCT 28 99**

FPSC-REGISTRATION REPORTING

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**GTE FLORIDA INCORPORATED**

**DIRECT TESTIMONY OF JOHN W. RIES**

**DOCKET NOS. 990321-TP AND 981834-TP**

**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)*. GTE does not, however, agree with the  
21 FCC's interpretation of the collocation obligations reflected in section  
22 251(c)(6) of the Telecommunications Act of 1996 (Act), and has thus  
23 appealed the FCC's Order. As such, many of the policies and  
24 practices I discuss here are compliance positions only; GTE reserves  
25 the right to change them if its appeal succeeds.

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

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

10

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

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

21

22       **Q.     WHAT OBLIGATIONS, IF ANY, DOES AN ILEC HAVE TO**  
23       **INTERCONNECT WITH ALEC PHYSICAL COLLOCATION**  
24       **EQUIPMENT LOCATED "OFF-PREMISES"?**

25       A.     Whether the ALEC's equipment is located on or off premises doesn't

1 alter GTE's obligation to interconnect. The Act requires all  
2 telecommunications carriers to interconnect directly or indirectly with  
3 the facilities of other telecommunications carriers.

4

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

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

14

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

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

21

22 **Q. WHAT IS THE PRIMARY DIFFERENCE BETWEEN PHYSICAL AND**  
23 **VIRTUAL COLLOCATION?**

24 A. The primary difference between the two is the location of the  
25 equipment within GTE's central office. Since GTE personnel are

1 operating and maintaining virtually collocated equipment, it may be  
2 commingled with other GTE equipment. Physically collocated  
3 equipment is never commingled with GTE equipment because such  
4 an arrangement would inhibit GTE's ability to cage off its equipment  
5 from that of the collocators, as allowed by the FCC. (*Advanced*  
6 *Services Order* at ¶42.)

7

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

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

16

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

21 A. Once the ALEC's completed collocation application and application  
22 fee check have been received, GTE will inform the ALEC within 15  
23 calendar days whether space is available, and it will provide a price  
24 quote estimate within 30 calendar days. The ALEC then has 90  
25 calendar days from receipt of the price quote estimate to place a firm

1 order.

2

3 **Q. HOW DID GTE SETTLE UPON THE 15- AND 30-DAY RESPONSE**  
4 **PERIODS?**

5 A. GTE did not unilaterally establish these response times. They were,  
6 instead, implemented upon order of the California Public Utilities  
7 Commission. I believe the 15-day initial response time rule set forth  
8 in this Commission's September 7, 1999, Notice of Proposed Agency  
9 Action (PAA) in these Dockets is intended to mirror the California rule.  
10 In fact, the Commission said so in the PAA: "We find that the  
11 California model for initial response time is appropriate, and,  
12 therefore, it shall be adopted in Florida." (PAA at 7.)

13

14 Indeed, the guidelines set forth in the PAA largely track the California  
15 model, and thus GTE's existing practices. In general, GTE believes  
16 this Commission has taken a reasonable approach in using California  
17 as a baseline, and it is administratively easier for the ILECs (and, I  
18 believe, the ALECs) to maintain a consistent set of rules across the  
19 states, especially large states with very active telecommunications  
20 markets, like California and Florida.

21

22 **Q. WHAT INFORMATION IS INCLUDED IN THE ALEC'S INITIAL**  
23 **APPLICATION?**

24 A. The ALEC will fill out GTE's standard collocation application, which is  
25 available upon the ALEC's request. In general, the ALEC must state



1 the type of collocation requested, amount of space required, type of  
2 equipment to be installed, power requirements, and cabling  
3 requirements on the initial application.

4

5 **Q. WHAT INFORMATION DOES GTE PROCESS WITHIN THE 15-DAY**  
6 **INITIAL RESPONSE PERIOD?**

7 A. Once an application is received, assuming it is complete, GTE must  
8 do a space availability check. This requires site visits to the central  
9 office and review of forecasted growth requirements. This process is  
10 completed within 15 days, upon which GTE will tell the ALEC whether  
11 the requested space is available. In the case of "volume"  
12 applications—that is, when the ALEC submits 10 or more applications  
13 within a 10-day period—the 15-day initial response period will increase  
14 by 10 days for every additional 10 applications or fraction thereof.

15

16 **Q. WHAT INFORMATION DOES GTE PROCESS WITHIN THE 30-DAY**  
17 **RESPONSE PERIOD?**

18 A. GTE will do a detailed analysis of space conditioning requirements,  
19 (e.g., heating, ventilation and air conditioning (HVAC), power, and  
20 other systems availability) and it will undertake cost development.  
21 Engineers analyzing the configuration will estimate the costs  
22 associated with site modifications, power and facility demands,  
23 environmental controls, cable racking, and electrical requirements.  
24 GTE completes the costing and pricing estimate within 30 days of  
25 receiving the complete and correct application—in other words, within

1 15 days after GTE's initial response on space availability.

2

3

4 **Q. IF THE INFORMATION PROVIDED BY THE ILEC IN ITS INITIAL**  
5 **RESPONSE IS INSUFFICIENT FOR THE ALEC TO COMPLETE A**  
6 **FIRM ORDER, WHEN SHOULD THE ILEC PROVIDE SUCH**  
7 **INFORMATION, OR SHOULD AN ALTERNATIVE PROCEDURE BE**  
8 **IMPLEMENTED?**

9 A. The Commission should allow GTE to provide such information under  
10 its current timetable, which, as noted, the California Commission has  
11 deemed reasonable. Under this process, no alternative procedure is  
12 needed. If the ALEC submits a complete application, the space  
13 availability response and subsequent price quote will be obtained  
14 within 15 and 30 days, respectively. The price quote will provide the  
15 ALEC sufficient information to make a decision whether to continue  
16 the collocation request or not. A firm order must be made within 90  
17 days from the price quote; an order is considered to be firm upon  
18 GTE's receipt of 50% of the non-recurring charges (NRCs) associated  
19 with the collocation request.

20

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

24 A. GTE has this policy for two reasons. First, multiple parties may have  
25 interest in a site where space is limited. Requiring 50% of the NRCs

1 is an equitable way to establish the first commitment to the space.  
2 Without this policy, an individual ALEC could send in a blanket of  
3 different orders in an attempt to keep other competitors out. Second,  
4 a financial commitment from the ALEC is necessary to ensure that  
5 GTE recovers its costs for space preparation.

6

7 **Q. FOR WHAT REASONS, IF ANY, SHOULD THE PROVISIONING**  
8 **INTERVALS BE EXTENDED WITHOUT THE NEED FOR AN**  
9 **AGREEMENT BY THE APPLICANT OR THE ILEC FILING A**  
10 **REQUEST FOR EXTENSION OF TIME?**

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

18

19 Likewise, no waiver should be required in the case of equipment  
20 delivery delays. GTE's standard practice is to provide virtual  
21 collocation within 30 days of receipt of all the ALEC's equipment. This  
22 is somewhat different from this Commission's guideline in the PAA,  
23 which requires completion within 60 days from receipt of a firm order.  
24 GTE's concern with the Commission's guideline is that it doesn't  
25 recognize that the equipment ordering is completely out of GTE's

1 control. If the ALEC doesn't order its equipment early enough in the  
2 process, the 60-day interval may come and go before GTE even  
3 receives delivery of the ALEC's equipment. The best solution would  
4 be for the Commission to adopt GTE's provisioning interval for virtual  
5 implementation, which should eliminate any need for waivers in this  
6 instance, or even for establishing a revised agreement with the ALEC.  
7 The next best solution would be to permit automatic extensions in  
8 those instances where untimely equipment delivery makes such  
9 extensions necessary.

10  
11 Another situation that is largely out of the ILEC's control is issuance  
12 of building permits. Permits may be required for both physical and  
13 virtual arrangements. When it is not possible to obtain building  
14 permits in a timely manner, an extended due date should be  
15 negotiated between GTE and the ALEC, based on the schedule of the  
16 permitting agency.

17  
18 Finally, there should be no need to seek a waiver when GTE and the  
19 ALEC agree to an extension for any reason; when the ALEC makes  
20 modifications to its application that will cause material changes in  
21 provisioning the collocation arrangement; or when the ALEC fails to  
22 complete work items for which it is responsible in the designated time  
23 frame.

24

25 **Q. WHAT ARE THE RESPONSIBILITIES OF THE ILEC AND**

1           **COLLOCATORS WHEN A COLLOCATOR SHARES SPACE WITH,**  
2           **OR SUBLEASES SPACE TO, ANOTHER COLLOCATOR?**

3           **A.**    Shared caged collocation refers to a newly established arrangement  
4           in which two or more ALECs will share caged collocation space  
5           pursuant to terms and conditions determined by those ALECs. In a  
6           subleased caged collocation arrangement, vacant floor space  
7           available in the already existing caged collocation area of one ALEC  
8           space is made available to one or more other ALECs. Again, the  
9           ALECs themselves determine the sublease conditions, within the  
10          guidelines set by GTE. The respective responsibilities of GTE and  
11          the ALECs in shared caged and subleased caged collocation  
12          arrangements are detailed in Exhibit A, attached to my testimony.

13  
14          **Q.    WHAT ARE THE RESPONSIBILITIES OF THE ILEC AND**  
15          **COLLOCATORS WHEN A COLLOCATOR CROSS-CONNECTS**  
16          **WITH ANOTHER COLLOCATOR?**

17          **A.**    GTE refers to this situation as a CLEC-to-CLEC interconnect  
18          arrangement; the respective responsibilities of GTE and the  
19          collocators in this instance are listed in Exhibit B.

20  
21          **Q.    WHAT IS THE APPROPRIATE PROVISIONING INTERVAL FOR**  
22          **CAGELESS PHYSICAL COLLOCATION?**

23          **A.**    The appropriate provisioning interval for cageless physical collocation  
24          is the same as for caged physical collocation. The only difference  
25          between caged and cageless physical collocation is construction of

1 the cage itself. Extending power and providing overhead support and  
2 cable racking are typically the most time consuming aspects of the  
3 provisioning process. These tasks, which generally dictate the  
4 provisioning interval, are required whether cageless or caged physical  
5 collocation is being provisioned.

6

7 **Q. WHAT IS THE APPROPRIATE DEMARCATION POINT BETWEEN**  
8 **ILEC AND ALEC FACILITIES WHEN THE ALEC'S EQUIPMENT IS**  
9 **CONNECTED DIRECTLY TO THE ILEC'S NETWORK WITHOUT AN**  
10 **INTERMEDIATE POINT OF INTERCONNECTION?**

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

14

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

17 A. GTE or an ALEC should be able to reserve the amount of space it can  
18 support with a documented, funded business plan, which would  
19 include a date by which the space will be occupied. Additionally,  
20 ALECs reserving space should be charged for the floor space  
21 reserved, just as GTE is required to pay for utilities, taxes and  
22 maintenance on any vacant space currently in its central offices.  
23 Finally, as a condition of space reservation, ALECs should be  
24 required to install their cage or bay at the time of reservation. This will  
25 ensure that the proper spacing between cages and/or bays is

1 maintained and will facilitate the provisioning of future ALEC  
2 collocation requests.

3

4

5 **Q. WITH REGARD TO RESERVING SPACE, DO THE SPACE**  
6 **REQUIREMENTS VARY DEPENDING UPON THE TYPE OF**  
7 **EQUIPMENT?**

8 A. Yes. Some types of equipment--switching and power, for example--  
9 require contiguous space for growth, while other types-- transmission,  
10 for example--do not. These characteristics should be taken into  
11 account when determining whether an entity should be allowed to  
12 reserve a specific piece of space.

13

14 **Q. CAN GENERIC PARAMETERS BE ESTABLISHED FOR THE USE**  
15 **OF ADMINISTRATIVE SPACE BY AN ILEC WHEN THE ILEC**  
16 **MAINTAINS THAT THERE IS INSUFFICIENT SPACE FOR**  
17 **PHYSICAL COLLOCATION? IF SO WHAT ARE THEY?**

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

25

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

3       A.    The FCC answered this question in its Advanced Services Order, at  
4       ¶28, where it said its rules "require incumbent LECs to permit  
5       collocation of all equipment that is necessary for interconnection or  
6       access to unbundled network elements, regardless of whether such  
7       equipment includes a switching functionality, provides enhanced  
8       services capabilities, or offers other functionalities." The FCC went on  
9       to clarify, in ¶30: "We continue to decline, however, to require  
10      incumbent LECs to permit the collocation of equipment that is not  
11      necessary for either access to UNEs or for interconnection, such as  
12      equipment used exclusively for switching or for enhanced services."  
13      GTE believes this is sufficient direction for this Commission to  
14      determine ILEC obligations in this area. Indeed, it would be not be  
15      possible or desirable to draw up an exhaustive list of particular pieces  
16      of equipment that could be collocated, as the ALECs might advocate.  
17      Such a list would, no doubt, be obsolete as soon as it was  
18      established, and there would inevitably be ALEC requests to collocate  
19      equipment not on the list. If there are disputes about interpretation of  
20      the FCC rule as applied to a particular piece of equipment, the only  
21      practical approach is for the Commission to address them on a case-  
22      by-case basis.

23  
24      **Q.    IF SPACE IS AVAILABLE, SHOULD THE ILEC BE REQUIRED TO**  
25      **PROVIDE PRICE QUOTES TO AN ALEC PRIOR TO RECEIVING A**



1           **FIRM ORDER FOR SPACE IN A CENTRAL OFFICE?**

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

7

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

11          A.     The price quote should be provided within 30 days of receipt of a  
12          complete and correct application. As explained above, this is GTE's  
13          standard practice today.

14

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

18          A.     No detailed cost information should be necessary. I would note that  
19          prices for collocation arrangements will, in most instances, be set by  
20          reference to a tariff. In the event a collocation arrangement requires  
21          extraordinary work, an estimate of charges will be provided to the  
22          ALEC, on an individual case basis (ICB), within GTE's 30-day frame.

23

24          **Q.     SHOULD AN ALEC HAVE THE OPTION TO PARTICIPATE IN THE**  
25          **DEVELOPMENT OF THE ILEC'S PRICE QUOTE, AND IF SO,**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**WHAT TIME FRAMES SHOULD APPLY?**

A. The ALEC participates in preparation of the price quote estimate by completing its collocation application with accurate information. Any further participation should not be needed. If it is mandated, then GTE's 30-day interval for providing the price quote should be automatically extended to account for the additional administrative time and effort required by the ALEC's participation.

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

A. No. GTE has a responsibility to all its customers located in or served by a particular central office to ensure safe, smooth and efficient operation of that office. Because collocation work affects more than just the collocator's space, it is imperative that GTE maintain control of and responsibility for the contractor doing this work. This will avoid scheduling conflicts, liability issues and will ultimately result in quicker and more efficient installations than if each ALEC directed the contractor's work, without any centralized control.

**Q. AN ISSUE IN THIS CASE IS THE ALLOCATION AMONG MULTIPLE COLLOCATORS OF THE COSTS OF SECURITY ARRANGEMENTS, SITE PREPARATION, COLLOCATION SPACE REPORTS, AND OTHER COSTS NECESSARY TO THE PROVISIONING OF COLLOCATION SPACE. WHAT HAS THE**

1 **FCC SAID IN THIS REGARD?**

2 A. In its March 31 Advanced Services Order, at paragraph 51, the FCC  
3 stated:

4 [I]ncumbent LECs must allocate space preparation,  
5 security measures, and other collocation charges on a  
6 pro-rated basis so the first collocator in a particular  
7 incumbent premise will not be responsible for the entire  
8 cost of site preparation. For example, if an incumbent  
9 LEC implements cageless collocation arrangements in  
10 a particular central office that requires air conditioning  
11 and power upgrades, the incumbent may not require  
12 the first collocating party to pay the entire cost of site  
13 preparation. In order to ensure that the first entrant into  
14 an incumbent's premises does not bear the entire cost  
15 of site preparation, the incumbent must develop a  
16 system of partitioning cost by comparing, for example,  
17 the amount of conditioned space actually occupied by  
18 the entrant with the overall space conditioning  
19 expenses.

20

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

23 A. No. GTE has appealed the matter to the United States Court of  
24 Appeals for the District of Columbia. GTE believes that the FCC  
25 misconstrued the requirements of section 251(c)(6) of the Act and that

1 the cost allocation requirements improperly prevent GTE from  
2 recovering its actual costs, as mandated by the Act and other  
3 applicable law.

4  
5 Many of the fixed costs associated with collocation space preparation  
6 do not depend on the number of competitors that ultimately occupies  
7 the space, or the amount of space that any one collocator uses. The  
8 FCC's approach would prevent GTE from appropriately recouping all  
9 of these fixed costs unless there is immediate, permanent, full  
10 occupancy by collocators. It would force GTE and its customers to  
11 absorb costs incurred solely to benefit collocators and to effectively  
12 underwrite the start-up costs associated with competitive entry.

13

14 **Q. HAS GTE NEVERTHELESS DEVELOPED A METHODOLOGY FOR**  
15 **ALLOCATING COSTS AMONG COLLOCATORS?**

16 A. Yes. While GTE's legal challenge is pending, GTE has developed an  
17 allocation methodology to comply with the FCC's requirements. My  
18 discussion of that methodology here does not waive any arguments  
19 GTE is pursuing in its appeal.

20

21 **Q. PLEASE DESCRIBE GTE'S COST ALLOCATION METHODOLOGY.**

22 A. Most site preparation costs are recovered through predetermined  
23 monthly recurring and nonrecurring charges. An allocation method  
24 becomes necessary, however, when there are extraordinary  
25 expenses associated with the space preparation. In these cases, GTE

1 will determine the total extraordinary costs and then pro-rate them  
2 among GTE and other collocators using a state-specific fill factor.

3

4 **Q. PLEASE EXPLAIN THE FILL FACTOR.**

5 A. The state-specific fill factor is determined by calculating the average  
6 number of collocators expected per central office, based on GTE's  
7 actual experience from completed, pending, and forecasted  
8 collocation applications. The factor includes GTE as one of the  
9 collocators for cost allocation purposes. The same fill factor will be  
10 assigned to all wire centers or access tandems in a state. The total  
11 cost of space preparation or conditioning for a given central office will  
12 be divided by this factor. The resulting charge will then be billed on  
13 a nondiscriminatory basis to each carrier seeking collocation in the  
14 office.

15

16 **Q. WHY IS THE USE OF A FILL FACTOR APPROPRIATE FOR THIS**  
17 **PURPOSE?**

18 A. The use of a fill factor or equivalent concept is an accepted regulatory  
19 tool to assign costs used to develop rates or charges. For a given  
20 investment, a "fill factor" or average usage level over the life of the  
21 investment is developed. That usage factor is then employed to  
22 calculate a price that will recover the total costs incurred over the  
23 useful life of the investment.

24

25 State regulators have traditionally relied upon this method where it is

1 not possible to accurately predict the usage level of a discrete asset  
2 or the number of customers that will take service in a small  
3 geographic area. This method benefits customers by allowing lower  
4 prices in the early years of a product's life cycle because the cost  
5 recovery is spread over a greater base of customers in a larger  
6 geographic area. It benefits carriers by reducing the overall margin  
7 of error, and by providing a stable revenue stream that theoretically,  
8 on average, over time, recovers the cost. In the case of the costs  
9 GTE incurs in facilitating collocation, it is not practical to accurately  
10 predict the number of collocators that will occupy a particular central  
11 office. Thus, GTE has employed a statewide average number of  
12 collocators (fill factor) in developing the price each collocator will pay  
13 in a given central office. Only perfect hindsight will tell if GTE's costs  
14 are recovered in a given central office, but GTE expects that, on  
15 average, its costs will be recovered in that state. The method that will  
16 be precise—charging the first collocator the total actual cost, then  
17 rebating when a second collocator appears and so forth—has been  
18 rejected by the FCC. Thus, an average approach over a reasonable  
19 geographic area such as a total state is the next best method.

20

21 **Q. IS THE FILL FACTOR CONSISTENT WITH THE FCC'S COST**  
22 **ALLOCATION REQUIREMENT?**

23 A. Yes. In the FCC's brief filed in the appeal of the Advanced Services  
24 Order, the agency stated that "[I]n promulgating its cost allocation  
25 standard, the FCC was guided by an approach that Bell Atlantic

1 voluntarily had adopted in New York." Under that approach, the costs  
2 incurred to prepare the collocation space were divided among the  
3 collocators based upon the proportion of the amount of a space  
4 occupied by the collocator to the total collocation space prepared by  
5 the ILEC. GTE's cost allocation methodology is similar to that  
6 described in the FCC's appellate brief. GTE's methodology, likewise,  
7 spreads costs incurred in conditioning space for collocation among all  
8 collocators. However, by allocating some of the collocation costs to  
9 GTE, GTE's cost allocation methodology is even more favorable to  
10 collocators than the Bell Atlantic approach the FCC cited with  
11 approval.

12  
13 In sum, this Commission should approve GTE's fill factor methodology  
14 because (1) it fairly assigns a portion of the extraordinary costs of  
15 environmental conditioning to each collocator benefitting from the  
16 project; (2) it complies with the FCC mandate that prohibits recovery  
17 of 100% of the cost of a project from the collocator initiating the work;  
18 (3) it does not unfairly assign costs to entities who do not require the  
19 conditioning work to be performed, such as established collocators or  
20 GTE; (4) it fairly recognizes potential future benefits to GTE as owner  
21 of the central office by assigning a portion of the cost to GTE; and (5)  
22 it provides the possibility of eventual cost recovery through the  
23 averaging of units billed (state-specific fill factor).

24

25 **Q. IF INSUFFICIENT SPACE IS AVAILABLE TO SATISFY A**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**COLLOCATION REQUEST, SHOULD THE ILEC BE REQUIRED TO ADVISE THE ALEC AS TO WHAT SPACE IS AVAILABLE?**

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

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

A. Any changes in the exempt status of a central office will be posted on GTE's exempt central office website within 10 business days of the status change. This is the fairest and easiest way to notify all potentially interested parties of the change in space availability.

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

A. The FCC has already addressed this issue. In ¶585 of its First Report and Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, the FCC said: "we conclude that incumbent LECs should be required to take collocator demand into



1 account when renovating existing facilities and constructing or leasing  
2 new facilities, just as they consider demand for other services when  
3 undertaking such projects." GTE's current process does this,  
4 considering, for example, requests received within the particular  
5 metropolitan area and other information about potential collocation  
6 demand.

7

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

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

14

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

16 A. Yes, it does.

17

18

19

20

21

22

23

24

25

## **SHARED CAGED AND SUBLEASED CAGED COLLOCATION GUIDELINES AND RESPONSIBILITIES**

### **Shared Caged Collocation**

**A shared caged collocation arrangement is a caged collocation space shared by two or more competitive local exchange carriers (CLECs) pursuant to terms and conditions determined by those CLECs. Non-recurring charges (NRCs) associated with the initial installation of the shared caged arrangement will be paid by each CLEC, based on the percentage of the total space it utilizes. Ordering and payment for all required services will be the responsibility of the "host CLEC" (HC), designated by the CLECs sharing the cage ("guest collocators" or GCs). GTE will allow shared caged collocation in its wire centers or access tandems, where feasible, for interconnection purposes or access to unbundled network elements (UNEs).**

**The following are the shared caged collocation guidelines:**

- All shared caged collocation arrangements will be for new cages, which are to be jointly applied for and occupied by two or more CLECs at the same time.
- The shared cage CLECs will designate one of the CLECs sharing the cage as the HC, which will be GTE's primary point of contact.
- The shared caged CLECs (through the HC) must inform GTE of the proportionate amount of floor space each CLEC is using in the cage. This is necessary for allocating initial NRCs.
- The HC is responsible for collecting the applicable NRCs from each of the Gcs.
- The HC is responsible for paying GTE for all shared caged charges associated with the collocation arrangement.
- The shared caged CLECs must all independently interconnect to GTE's network; they cannot share the caged space solely to connect to another collocated CLEC.
- GTE will not be involved in negotiating terms and conditions between or among the CLECs sharing a cage.
- Space within shared caged arrangements cannot be warehoused for the purposes of subleasing.
- All equipment in the shared arrangement must be installed in compliance with GTE's standards.
- The HC will provide GTENS a letter of authorization (LOA) signed by the HC and all GCs verifying that the terms and conditions of the arrangement are acceptable to all parties and reflecting that the HC and to the shared caged collocators may order UNEs via a local service request (LSR).

- The HC will be held responsible for all actions and omissions of the GCs.
- The HC will have the option of providing or requiring GTE to provide GTE-standard transmission and power cables of sufficient length.

**The following outlines GTE's responsibilities with respect to shared caged collocation:**

- Cable Pull – Pull CLEC-provided fiber cable into the wire center and to the CLECs' cage.
- Cable Splice – Perform any splicing of the cable required inside the zero manhole or wire center.
- Cable Termination – Make all cable terminations on the MDF and patch panels.
- Entrance Facility Space – Provide space in GTE's wire center entrance facilities (zero manhole/conduit system) for CLEC-provided cables, if available.
- Overhead Support and Cable Racking – Provide materials and installation.
- Entrance Cable Route – Determine route of CLECs' cable from zero manhole to the cage.
- Final Inspection – Perform final inspection of the CLECs' equipment for compliance with GTE standards.
- Engineer and install all power, transmission and ground cables.
- Engineer and install AC power outlet(s).

**The following outlines the HC's responsibilities with respect to shared caged collocation:**

- The HC must submit all pertinent collocation applications and fees as required for a standard caged collocation arrangement on behalf of the GCs.
- The HC will provide GTE an LOA signed by all CLECs participating in the shared arrangement verifying that this arrangement is acceptable to all the CLECs and also reflecting that allows the GC(s) may order UNEs via an LSR.
- The HC will be held responsible for all actions and omissions of the GCs.
- The HC will be responsible for ordering and paying for all tariffed collocation services, just as it would be in a standard caged collocation arrangement.
- The HC will be responsible for installing and maintaining all GC equipment within the shared area, just as it would be in the case of caged collocation.
- The HC is responsible for ensuring that all equipment in the shared arrangement is installed in compliance with GTE standards.
- Where there is insufficient space to store and stage CLEC equipment within the central office prior to installation, the HC will be responsible for obtaining temporary storage space.

- The HC will coordinate with GTE for space to stage equipment; however, GTE is not responsible for the security of the CLEC equipment located in a staging area.

**The following outlines the GCs' responsibilities with respect to shared caged collocation:**

- The GCs must have a network interconnection agreement with GTE.
- The GCs must submit their own LSRs to GTE to order UNEs.

### **Subleased Caged Collocation**

**In a subleased caged arrangement, vacant floor space available in the caged collocation arrangement of an existing CLEC (the "Host CLEC" or HC) may be made available to a third party (the Guest CLEC or GC) for interconnecting or accessing UNEs in GTE's wire centers and access tandems. The HC will sublease the floor space to the GC pursuant to terms and conditions agreed to by the HC and GCs. The HC will be responsible for ordering and paying for all services required by the GCs.**

**The following are the Subleased Caged Collocation Guidelines:**

- All subleased floor space arrangements will be for space located within an existing HC's cage.
- GTE is not responsible for any notification of availability of surplus floor space in existing HC's cage.
- GTE will not be involved in negotiating the terms and conditions between and among the subleasing parties.
- The HC cannot warehouse space for the purposes of subleasing.
- The HC has the option of providing or requiring GTE to provide GTE-standard transmission, power, and grounding cables of sufficient length.
- The subleased caged CLECs must all interconnect to GTE's network and cannot share the caged space solely to connect to another collocated CLEC.

**The following are GTE's responsibilities with respect to shared subleased collocation:**

- Cable Pull – Pull the CLEC-provided fiber cable into the wire center and to the CLECs' cage.
- Cable Splice – Perform any splicing of the cable required inside the zero manhole or wire center.

- Cable Termination – Make all cable terminations on the MDF and manual DSX patch panels.
- Overhead Support and Cable Racking – Provide materials and installation.
- Entrance Facility Space – Provide space in GTE's wire center entrance facilities (zero manhole/conduit system) for CLEC-provided cables, if available.
- Entrance Cable Route – Determine route of CLECs' cable from zero manhole to the cage.
- Final Inspection – Perform final inspection of the CLECs' equipment for compliance with GTE standards.
- Engineer and install all power, transmission and ground cables.
- Engineer and install AC power outlet(s).

**The following are the HC's responsibilities with respect to shared subleased collocation:**

- The HC must submit, on behalf of the GCs, all pertinent collocation applications and fees as required for a standard caged collocation arrangement.
- The HC will provide to GTE an LOA signed by all CLECs participating in the subleased arrangement verifying that this arrangement is acceptable to all parties and reflecting that the GCs will order UNEs via an LSR.
- The HC will be held responsible for all actions and omissions of the GC.
- The HC will be responsible for ordering and paying for all tariffed collocation services, just as in a standard caged collocation arrangement.
- The HC will be responsible for installing and maintaining the GCs' equipment within the subleased area, just as in the case of caged collocation.
- The HC must ensure that all equipment in the subleased arrangement is installed in compliance with GTE standards.
- As part of the application, the HC must provide a floor plan of equipment layout.

**The following are the GC's responsibilities with shared subleased collocation:**

- The GC must have a network interconnection agreement with GTE.
- The GC cannot sublease from the HC solely to connect to another collocated CLEC.
- The GC must submit its own LSRs to GTE to order UNEs.

## **CLEC-TO-CLEC INTERCONNECT GUIDELINES AND RESPONSIBILITIES**

### **CLEC-to-CLEC Interconnect Arrangements**

A CLEC-to-CLEC interconnect arrangement is the interconnection of a CLEC's equipment in a cage, bay or cabinet to the same or a different CLEC's cage, bay or cabinet equipment within the central office.

#### **The following are GTE's responsibilities with respect to CLEC-to-CLEC Interconnect Arrangements:**

- Application – Review and approve cable type and shielding based on the signal type.
- Overhead Support and Cable Racking – Provide materials and installation.
- Cable Route - Determine the best cable route between CLECs to minimize occurrences of CLEC cables running over GTE's in-service equipment.
- Final Inspection – Perform final inspection of interconnect cables to assure compliance with GTE standards

#### **The following are the CLECs' responsibilities with respect to CLEC-to-CLEC Interconnect Arrangements:**

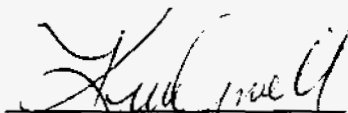
- The CLEC that initiates the CLEC-to-CLEC interconnect arrangement must submit a collocation application form, ASR and the appropriate fee.
- Each CLEC is responsible for its own cable termination.
- CLECs must coordinate the termination of all cable shields. Shields must be grounded at one end only to prevent ground loops.

#### **The following are CLEC options with respect to CLEC-to-CLEC Interconnect Arrangements:**

- The CLEC has the option of providing all cables or requesting that GTE provide all cables. The applicable tariff or interconnection agreement will determine cable costs.
- The CLEC has the option of running the cable; However, if the cable run is over GTE's or another CLEC's in-service equipment, the CLEC must use an approved GTE contractor or meet GTE contractor qualification requirements. Also, the cable run must be completed during the maintenance window.
- If GTE runs the cable, the CLEC will be charged out of the applicable state tariff or interconnection agreement.
- Overhead support and cable racking charges will be applied based on the applicable state tariff or interconnection agreement.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that copies of the Direct Testimony of John W. Ries on behalf of GTE Florida Incorporated in Docket Nos. 981834-TP and 990321-TP were sent via U.S. mail on October 28, 1999 to the parties on the attached list.

A handwritten signature in cursive script, appearing to read "Kimberly Caswell", written over a horizontal line.

Kimberly Caswell

Staff Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Nancy Sims  
BellSouth Telecomm. Inc.  
150 S. Monroe Street, Suite 400  
Tallahassee, FL 32301-1556

James Falvey  
e.spire Communications  
133 National Business Parkway  
Suite 200  
Annapolis Junction, MD 20701

Richard D. Melson  
Gabriel E. Nieto  
Hopping Law Firm  
P. O. Box 6526  
Tallahassee, FL 32314

Elise Kiely  
Jeffrey Blumentfeld  
Blumenfeld & Cohen  
1625 Massachusetts Avenue, NW  
Suite 300  
Washington, DC 20036

Accelerated Connections Inc.  
7337 South Revere Parkway  
Englewood, CO 80112

Peter M. Dunbar  
Barbara Auger  
Pennington Law Firm  
P. O. Box 10095  
Tallahassee, FL 32302

Time Warner AxS of Florida  
2301 Lucien Way, Suite 300  
Maitland, FL 32751

Rhonda P. Merritt  
AT&T Communications  
101 N. Monroe Street  
Suite 700  
Tallahassee, FL 32301

Kenneth Hoffman  
Rutledge Law Firm  
P. O. Box 551  
Tallahassee, FL 32302-0551

Andrew Isar  
P. O. Box 2461  
Gig Harbor, WA 98335-4461

C. Pellegrini/Patrick Wiggins  
Wiggins Law Firm  
P. O. Drawer 1657  
Tallahassee, FL 32302

Terry Monroe  
CompTel  
1900 M Street N.W.  
Suite 800  
Washington, DC 20036

Michael A. Gross  
Fia. Cable Telecomm. Assn.  
310 N. Monroe Street  
Tallahassee, FL 32301

Vicki Kaufman/Joe McGlothlin  
McWhirter Law Firm  
117 S. Gadsden Street  
Tallahassee, FL 32301

Angela Green  
Fla. Public Telecomm. Assn.  
125 S. Gadsden Street  
Suite 200  
Tallahassee, FL 32301

Scott Sapperstein  
Intermedia Comm. Inc.  
3625 Queen Palm Drive  
Tampa, FL 33619-1309

Michael J. Henry  
MCI  
780 Johnson Ferry Road  
Suite 700  
Atlanta, GA 30342

Floyd Self/Norman Horton  
Messer Law Firm  
P. O. Box 1876  
Tallahassee, FL 32302

Susan Huther  
MGC Communications Inc.  
3301 North Buffalo Drive  
Las Vegas, NV 89129

Donna McNulty  
MCI WorldCom  
325 John Knox Road, Suite 105  
Tallahassee, FL 32303



David Dimlich  
Supra Telecommunications  
2620 SW 27<sup>th</sup> Avenue  
Miami, FL 33133

Laura L. Gallagher  
204 S. Monroe Street  
Suite 201  
Tallahassee, FL 32301

James P. Campbell  
MediaOne  
7800 Belfort Parkway  
Suite 250  
Tallahassee, FL 32256

Charles J. Beck  
Deputy Public Counsel  
Office of Public Counsel  
111 W. Madison Street, Room 812  
Tallahassee, FL 32399-1400

Christopher Goodpastor  
Covad Communications Co.  
9600 Great Hills Trail  
Suite 150 W  
Austin, TX 78759

F. B. Poag  
Sprint-Florida Incorporated  
P. O. Box 2214  
MC FLTLHO0107  
Tallahassee, FL 32316-2214