Exhibit No.:

Issue: High-Capacity Loops Witness: Sean Minter Sponsoring Party: AT&T Communications of the Southwest, Inc., TCG Kansas City, Inc., and TCG St. Louis, Inc. Type of Exhibit: Rebuttal Testimony Case No.: TO-2004-0207

AT&T COMMUNICATIONS OF THE SOUTHWEST, INC., TCG KANSAS CITY INC., AND TCG ST. LOUIS, INC.

REBUTTAL TESTIMONY

OF

SEAN MINTER

(NONPROPRIETARY VERSION)

TO-2004-0207

March 1, 2004

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1 I. INTRODUCTION OF WITNESS AND PURPOSE OF TESTIMONY

2 Q. PLEASE STATE YOUR FULL NAME AND BUSINESS ADDRESS.

A. My name is Vishal Sean Minter. My business address is 1222 Granger Dr., Allen,
Texas 75013.

5 Q. HAVE YOU FILED DIRECT TESTIMONY IN THIS PROCEEDING?

6 A. Yes. On January 12, 2004, I filed direct testimony on behalf of AT&T 7 Communications of the Southwest, Inc., TCG Kansas City, Inc., and TCG St. 8 Louis, Inc. ("AT&T"). In that testimony, I sought to summarize the bases for the 9 FCC's national findings in its Triennial Review Order ("TRO") that CLECs are 10 impaired without unbundled access to ILEC dedicated transport and high-capacity 11 loops, to explain the "trigger" analyses authorized by the FCC under which a 12 complaining party may go before a state commission and seek to demonstrate that 13 actual deployment of CLEC facilities justifies a finding of non-impairment on 14 particular dedicated transport routes or to particular customer locations, at specific 15 capacities. Those trigger analyses, properly construed, provide the framework for 16 this proceeding. I also provided an overview of the limited alternative test 17 provided in the TRO under which a challenger may seek to show that the 18 potential deployment of CLEC facilities on a particular route or to a particular 19 location may permit a finding of non-impairment, even though actual deployment 20 on that route or to that location fails to satisfy either trigger.

1 Q. WHAT IS THE PURPOSE OF THIS REBUTTAL TESTIMONY?

2 A. The purpose of this testimony is to assist the Commission in determining whether, 3 under the trigger analyses set forth in the *Triennial Review Order* (TRO). CLECs 4 would be impaired without unbundled access to the ILEC's high-capacity, or 5 enterprise, loops at the customer locations that SBC has chosen to contest within 6 Missouri. I also will reply to SBC's assertions that the Commission should find 7 non-impairment as a matter of "potential deployment" to customer locations in a 8 300-foot corridor surrounding existing CLEC fiber in areas of St. Louis and 9 Kansas City. In both regards, I respond to the direct testimony of SBC witnesses 10 regarding these matters.

11 With respect to the trigger analyses, my rebuttal testimony first sets out, in section 12 II below, the appropriate selection criteria to be used to determine if a candidate 13 meets the FCC's qualifications necessary for a carrier and a particular customer 14 location to be "counted" in the trigger analysis. This section explains the specific 15 tests I have used to apply the TRO analyses, following the framework set out in 16 my direct testimony. In section III, I then analyze whether those customer 17 locations and carriers that SBC identifies as trigger candidates meet the selection 18 criteria. In performing this analysis, I have relied upon publicly available data and 19 CLEC responses to the data requests, as well as my examination of Mr. J. Gary 20 Smith's loop testimony and exhibits. In this portion of the testimony, I draw from 21 the available data and make assessments as to whether a carrier or customer 22 location satisfies particular requirements of the self-provisioning and wholesale 23 triggers under the standards set forth in the TRO.

I conclude in section IV by responding to SBC's potential deployment claims
 related to transport. Separately, I am submitting rebuttal testimony regarding
 dedicated transport.

4 Q. DO ANY LIMITATIONS EXIST ON YOUR ABILITY TO DEAL 5 COMPREHENSIVELY WITH THE TRIGGER ANALYSIS IN THIS 6 TESTIMONY?

7 A. Yes. To date, AT&T does not have access to data responses from certain carriers, 8 such as Level 3 and McLeodUSA. Consequently, I have treated as an unknown 9 whether those carriers may satisfy a trigger requirement at any of the contested 10 locations. More importantly, it is my understanding that AT&T is yet to receive 11 any responses from SBC Missouri to AT&T's data requests that comprehensively 12 inquired into the support for and development of Mr. Smith's testimony, and the 13 routes and trigger candidates he identifies. Those responses were due Thursday, 14 February 26, 2004, to my understanding, but SBC has advised AT&T that no 15 responses will be forthcoming until after the deadline for filing rebuttal testimony. 16 As a result, I have had no opportunity to examine what SBC regards as the 17 supporting data for Mr. Smith's testimony, which makes up the SBC's entire 18 direct case on transport. To the extent relevant data is forthcoming, I reserve the 19 right to present it at the time provided for surrebuttal testimony in this case.

20 Q. YOU HAVE NOT MENTIONED CENTURYTEL. ARE YOU

21 **RESPONDING TO ANY CLAIMS BY CENTURYTEL?**

A. I understand that CenturyTel has withdrawn the pre-filed direct testimony of its
witness. I further understand that counsel for CenturyTel has confirmed to

counsel for AT&T that, with the withdrawal of that testimony, CenturyTel will
 not seek any findings of non-impairment regarding high-capacity loops in this
 proceeding and has effectively withdrawn from the loop and transport phase of
 this proceeding. Should any CenturyTel claims related to high-capacity loops
 somehow be raised or brought back into this proceeding, I reserve the right to
 address them at that time.

7

II. HIGH-CAPACITY LOOP TRIGGER CRITERIA

8 Q. HOW DO YOU PROPOSE THE TRIGGER TEST SHOULD BE

9 **CONDUCTED?**

A. For any customer location for which an ILEC challenges the national finding of
impairment, the TRO directs state commissions to first apply defined triggers
based on objective data. In this testimony, I will analyze each customer location
separately to determine if there are real and viable competitive loop providers that
would qualify under either the Self Provisioning or Wholesale Triggers.

15 Q. PLEASE COMPARE YOUR APPROACH WITH THAT TAKEN BY SBC?

- 16 A. SBC cites two sources for its identification of CLEC high-capacity loop locations
- 17 in Missouri CLEC discovery responses and data reported by a commercial

1		supplier named GeoResults, Inc. J.G. Smith Direct – Loops at 12. ¹ To the extent
2		I have had access to the same discovery responses, I provide a competing view of
3		the conclusions that may be fairly drawn from that data. Unlike SBC, I have not
4		relied on undisclosed reports obtained from third parties.
5		A. Review of Self Provisioning Trigger Tests
6		HOW SHOULD THE COMMISSION EVALUATE SBC'S CLAIMS THAT
7		PARTICULAR ROUTES SATISFY THE SELF-PROVISIONING
8		TRIGGER?
9	A.	I explained the requirements of the FCC's self-provisioning trigger analysis at
10		pages 18-27 of my direct testimony. In order to apply each of those requirements
11		in a practical fashion to the available data here, I propose to examine each route
12		and/or carrier applying a set of four tests, some of which include sub-tests.
13		Before this Commission could reverse the national finding of impairment as to a
14		particular customer location and find that CLECs are not impaired without
15		unbundled access to high-capacity loops at specific capacity levels at that

¹ Mr. Smith describes GeoResults and GeoTel, on whom he also relies for information in his potential deployment analysis, as members of a consortium of consulting companies called MapInfo. *Id.* at 31. GeoTel's disclaimer of accuracy regarding the information it sells should give the Commission pause about relying on this sort of third-party information for making critical decisions affecting parties' rights to unbundled network elements, rather than using that information for ordinary commercial purposes. GeoTel's license agreement includes the following statements:

[&]quot;THE MAPS, AND DATA SETS ARE VERY COMPLEX AND MAY CONTAIN NONCONFORMITIES, DEFECTS OR ERRORS. GEOTEL HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY THAT THE MAPS OR DATA SETS WILL MEET END USER NEEDS, EXPECTATIONS OR INTENDED USE, THAT THE MAPS OR DATA SETS WILL BE ERROR FREE OR UNINTERRUPTED, OR THAT NONCONFORMITIES CAN OR WILL BE CORRECTED.

Use of data is at END USERS own risk. GeoTel Incorporated does not guarantee accuracy or drivability. GeoTel Incorporated will not be responsible for any damages or losses, which result from use of GeoTel data."

- 1 location, it should require definitive proof that three or more carriers pass all of
- 2 the tests below.

Enterprise and Dark Fiber Loops - Self Provisioning Analysis		
Test 1	Are the carriers identified by SBC unaffiliated with SBC and each other?	
Test 2	Have the carriers identified by SBC verified the existence of their facilities at the customer locations specified by SBC?	
Test 3	Do the carriers identified by SBC at a specific customer location actually self providing Enterprise Loops to themselves at a specific capacity level for a live customer and have access to all of the customers at the customer location?	
Test 4	Are the Carrier's self provided DS3 Enterprise Loops that are in service equivalent to ILEC DS3 Loops?	

4	For every customer location, two carriers would have to pass each test to consider
5	the location for non-impairment. Since SBC has challenged the finding of
6	impairment, it is SBC's responsibility to provide the data necessary to satisfy the
7	tests above. If for any of the tests above, the available data from SBC and CLECs
8	does not definitively establish that a particular carrier passes the applicable test
9	for a location, my analysis will show the results of that test as "To Be
10	Determined" (TBD). Under the extraordinary time pressures and peculiar
11	circumstances of this proceeding, in which discovery must be conducted
12	simultaneously in many states across the country due to parallel proceedings all
13	on the same FCC-prescribed timetable, information may continue to be collected

1		and presented for the Commission's consideration at hearing that is not yet		
2		available to me or other witnesses. However, at the end of the day, if definitive		
3		information on an item remains lacking, then any of the locations with test results		
4		of TBD should be	disqualified, and the national finding of impairment left intact.	
5	Q.	WHAT ARE TH	E QUESTIONS ASSOCIATED WITH TEST 1	
6		DESCRIBED AB	OVE?	
7	A.	Test 1 is simply a screen to verify that the carriers that are put forth by SBC as		
8		carriers on any rou	ate on which SBC seeks a reversal of impairment are	
9		unaffiliated with S	BC and each other. The only question asked in Test 1 is as	
10		follows:		
		Question 1-1	Is the Carrier unaffiliated with the ILEC and other carriers on this list?	
11				
12	Q.	WHAT ARE TH	E QUESTIONS ASSOCIATED WITH TEST 2	
13		DESCRIBED AB	OVE?	
14	A.	Test 2 attempts to	o determine whether the carrier does in fact agree that it has	
15		deployed some type of facilities to the particular customer location as claimed by		
16		SBC. The only question asked in Test 2 is as follows:		
		Question 2-1	Has the Carrier verified the existence of its facilities at the customer location specified by SBC?	
17				
18	Q.	WHAT ARE TH	E QUESTIONS ASSOCIATED WITH TEST 3	
19		DESCRIBED AB	OVE?	
20	A.	Test 3 examines the data provide by the carriers themselves to determine if they		
21		currently have in s	service and plan on continuing in service self provided	

1	Enterprise Loops or Dark Fiber loops at the specific customer locations as
2	claimed by SBC. This test also attempts to determine if the carrier can serve
3	customers throughout the entire customer location. The particular emphasis in
4	each sub-test appears in bold print in the chart that follows. Following the chart, I
5	have provided brief notes on the focus of each of the sub-tests.

Question 3-1	(For carrier that passes Test 2) Does Carrier provide
	DS3 Loop service to customers via its self-deployed
	facilities (whether owned or IRU dark fiber) at the
	relevant capacity levels at each specified location?
Question 3-2	(For carrier that passed Test 2) Has carrier deployed its
Question 5-2	own Dark Fiber loop facilities at the specified
	location?
Question 3-3	(For Carriers that pass Test 2) Does carrier who self
	provides DS3 loop facilities at the specified customer
	location have access to customers throughout the
	entire location, including each individual unit within
	the location?
Question 3-4	(For Carriers that pass Test 2) Does carrier who self
	provides Dark Fiber loop facilities at the specified
	customer location have access to customers
	throughout the entire location, including each
	individual unit within the location?
Question 3-5	Is Carrier likely to continue using its self provided
	DS3 Loop and Dark Fiber Loop facilities at the
	specified customer location (i.e. Facilities are not in the
	process of being disconnected or decommissioned)?
	process of being disconnected of decommissioned):

Question 3-1 screens out carriers that deny that they are providing, DS-3 loop
service over self-deployed facilities to customers at the contested customer
locations, or for whom the evidence other shows they are not providing such
service. This question also screens out carriers who are providing more then 2
DS-3 high-capacity loops to a location, or optical capacity (OCn) loops, because,
as explained in my direct testimony, the self-deployment trigger applies only to

22		equivalent to an SBC DS3 loop. For example, a carrier that provisions Gigabit
21	A.	Test 4 attempts to determine if the self provisioned DS3 loop used by a carrier is
20		DESCRIBED ABOVE?
19	Q.	WHAT ARE THE QUESTIONS ASSOCIATED WITH TEST 4
18		migrating or discontinuing the use of its self provisioned loops.
17		currently be using self provisioned DS3 or Dark Fiber Loops but plans on
16		Questions 3-5 disqualifies those carriers at a specific customer location that may
15		location.
14		customer location if the carrier does not have access to all of the customers at that
13		Question 3-4 disqualifies carriers with self provided Dark Fiber Loops at a
12		including each individual unit of a multi-tenant premise.
11		location if the carrier does not have access to all of the customers at that location,
10		Question 3-3 disqualifies carriers with self provided DS3 Loops at a customer
8 9		otherwise shows that they have not done so.
8		fiber loops at the contested customer locations, or for whom the evidence
7		Question 3-2 screens out carriers that deny that they have self provisioned dark
6		provisioning analysis.
5		economically do so, such instances of larger deployment are irrelevant to the self-
4		opportunity or need to provide two or three DS-3 loops to a building could
3		deployment of more than 2 DS-3 loops does not bear on whether a CLEC with an
2		251(c)(3) to only one or two DS-3 loops at a particular location. Because self-
1		DS-3 loops (not DS-1), and the TRO limits unbundled access under section

1		Ethernet for itself over fiber facilities should not be counted as a trigger on the		
2		specific route as Gigabit Ethernet is not equivalent to a DS3. The only question		
3		asked in Test 4 is as follows:		
		Question 4-1Is Carrier's self provided DS3 fiber loop equivalent to the ILEC DS3 loop?		
4				
5		B. Review of Wholesale Trigger Tests		
6	Q.	HOW SHOULD THE COMMISSION EVALUATE SBC'S CLAIMS THAT		
7		THE WHOLESALE TRIGGER TEST IS SATISFIED AT PARTICULAR		
8		CUSTOMER LOCATIONS?		
9	A.	I explained the requirements of the FCC's wholesale trigger analysis at pages 28-		
10		33 of my direct testimony. In order to apply each of those requirements in a		
11		practical fashion to the available data here, I propose to examine each location		
12		and/or carrier applying a set of six tests, some of which include sub-tests. Before		
13		this Commission could reverse the national finding of impairment as to a		
14		particular location and find that CLECs are not impaired without unbundled		
15		access to high-capacity loops at specific capacity levels at that location, it should		
16		require definitive proof that two or more carriers pass all of the tests below.		

	Enterprise Loops - Wholesale Analysis		
Test 1	Are the carriers identified by SBC unaffiliated with SBC and each other?		
Test 2	Have the carriers identified by SBC verified the existence of their facilities at the customer locations specified by SBC?		

	Test 3	Are the carriers identified by SBC at a specific customer location actively offering, on an immediately and widely available basis, wholesale Enterprise Loops at the specified capacity and do they have access to all of the customers at the customer location?		
	Test 4	(For Carrier that passes Test 3) Does the carrier identified by SBC at a specific customer location have sufficient transport, collocation and interconnection capacity to provide wholesale Enterprise Loops to that location?		
	Test 5	Are the Carrier's wholesale Enterprise Loops generally available through tariffs or standard (not ICB) contracts at each customer location?		
	Test 6	Is the Carrier operationally ready to support a volume wholesale Enterprise Loop business at the specified capacity level? (e.g. with OSS and admin capabilities)		
	location for	ocation, two carriers would have to pass each test to consider the r non-impairment. The same proof requirements I described with he self-provisioning trigger should apply to each wholesale trigger test		
Q.	WHAT A	RE THE QUESTIONS ASSOCIATED WITH TEST 1		
	DESCRIB	BED ABOVE?		
A.	Test 1 is si	Test 1 is simply a screen to verify that the carriers that are put forth by SBC as		
	carriers on any route on which SBC seeks a reversal of impairment are			
	unaffiliated	d with SBC and each other. The only question asked in Test 1 is as		
	follows:			
	Question	1-1 Is the Carrier unaffiliated with the ILEC and other		

			carriers on this list?	
1				
2	Q.	WHAT ARE THE QUESTIONS ASSOCIATED WITH TEST 2		
3		DESCRIBED AB	OVE?	
4	A.	Test 2 attempts to	determine whether the carrier does in fact agree that it has	
5		deployed some typ	be of facilities to the particular customer location as claimed by	
6		SBC. The only qu	lestion asked in Test 2 is as follows:	
		Question 2-1	Has the Carrier verified the existence of its facilities at the customer location specified by SBC?	
7				
8	Q.	WHAT ARE THE QUESTIONS ASSOCIATED WITH TEST 3		
9		DESCRIBED AB	OVE?	
10	A.	Test 3 examines the	he data provide by the carriers themselves to determine if they	
11		are actively offering, on an immediately and widely available basis, DS1 and DS3		
12		Loops at each liste	ed customer location as claimed by SBC. This test also attempts	
13		to determine if the	carrier can serve customers throughout the entire customer	
14		location and wheth	her the carrier has enough capacity to be a legitimate wholesale	
15		provider. The par	ticular emphasis in each sub-test appears in bold print in the	
16		chart that follows. Following the chart, I have provided brief notes on the focus		
17		of each of the sub-tests.		

Question 3-1	Is Carrier actively offering, on an immediately and		
	widely available basis, Enterprise Loops at the		
	specified capacity at each listed customer location?		
Question 3-2	Does Carrier who is actively offering wholesale		
	Enterprise loops at the specified capacity level at the		
	listed customer location have access to customers		
	throughout the entire location, including each		
	individual unit within the location?		

Question 3-3	Is Carrier likely to continue providing wholesale			
	Enterprise Loop facilities at the specified capacity			
	level? (i.e. Facilities are not in the process of being			
	disconnected or decommissioned)			
Question 3-4	Are the Carrier's Wholesale Enterprise Loops			
	equivalent to SBC Unbundled Loops at the specified			
	capacity levels?			

- Question 3-1 screens out carriers that deny they offer wholesale Enterprise Loops
 at the specific location as claimed by SBC, or for whom the evidence otherwise
 shows that they do not offer qualifying services.
- 5 **Question 3-2** disqualifies carriers that offer wholesale Enterprise Loops at a
- 6 customer location if the carrier does not have access to all of the customers at that

7 location.

8 **Question 3-3** disqualifies those carriers at a specific customer location that may

9 currently be providing wholesale Enterprise Loops but plan on discontinuing

10 offering those wholesale services at that location in the future.

11 **Question 3-4** attempts to determine if the wholesale Enterprise Loops provide by 12 a carrier are equivalent in cost, quality and maturity to the specific unbundled

13 Loops at an equivalent capacity level and disqualifies those that are not. For

- 14 example, a carrier that provisions wholesale DS3 Loops with a service level that
- 15 provides no guarantee of repair or maintenance services should be disqualified as
- 16 a wholesale trigger.

1 Q. WHAT ARE THE QUESTIONS ASSOCIATED WITH TEST 4

2 **DESCRIBED ABOVE?**

A. Test 4 attempts to determine if a carrier that is offering wholesale enterprise loops
as specified in Test 3 has the transport, interconnection and transport capacity to
make that service "widely available" and be considered a legitimate wholesale

6 provider.

Does each Carrier that passes the preceding tests at a		
specific customer location have adequate capacity to		
that location to meet CLEC demand for Enterprise		
Loops at the specific Capacity?		
Does each Carrier that passes the preceding tests for a		
specific customer location have adequate capacity at		
the ILEC serving wire center to provide CLEC to		
CLEC cross connects to CLECs requesting wholesale		
DS3/DS1 Enterprise Loop facilities?		
Does each Carrier that passes the preceding tests for a		
specific customer location have adequate collocation		
capacity at its hub or switch locations to provide		
collocation to CLECs requesting wholesale Enterprise		
loops?		

8	Question 4-1 disqualifies a carrier that may be offering wholesale enterprise
9	loops at a specific customer location but does not have enough capacity to serve
10	other CLECs that may request loops if the location is subject to a non-impairment
11	finding.
12	Question 4-2 disqualifies a carrier that may be offering wholesale enterprise
13	loops at a specific customer location but does not have interconnection (CFA)
14	capacity at the nearest ILEC serving wire center to be able to interconnect to
15	CLECs that would need to purchase loops there if the location is subject to a non-
16	impairment finding.

1		Question 4-3 disqualifies a carrier that may be offering wholesale enterprise
2		loops at a specific customer location but does not have capacity at its main hub or
3		switch site where other carriers purchasing wholesale loops would need to
4		collocate to interconnect to the wholesaler.
5	Q.	WHAT ARE THE QUESTIONS ASSOCIATED WITH TEST 5
6		DESCRIBED ABOVE?
7	A.	Test 5 attempts to determine if a carrier's wholesale Enterprise Loop service is
8		generally available through tariffs or standard contracts. Otherwise, the carrier's
9		service will not be either "widely" or "immediately" available. See Minter Direct
10		at 32. The only question asked in Test 5 is as follows:
		Question 5-1Are the Carrier's wholesale DS1/DS3 Enterprise Loops generally available through tariffs or standard (not ICB) contracts at each customer location?
11		
12	Q.	WHAT ARE THE QUESTIONS ASSOCIATED WITH TEST 6
13		DESCRIBED ABOVE?
14	A.	Test 6 looks at whether any carrier being considered as a wholesale Enterprise
15		Loop trigger at any location is capable of supporting a volume wholesale business
16		if ILEC Enterprise Loops are eliminated to that location. It is critical to

competitive carriers that they be able to deal with carriers that would be replacing
the ILEC efficiently and are able to get service levels that do not put them at a

19 disadvantage to the ILEC in the retail services. *See* Minter Direct at 33.

Question 6-1	Is the Carrier operationally ready to support a volume
	wholesale Enterprise Loop business at the specified
	capacity level?(e.g. with OSS and admin capabilities)

Q. ONCE THE TESTS ABOVE HAVE BEEN COMPLETED, HOW SHOULD THE COMMISSION PROCEED?

3 A. Once the results of applying the tests and sub-tests described above for Self 4 Provisioning and Wholesale are known for each location claimed as not impaired 5 by SBC, the Commission should determine whether any carriers on those specific 6 routes have successfully passed all tests. If there are fewer than two carriers that 7 pass all tests on any route under the self provisioning and wholesale tests, then the 8 trigger is not met, and the finding of impairment remains. However, if there are 9 two or more qualifying self provisioning trigger carriers or two or more wholesale 10 trigger carriers on at any specific location at a specified capacity level, then, in the 11 absence of evidence of some other barrier currently foreclosing CLEC loop 12 deployment at that location, the Commission is authorized under the TRO to enter 13 a finding of non-impairment as to that particular location at the specified capacity 14 level for which the trigger was satisfied. An appropriate transition plan would be 15 required for any locations as to which the Commission reached a finding of non-16 impairment. See Minter Direct at 35-38 (recommending basic transition plan 17 elements).

1 III. APPLICATION OF TESTS TO TRIGGER ROUTES

2 A. Self-Provisioning Trigger

Q. WHAT CARRIERS HAS SBC IDENTIFIED AS POTENTIAL TRIGGER 4 CANDIDATES FOR ROUTES UNDER THE SELF PROVISIONING 5 TRIGGER?

- 6 A. The carriers named in TABLE SP-1 are taken from the list of carriers SBC
- 7 identified as trigger candidates in the Direct Testimony of J Gary Smith.
- 8

TABLE SP-1		
Alltel		
Allegiance Telecom		
AT&T		
Birch Telecom		
Broadwing		
Cable & Wireless		
Century Tel		
Extant		
Global Crossing		
ICG		
Level 3		
MCI		
McLeod		
Qwest		
Sprint		
XO		
Xspedius		

TABLE SP-1

9

10 Q. WHAT ARE THE RESULTS OF THE APPLICATION OF TEST 1 FOR

11 THE CARRIERS LISTED IN TABLE SP-1?

12 Test 1 consists of only one question. The question is provided below and a

13 summary of the responses by carrier are set out in TABLE SP-2.

2

Question 1-1: Is the Carrier unaffiliated with the ILEC and other carriers on this

list?

I. 7.	DLE SF-2		
Self Provisioning Test 1	1-1 : Are the Carriers unaffiliated with the ILEC and each other		
Carrier	YES	NO	TBD
Alltel			Х
Allegiance Telecom		Х	
AT&T	Х		
Birch Telecom	Х		
Broadwing			Х
Cable & Wireless			Х
Century Tel			Х
Extant			Х
Global Crossing			Х
ICG	Х		
Level 3	Х		
MCI	Х		
McLeod	Х		
Qwest	Х		
Sprint	Х		
XO		Х	
Xspedius	Х		

TABLE SP-2

3 <u>Alltel, Broadwing, Cable & Wireless, Century Tel, Extant, Global Crossing</u>

4 Based on lack of available data regarding these carriers, the response is To Be

5 Determined (TBD)

6 <u>Allegiance Telecom and XO Communications</u>

XO Communications obtained court approval to acquire substantially all of the assets of Allegiance Telecom on February 19, 2004. It is anticipated that this acquisition will be completed prior to a commission ruling in this case and these carriers should be considered affiliated for the purposes of this proceeding. I will

be evaluating both of these carriers separately for all of the tests and to the extent both XO Communications and Allegiance Telecom pass as self providers or wholesalers at any location that passes all of the tests then I will consider them as a single entity for that location.

1 Q. WHAT ARE THE RESULTS OF THE APPLICATION OF TEST 2 FOR

2 THE CARRIERS LISTED IN TABLE SP-1?

7

8

3 Test 2 consists of only one question. The question is provided below and a

4 summary of the responses by carrier are set out in TABLES SP-3 THRU SP-11

5 **Question 2-1:** Has the Carrier **verified** the existence of its facilities at the 6 customer location specified by SBC?

** START HIGHLY CONFIDENTIAL TABLES**

TABLE SP-3 ALLEGIANCE RESULTS

SBC Listed Customer Location for Carrier			Confirmed by Carrier		
Address	City	Carrier	YES NO TBD		
			Х		
9					

10	10 ** <u>TABLE SP-4 ALLTEL RESULTS</u> **				
	SBC Listed Customer Location for Carrier		Confirme	ed by Ca	arrier
Address	City	Carrier	YES	NO	TBD
					Х

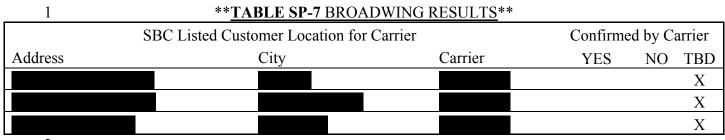
11	** <u>TABLE SP-5 AT&T RESUI</u>	<u>LTS</u> **			
	SBC Listed Customer Location for Carrier		Confirme	ed by Ca	arrier
Address	City	Carrier	YES	NO	TBD
				Х	
				Х	
				Х	
				Х	
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				Х	

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	X X
	X
	Х
	X X
	X
	Х

1	** <u>TABLE SP-6 B</u>	IRCH RESULTS**			
	SBC Listed Customer Location for	r Carrier	Confirmed	d by Car	rier
Address	City	Carrier	YES	NO	TBD
					Х
2					



3	** <u>TABLE SP-8 CA</u>	BLE & WIRELESS RESULTS**			
	SBC Listed Customer Locat	tion for Carrier	Confir	med by	Carrier
Address	City	Carrier	YES	NO	TBD
					Х
4					

5	** <u>TABLE SP-9 CENTURY TEL RESULTS</u> **						
	SBC Listed Customer	Location for	or Carrier		Confir	med by	Carrier
Address	(City		Carrier	YES	NO	TBD
							Х
							Х
_							Х
							Х
							Х
_							Х
							Х
							Х
							Х
6							

7	** <u>TABLE SP-9 EXTANT RESULTS</u> **				
SBC Listed Customer Location for Carrier Confirmed by Carrier			Carrier		
Address	City	Carrier	YES	NO	TBD
					Х
					Х

8	** <u>table sp-10</u> globa	AL CROSSING RESULTS ³	**	
SBC Listed Customer Location for Carrier			Confirmed	by Carrier
Address	City	Carrier	YES N	O TBD
				Х
				Х

HC

			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х

1	** <u>TABLE SP-11 ICG RESULTS</u> **				
	SBC Listed Customer Location for Carrier		Confirmed by Carr		Carrier
Address	City	Carrier	YES	NO	TBD
					Х

2	** <u>TABLE SP-12 LEVEL 3 RES</u>	<u>ULTS</u> **			
	SBC Listed Customer Location for Carrier		Confir	med by	Carrier
Address	City	Carrier	YES	NO	TBD
					Х
					Х
					Х
					Х
					Х

3	** <u>TABI</u>	LE SP-13 MCI RESULTS**				
	SBC Listed Customer Lo	ocation for Carrier		Confirme	d by Ca	arrier
Address		City	Carrier	YES	NO	TBD
					Х	
					Х	
					Х	
					Х	
					Х	
				Х		
				Х		
				Х		
				Х		

	Х
	X
	Х
	Х
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	X
	X
	X
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	X
	X
	X
	X
	X
	X
	X
	X
	X
	X
	X
	Х

1	** <u>TABLE SP-14 MCLEOD</u>	RESULTS**			
	SBC Listed Customer Location for Carrier	r	Confir	med by	Carrier
Address	City	Carrier	YES	NO	TBD
					Х
					Х
					Х

2	** <u>TABLE SP-15 QWEST RESULTS</u> **				
SBC Listed Customer Location for Carrier			Confir	med by	Carrier
Address	City	Carrier	YES	NO	TBD
					Х
					Х

3	** <u>TABLE SP-16 SPRINT RESULTS</u> **				
	SBC Listed Customer Location for Carrier			Confirmed by Carrier	
Address	City	Carrier	YES	NO	TBD

X
X
X
X
X
X
Х

1	** <u>TABLE SP-17 XO RESULTS</u> *	*			
	SBC Listed Customer Location for Carrier		Confir	med by	Carrier
Address	City	Carrier	YES	NO	TBD
				Х	
				Х	
				Х	
			Х		
			Х		
			Х		
			Х		
			Х		
			Х		

2	2 ** <u>TABLE SP-18 XSPEDIUS RESULTS</u> **				
	SBC Listed Customer Location for	r Carrier	Confirmed by Carrier		
Address	City	Carrier	YES NO TBD		
			Х		
			Х		
			Х		
			Х		
			Х		
			Х		
			Х		

Alltel, Broadwing, Cable & Wireless, Century Tel, Extant, Global Crossing, ICG,

Level3, McLeod, Qwest and Sprint

I have not had access to data regarding any of the carriers above sufficient to make a judgment as to Question 2-1 and all other questions; therefore the response for these carriers for Question 2-1 and all other questions will be To Be Determined (TBD). I will not continue to provide tables showing TBD as responses for these carriers for any further questions.

Birch Telecom

I have not received any Data Responses from Birch to be able to make a judgment for Question 2-1; however the address listed by SBC for Birch appears to be a Birch switch facility, not a customer location.

Allegiance Telecom

Allegiance Telecom was listed at a single location by SBC. Allegiance denied having any self provisioned enterprise loop facilities in Missouri in its Second Supplemental Response to SBC Missouri's First Set of Data Requests.

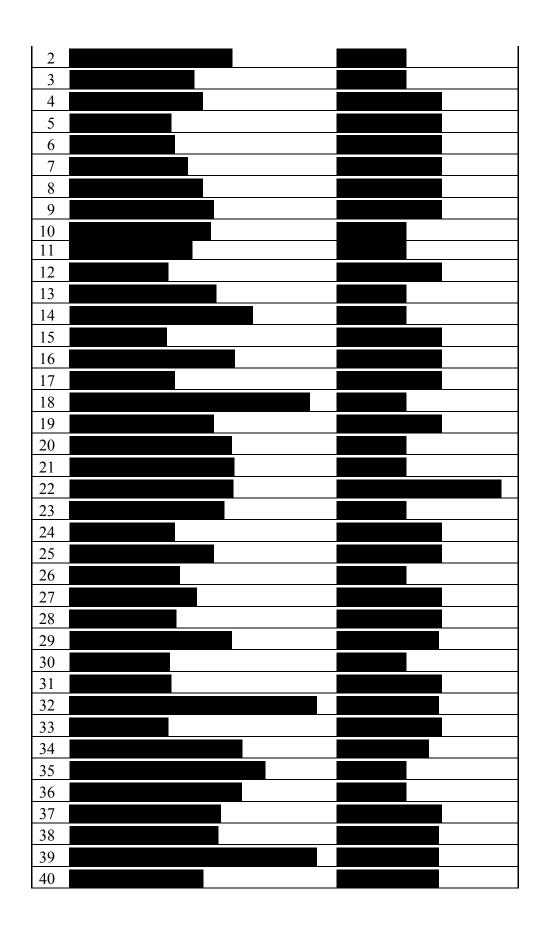
AT&T, MCI, XO and Xspedius

Each of these carriers denied having self-deployed facilities to a certain number of customer locations, while acknowledging others, as shown in the tables above.

The table below provides a list of locations in which at least two of the carriers above have verified the existence of their facilities. All subsequent tests in my analysis will be conducted on these locations. Of the 86 locations contested by SBC under this trigger, 32 are eliminated in verifying the carrier facilities.

Address City

TABLE SP-18A



41		
42		
43		
44		
45		
46		
47		
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49		
50		
51		
52		
53		
54		

1 Q. WHAT ARE THE RESULTS OF THE APPLICATION OF TEST 3 FOR 2 **THE CARRIERS LISTED IN TABLE SP-1?** 3 Question 3-1: (For carrier that passes Test 2) Does Carrier provide DS3 Loop service to customers via its self-deployed facilities (whether owned or IRU dark 4 5 fiber) at the specified capacity levels? 6 AT&T 7 Based on ongoing investigation, AT&T has been able to provide at least a 8 preliminary indication of the number of self deployed DS3 loops it currently 9 provides at the customer locations where AT&T loop facilities have been verified.² TABLE SP-19 below provides the data by 1-2 DS3s and 3+ DS3s at 10 11 each verified location. Based on this data, 9 of the 54 AT&T customer locations 12 may be served by 2 or fewer self deployed DS3 Loops. This data should be

 $^{^2}$ It is my understanding that AT&T, in an ongoing effort to collect information of potential relevance in impairment proceedings around the country, identified this information very close to the time for filing this testimony, and intends to supplement previous data request responses with this information shortly.

1	considered preliminary and subject to continuing investigation. On their face
2	these locations represent exceptions to AT&T's general practice, described by Mr.
3	Giovannucci and Mr. Grossmann, to require 3 DS3's worth of demand before
4	deploying facilities to a building. The circumstances under which AT&T is
5	serving these locations with one or two DS3 loops today may bear on whether
6	AT&T qualifies as a trigger candidate at each. For example, a location to which a
7	CLEC had initially extended facilities to meet a large demand, but at which the
8	customer's business reversals had resulted in reduced service to the building,
9	would not provide any indication of CLECs' ability generally to extend facilities
10	to that building to serve one or two DS3's worth of demand. Pending further
11	investigation or supplemental explanation, however, I have preliminarily
12	identified these AT&T locations as passing Question 3-1. The AT&T facilities at
13	the other 45 customer locations do not pass this test, and should not be considere
14	further as trigger candidates.

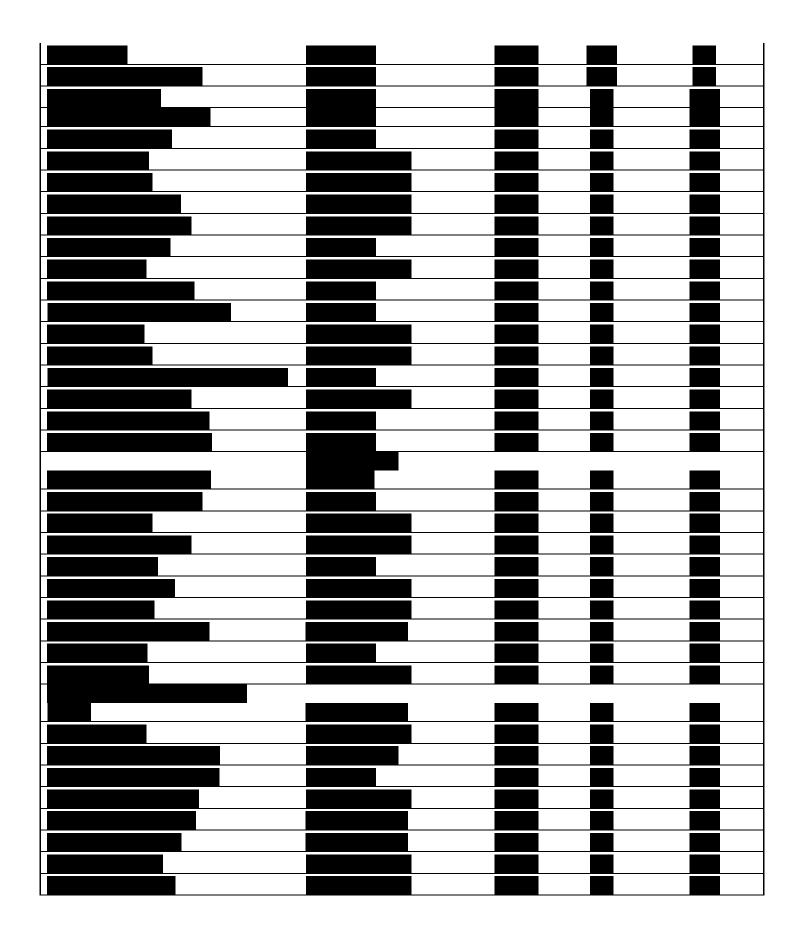
<u>TABLE SP-19</u>

Self Provisioning Test 3

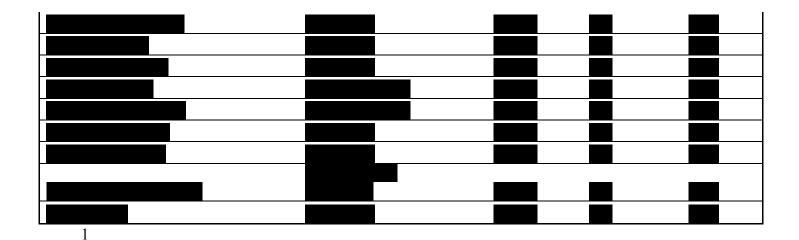
15

3-1: (For carrier that passes Test 2) Does Carrier provide DS3 Loop service to customers via its self-deployed facilities (whether owned or IRU dark fiber) at the specified capacity levels?





HC



2 <u>ALL OTHER CARRIERS – TBD</u>

3	SBC has not specified, and the available data does not enable me to identify, the
4	capacity levels of self deployed loops by the carriers at the locations listed in
5	TABLE SP-19. However, most carriers likely have deployed Optical facilities
6	which at a minimum would provide 3 DS3s to a particular customer. Such
7	deployments should not satisfy the self-provisioning trigger, because they do not
8	demonstrate whether it is economical for a CLEC to self-provide only one or two
9	DS3 loops to a particular location.

- 10 **Question 3-2:** (For carrier that passed Test 2) Has carrier **deployed its own Dark**
- 11 **Fiber loop** facilities at the specified location?

ALL CARRIERS

The available data does not definitively answer this question for any carrier. For those carriers, such as AT&T, that have lit fiber in a particular customer location, there likely will be spare, unlit fibers in the cable that serves the customer location. However, a carrier may not splice all of the fiber from its cable into a lit customer location but instead only splice fiber that is to be put in service. This

	would leave any dark fiber in the conduit outside the customer location and would		
	not be considered spare self provided dark fiber.		
1	Question 3-3: (For Carriers that pass Test 2) Does carrier who self provides DS3		
2	loop facilities at the specified customer location have access to customers		
3	throughout the entire location, including each individual unit within the		
4	location?		
5	<u>AT&T</u>		
6	TABLE SP-20 below provides a response to Question 3-3 for every verified		
7	AT&T customer location.		
8	** <u>TABLE SP-20</u> **		

Self Provisioning Test 3

3-3: (For Carriers that pass Test 2) Does carrier who self provides DS3 loop facilities at the specified customer location have **access to customers throughout the entire location**, including each individual unit within the location?

Address	City	Carrier	YES NO TBD
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х
			Х

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	X X
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	Х
	Х
	Х
	X
	X
	X
- -	X
	X
	X
	X
	X
	X X
	X
	X X
	X
	X
	X
	X
	X

Based on the data above AT&T has verified that it has access to all building customers in 17 customer locations.

1 <u>ALL OTHER CARRIERS</u>

There is not sufficient information to make a judgment that any of the other carriers serving the 54 verified locations have access to all of the customers at that location. This is a critical element of the analysis. Without evidence that a carrier has access to all units of a particular customer location, the carrier's facilities at that location should not be considered under the self provisioning trigger. Accordingly, on presently available data, this test will cause all 54 customer locations to fail the self-provisioning trigger.

Question 3-4: (For Carriers that pass Test 2) Does carrier who self provides Dark
Fiber loop facilities at the specified customer location have access to customers

4 **throughout the entire location**, including each individual unit within the

- 5 location?
- 6 <u>ALL CARRIERS</u>
- No carrier has confirmed that it self provides dark fiber loops so the response for
 all carriers to this question is Not Applicable (NA)

9 Question 3-5: Is Carrier likely to continue using its self provided DS3 Loop and
10 Dark Fiber Loop facilities at the specified customer location (i.e. Facilities are not
11 in the process of being disconnected or decommissioned)?

12 ALL CARRIERS

The available data does not include sufficient information to answer this question
for self provided DS3 Loops; therefore the response is TBD. For dark fiber loops,

HC

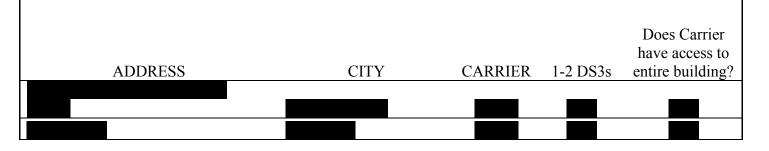
1		there is not carrier that has been confirmed as a self provider therefore the
2		response is NA.
3	Q.	WHAT ARE THE RESULTS OF THE APPLICATION OF TEST 4 FOR
4		THE CARRIERS LISTED IN TABLE SP-1?
5		Question 4-1: Are the Carrier's self provided DS3 loop facilities that are in
6		service equivalent to ILEC Loop Facilities at the specified capacity level?
7		ALL CARRIERS
8		There has not been sufficient information provided by either the carriers or SBC
9		to make a judgment for Question 4-1 at any customer location for any carrier.
10	Q.	DO YOU HAVE ANY CONCLUSIONS REGARDING THE CUSTOMER
11		LOCATIONS CLAIMED BY SBC AS MEETING THE SELF
12		PROVISIONING TESTS?
13	A.	Yes, out of the original 86 customer locations contested by SBC under this
14		trigger, the available data confirms that there are at least 2 listed carriers who
15		have extended some sort of high-capacity loop facilities at 54 customer locations.
16		AT&T has facilities at all of the 54 customer locations listed above but has
17		verified access to the entire customer location at only 17 of those locations. Out
18		of the 17 locations where AT&T has verified access, only 2 locations are served
19		by 2 or fewer DS3s. (As noted above, the identification of AT&T locations
20		served by one or two DS3s is preliminary and subject to continuing investigation).
21		TABLE SP-21 provides the data associated with the 2 confirmed locations served
22		by 2 or fewer DS3s where AT&T has access to the entire building. For all other
23		carriers, the available data does not provide sufficient information to determine

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1	the number and capacity of loops being provided. Nor does it provide sufficient
2	information to determine whether the CLECs have access to the entire location or
3	meet other tests. If a second provider of one or two DS3 loops were identified for
4	those 2 customer locations, those locations could be considered further under the
5	self provisioning trigger. However, the currently available data does not support a
6	finding of non-impairment for DS-3 loops at any of the contested locations, under
7	the self-provisioning trigger. Nor does the available data support a finding of
8	non-impairment for dark fiber loops at any of the contested locations.

TABLE SP-21

AT&T CUSTOMER LOCATION SUMMARY



<u>END HIGHLY CONFIDENTIAL TABLES</u>

11 B. Wholesale Triggers

9

10

12 Q. WHAT CARRIERS HAS SBC IDENTIFIED AS POTENTIAL TRIGGER

13 CANDIDATES FOR ROUTES UNDER THE WHOLESALE TRIGGER?

- 14 A. The carriers named TABLE W-1 are taken from the list of carriers SBC identified
- 15 as trigger candidates in the Direct Testimony of J Gary Smith. This list is
- 16 identical to the list of carriers for the self provisioning trigger.

TABLE	W-1
-------	-----

IADLE W-I
Alltel
Allegiance Telecom
AT&T
Birch Telecom
Broadwing
Cable & Wireless
Century Tel
Extant
Global Crossing
ICG
Level 3
MCI
McLeod
Qwest
Sprint
XO
Xspedius

2

3

Q. WHAT ARE THE RESULTS OF THE APPLICATION OF TEST 1 FOR

4

THE CARRIERS LISTED IN TABLE W-1?

5 Test 1 consists of only one question. The question is provided below and a

6 summary of the responses by carrier are set out in TABLE W-2. The results of

7 this test for Wholesale Triggers are identical to the results for Self Provisioning

8 Triggers.

9 Question 1-1: Is the Carrier unaffiliated with the ILEC and other carriers on this
10 list?

	TABLE W-2		
Wholesale Test 1		he Carriers ILEC and e	unaffiliated each other
Carrier	YES	NO	TBD
Alltel			Х

Allegiance Telecom		Х	
AT&T	Х		
Birch Telecom	Х		
Broadwing			Х
Cable & Wireless			Х
Century Tel			Х
Extant			Х
Global Crossing			Х
ICG	Х		
Level 3	Х		
MCI	Х		
McLeod	Х		
Qwest	Х		
Sprint	Х		
XO		Х	
Xspedius	Х		

2

See notes associated with Allegiance and XO below TABLE SP-2.

3 Q. WHAT ARE THE RESULTS OF THE APPLICATION OF TEST 2 FOR

- 4 THE CARRIERS LISTED IN TABLE W-1?
- 5 **Question 2-1:** Has the Carrier **verified** the existence of its collocation at the wire
- 6 centers (CLLIs) specified by SBC?
- 7 <u>ALL CARRIERS</u>
- 8 The response to Question 2-1 for wholesale triggers is identical to the response
- 9 for Question 2-1 in the Self Provisioning Triggers part of my testimony. See
- 10 TABLES SP-3 through SP-19.

1	Q.	WHAT ARE THE RESULTS OF THE APPLICATION OF TEST 3 FOR
2		THE CARRIERS LISTED IN TABLE W-1?
3		Question 3-1: Is Carrier actively offering, on an immediately and widely
4		available basis, Enterprise Loops at the specified capacity at each listed customer
5		location?
6		<u>AT&T</u>
7		AT&T does not offer wholesale Enterprise Loops at any customer locations
8		where it has its own facilities. Mr. Giovannucci and Mr. Grossmann explain and
9		support this conclusion.
10		ALL OTHER CARRIERS
11		The available data does not include sufficient information to answer this question
12		for other carriers that have verified facilities at a contested customer location;
13		therefore the response for all other carriers is TBD.
14		Question 3-2: Does Carrier who is actively offering wholesale Enterprise loops at
15		the specified capacity level at the listed customer location have access to
16		customers throughout the entire location, including each individual unit within
17		the location?
18		ALL CARRIERS
19		Answers to the preceding questions have not identified any carriers that are
20		providing wholesale Enterprise Loops at any of the contested customer locations;
21		therefore the response to Question 3-2 is Not Applicable (NA).

1		Question 3-3: Is Carrier likely to continue providing wholesale Enterprise Loop
2		facilities at the specified capacity level? (i.e. Facilities are not in the process of
3		being disconnected or decommissioned)
4		ALL CARRIERS
5		Answers to the preceding questions have not identified any carriers that are
6		providing wholesale Enterprise Loops at any of the contested customer locations;
7		therefore the response to Question 3-3 is Not Applicable (NA).
8		Question 3-4: Are the Carrier's Wholesale Enterprise Loops equivalent to SBC
9		Unbundled Loops at the specified capacity levels?
10		ALL CARRIERS
11		Answers to the preceding questions have not identified any carriers that are
12		providing wholesale Enterprise Loops at any of the contested customer locations;
13		therefore the response to Question 3-4 is Not Applicable (NA).
14	Q.	WHAT ARE THE RESULTS OF THE APPLICATION OF TEST 4 FOR
15		THE CARRIERS LISTED IN TABLE W-1?
16		Question 4-1: Does each Carrier that passes the preceding tests at a specific
17		customer location have adequate capacity to that location to meet CLEC
18		demand for Enterprise Loops at the specific Capacity?
19		ALL CARRIERS
20		Answers to the preceding questions have not identified any carriers that are
21		providing wholesale Enterprise Loops at any of the contested customer locations;
22		therefore the response to Question 4-1 is Not Applicable (NA).

1		Question 4-2: Does each Carrier that passes the preceding tests for a specific
2		customer location have adequate capacity at the ILEC serving wire center to
3		provide CLEC to CLEC cross connects to CLECs requesting wholesale
4		DS3/DS1 Enterprise Loop facilities?
5		ALL CARRIERS
6		Answers to the preceding questions have not identified any carriers that are
7		providing wholesale Enterprise Loops at any of the contested customer locations;
8		therefore the response to Question 4-2 is Not Applicable (NA).
9		Question 4-3: Does each Carrier that passes the preceding tests for a specific
10		customer location have adequate collocation capacity at its hub or switch
11		locations to provide collocation to CLECs requesting wholesale Enterprise loops?
12		ALL CARRIERS
13		Answers to the preceding questions have not identified any carriers that are
14		providing wholesale Enterprise Loops at any of the contested customer locations;
15		therefore the response to Question 4-3 is Not Applicable (NA).
16	Q.	WHAT ARE THE RESULTS OF THE APPLICATION OF TEST 5 FOR
17	C.	THE CARRIERS LISTED IN TABLE W-1?
18		Question 5-1: Are the Carrier's wholesale DS1/DS3 Enterprise Loops generally
19		available through tariffs or standard (not ICB) contracts at each customer
20		location?
21		ALL CARRIERS

1		Answers to the preceding questions have not identified any carriers that are
2		providing wholesale Enterprise Loops at any of the contested customer locations;
3		therefore the response to Question 5-1 is Not Applicable (NA).
4	Q.	WHAT ARE THE RESULTS OF THE APPLICATION OF TEST 6 FOR
5		THE CARRIERS LISTED IN TABLE W-1?
6		Question 6-1: Is the Carrier operationally ready to support a volume wholesale
7		Enterprise Loop business at the specified capacity level? (e.g. with OSS and
8		admin capabilities)
9		ALL CARRIERS
10		Answers to the preceding questions have not identified any carriers that are
11		providing wholesale Enterprise Loops at any of the contested customer locations;
12		therefore the response to Question 6-1 is Not Applicable (NA).
		therefore the response to Question 0-1 is Not Applicable (NA).
13	Q.	DO YOU HAVE ANY CONCLUSIONS REGARDING THE CUSTOMER
	Q.	
13	Q.	DO YOU HAVE ANY CONCLUSIONS REGARDING THE CUSTOMER
13 14	Q. A.	DO YOU HAVE ANY CONCLUSIONS REGARDING THE CUSTOMER LOCATIONS CLAIMED BY SBC AS MEETING THE WHOLESALE
13 14 15		DO YOU HAVE ANY CONCLUSIONS REGARDING THE CUSTOMER LOCATIONS CLAIMED BY SBC AS MEETING THE WHOLESALE TESTS?
13 14 15 16		DO YOU HAVE ANY CONCLUSIONS REGARDING THE CUSTOMER LOCATIONS CLAIMED BY SBC AS MEETING THE WHOLESALE TESTS? Yes, as shown in the data provided with my Self Provisioning Trigger analysis
13 14 15 16 17		DO YOU HAVE ANY CONCLUSIONS REGARDING THE CUSTOMER LOCATIONS CLAIMED BY SBC AS MEETING THE WHOLESALE TESTS? Yes, as shown in the data provided with my Self Provisioning Trigger analysis and referenced above for the Wholesale Triggers, 54 of the 86 customer locations
13 14 15 16 17 18		DO YOU HAVE ANY CONCLUSIONS REGARDING THE CUSTOMER LOCATIONS CLAIMED BY SBC AS MEETING THE WHOLESALE TESTS? Yes, as shown in the data provided with my Self Provisioning Trigger analysis and referenced above for the Wholesale Triggers, 54 of the 86 customer locations claimed by SBC were positively verified for facilities by at least 2 carriers.
 13 14 15 16 17 18 19 		DO YOU HAVE ANY CONCLUSIONS REGARDING THE CUSTOMER LOCATIONS CLAIMED BY SBC AS MEETING THE WHOLESALE TESTS? Yes, as shown in the data provided with my Self Provisioning Trigger analysis and referenced above for the Wholesale Triggers, 54 of the 86 customer locations claimed by SBC were positively verified for facilities by at least 2 carriers. AT&T has facilities at the 54 customer locations listed above, but has verified
 13 14 15 16 17 18 19 20 		DO YOU HAVE ANY CONCLUSIONS REGARDING THE CUSTOMER LOCATIONS CLAIMED BY SBC AS MEETING THE WHOLESALE TESTS? Yes, as shown in the data provided with my Self Provisioning Trigger analysis and referenced above for the Wholesale Triggers, 54 of the 86 customer locations claimed by SBC were positively verified for facilities by at least 2 carriers. AT&T has facilities at the 54 customer locations listed above, but has verified access to the entire customer location at only 17 of those. More importantly here,

1 building access, or answers to several remaining tests. Consequently, the 2 currently available data does not support a finding of non-impairment at any of the contested locations. 3 4 IV. POTENTIAL DEPLOYMENT 5 Q. PLEASE DESCRIBE WHAT IS MEANT BY POTENTIAL 6 **DEPLOYMENT.** 7 A. At the end of its discussions of the self-provisioning triggers for dedicated 8 transport and high-capacity loops, the FCC provides that incumbents may attempt 9 to demonstrate that no impairment exists on a specific route (for dedicated 10 transport at a particular capacity) or to a specific customer location (for loops at a 11 particular capacity), even though neither trigger has been satisfied. TRO ¶¶ 335, 12 410. In authorizing this inquiry into what is frequently called "potential 13 deployment," the FCC emphasized that "actual competitive deployment is the 14 best indicator that requesting carriers are not impaired" and that its self-15 provisioning "quantitative trigger is the *primary* vehicle through which non-16 impairment findings will be made." Id. at ¶410 (emphasis added). However, 17 because the trigger does not address the "potential" ability of CLECs do deploy 18 facilities along a particular route (or to a particular location), the FCC provided 19 that a state "must consider and may also find no impairment on a particular route 20 that it finds is suitable for 'multiple, competitive supply,' but along which this 21 trigger is not facially satisfied." Id. (emphasis added); see also ¶ 335 (high-22 capacity loops).

Q. CAN AN ILEC MAKE A GENERAL CLAIM FOR POTENTIAL DEPLOYMENT, SUCH AS A CLAIM THAT NO IMPAIRMENT EXISTS FOR ALL BUILDINGS SERVED OUT OF A WIRE CENTER?

A. No. The FCC's language is clear that potential deployment claims must be
location- or route-specific, as illustrated in the preceding quote.

6 Q. WHAT MUST SBC DEMONSTRATE FOR THE COMMISSION TO 7 CONSIDER A POTENTIAL DEPLOYMENT CLAIM FOR HIGH 8 CAPACITY LOOPS OR TRANSPORT?

9 A. SBC must demonstrate for each specific customer location and route that,

10 contrary to the FCC's impairment determination, multiple competitive providers 11 could, but have chosen not to, overcome the significant operational and economic 12 barriers identified by the FCC as impairments. In other words, there must be a 13 location-specific showing that it would be economical for competitive providers 14 to incur the fixed and sunk costs of deploying the facilities needed to provide (a) 15 12 or fewer DS3 dedicated transport circuits, or dark fiber transport, on a 16 particular route, or (b) a single or two DS3 loops, or dark fiber loops, to an 17 individual location.

Q. WHAT ARE THE FACTORS THAT SBC MUST DEMONSTRATE TO THE COMMISSION TO SATISFY THE POTENTIAL DEPLOYMENT TEST FOR HIGH CAPACITY LOOPS TO A SPECIFIC CUSTOMER LOCATION?

5	A.	In paragraph 335 of the TRO, the FCC requires that "when conducting its
6		customer location specific analyses, a state must consider and may also find no
7		impairment at a particular customer location even when this trigger has not been
8		facially met <i>if</i> the state commission finds that no material economic or
9		operational barriers at a customer location preclude competitive LECs from
10		economically deploying loop transmission facilities to that particular customer
11		location at the relevant loop capacity level. In making a determination that
12		competitive LECs could economically deploy loop transmission facilities at that
13		location at the relevant capacity level, the state commission must consider
14		numerous factors affecting multiple CLECs' ability to economically deploy
15		facilities at that particular customer location." (emphasis added) The TRO then
16		provides a minimum list of the following factors:
17 18 19 20 21 22 23 24 25 26 27		 Evidence of alternative loop deployment at that particular customer location; Local engineering costs of building and utilizing transmission facilities; The cost of underground or aerial laying of fiber or copper; The cost of equipment needed for transmission; Installation and other necessary costs involved in setting up service; Local topography such as hills and rivers; Availability of reasonable access to rights-of-way; Building access restrictions/costs; and Availability/feasibility of similar quality/reliability alternative transmission technologies at that particular location.
28		TRO ¶ 335.

Each of these characteristics listed above must be evaluated in the potential deployment analysis. For that reason, an ILEC that claims CLECs are not impaired without access to UNEs in serving a particular customer location will need to introduce evidence with respect to each factor that demonstrates that the factor alone, or in combination with others, does not operate as a barrier to CLECs' ability to deploy the facilities in question.

Q. WITH RESPECT TO HIGH CAPACITY LOOPS, WHAT SORT OF EVIDENCE MUST THE ILEC OFFER WITH RESPECT TO CAPACITY LEVELS?

A. Any evidence an ILEC presents on potential deployment will necessarily have to
address the limitations on the availability of UNEs that are *already built in* to the
FCC's new unbundling rules. Thus, with respect to loops, the factual showing
and analysis concerning potential deployment needs to explain how CLECs are
not impaired in their ability to deploy dark fiber loops or up to two DS3 loops at a
specific customer location. TRO ¶ 324.

16 Q. IS IT LIKELY THAT MOST ILECS COULD MAKE A COMPELLING 17 SHOWING OF THIS SORT?

A. No. The FCC requires a rational (i.e., investor-quality) business case analysis for
 particular locations or routes based upon the conditions faced by two specific
 carriers (for loops) or three specific carriers (for transport). While it may be
 possible that one such carrier has not taken advantage of an opportunity to reduce

it costs while gaining control over its own destiny, it strains credibility that
 multiple such situations would be identified in any one place.

3 Indeed, the potential deployment test should be regarded as a narrow exception to 4 the trigger requirements which rarely will be met. FCC Commissioner Abernathy 5 described the test to Congress as follows: With respect to interoffice transport 6 [t]he Commission also authorized states to find, based on their consideration of 7 various economic factors, an absence of impairment where a route is served by 8 fewer than two wholesalers or three total carriers, but such findings will constitute a narrow exception to the rule."³ The Commissioner's logic applies equally to 9 10 high-capacity loops.

12 APPLICATION OF THE POTENTIAL DEPLOYMENT ANALYSIS TO 13 HIGH CAPACITY LOOPS?

14 A. Yes, I have reviewed the testimony of J. Gary Smith - Loops at pages 24-35, as
15 well as the testimony of Gary O. Smith and Joseph H. Ramatowski.

16 Q. WHAT WERE THE CONCLUSIONS OF THE POTENTIAL

17 **DEPLOYMENT ANALYSIS AS PROVIDED BY SBC.**

- 18 A. SBC has asserted that 321 customer loop locations satisfy the potential
- 19 deployment analysis for high capacity loops. These 321 buildings are located in
- 20 three wire centers, two in St. Louis and one in Kansas City. The specific

³ Commissioner Abernathy's Responses to Post-Hearing Questions for the Record on the Triennial Review Proceeding from the Subcommittee on Telecommunications and the Internet, submitted in a March 17, 2003 letter from Commissioner Abernathy to Hon. Fred Upton, Subcommittee Chair, at page 1 of the attachment.

customer locations are listed on Schedule JGS-10L (HC) to Mr. Smith's loop testimony.

Q. WHAT IS THE BASIS FOR SBC'S CLAIM THAT 310 BUILDINGS SATISFY THE POTENTIAL DEPLOYMENT ANALYSIS FOR HIGH CAPACITY LOOPS?

6 A. Basically, SBC assumes that, if an office building that is reported to generate *total* 7 annual payments of \$ 50,000 for telecommunications services lies within a 8 football field of existing buried CLEC fiber, CLECs can economically deploy 9 high-capacity loops to that building, even though they have not done so in over a 10 decade of effort to bring competition into the local telecommunications markets. 11 What SBC has done, more specifically, is to diagram what it identifies as the 12 location of CLEC fiber rings in three St. Louis and Kansas City wire centers. For 13 this step SBC relied at least in part on information provided by the GeoTel 14 commercial service. JG Smith Direct at 30-32. (As noted earlier, when selling 15 such information, GeoTel specifically disclaims any representation as to its 16 accuracy.) SBC then drew a 300-foot corridor around the rings that it had plotted, 17 and used a Dun & Bradstreet database to identify business addresses and 18 government office locations in that corridor. Id. at 32-33. Finally, SBC 19 attempted to identify those buildings that had an annual "telecommunications 20 spend" of \$50,000 or more. Id. at 33. For this step Mr. Smith appears to have 21 relied exclusively on third-party reports from a company called TNS Telecoms, 22 generating a list of 321 addresses with this "spend" level. Id. SBC then 23 assumes, without more, that every one of these 321 buildings satisfies the

potential deployment criteria. SBC asks the Commission to join it in this
assumption, to overturn the national high-capacity loop impairment finding as to
these 321 addresses, and to terminate its obligation to provide DS1, DS3, and dark
fiber loops under section 251(c)(3) of the Act at these locations.

5 Q. IS SBC'S APPROACH TO POTENTIAL DEPLOYMENT HERE

6 **CONSISTENT WITH THE TRO?**

15

7 A. Absolutely not. As shown above in the quotation from ¶ 335 of the TRO, 8 potential deployment, like the triggers, requires a customer location-specific 9 analysis. It bears repeating that this granular analysis was meant to be conducted 10 on a building by building basis in order to identify those limited instances in 11 which multiple alternative loop deployment was possible even though it had not 12 yet taken place. SBC, however, has asked the Commission to find non-13 impairment at 321 locations on the basis of an "area" analysis and very general 14 factors, without addressing any of the nine criteria specified in TRO paragraph

16 SBC's result also is sharply at odds with the TRO. As quoted above,

335 for any individual location.

Commissioner Abernathy has characterized the potential deployment test as a "narrow exception" to the rule. In providing for the potential deployment test, the FCC was at pains to "emphasize that this quantitative trigger [self-provisioning] is the primary vehicle through which findings of impairment will be made." Yet, in a case where SBC asserts that *actual deployment* evidences compliance with the triggers at only 86 locations statewide, it asks the Commission to find nonimpairment on the basis of *potential deployment* at almost four times that number

of locations within three wire centers alone. SBC would subsume the trigger analyses, not apply a narrow exception to them.

3 The lack of proportion in SBC's position is evident in another way. In the three 4 wire centers where it makes its potential deployment claims, SBC asserts (as if 5 this were helpful to its cause) that 22 locations already have fiber loops provided 6 by one or more competing carriers. But if it really were economical for CLECs to 7 extend existing fiber facilities "a few hundred feet" "at relatively low cost" to 321 8 locations in these wire centers, see JG Smith Direct - Loops at 29, why have 9 CLECs actually deployed high-capacity loops (taking SBC's assertion here at face 10 value) to only 22 over the past decade? The answer should be obvious - the 11 problem is with SBC's premise. Rather, the same costs that led the FCC to find 12 CLECs' impaired nationally without access to high capacity loops, except at 13 locations where the CLEC could expect to the revenues generated by at least 3 14 DS3 loops, are at work here. If the remaining 299 locations where SBC asserts 15 potential deployment actually housed telecommunications whom CLECs could 16 serve economically while eliminating dependence on SBC for service quality, as 17 well as the expense and burden of regulatory entanglement with SBC, there is 18 every reason to believe competitors would have deployed those loops.

Q. APART FROM THESE GENERAL CRITICISMS, DO YOU AGREE THAT CUSTOMER PROXIMITY TO EXISTING CLEC FIBER IS A REASONABLE STARTING POINT FOR THE POTENTIAL DEPLOYMENT ANALYSIS?

5 А No. SBC' arguments do not address the ability of competitors *generally* to deploy 6 loop facilities to these 321 contested locations. Rather, SBC addresses at most 7 potential deployment by the particular CLEC or CLECs who already have some 8 fiber facilities in the vicinity of a building. The fact that one CLEC may have 9 fiber in the area says nothing about whether other CLECs could build loops to 10 building locations in that area. SBC does not address whether the circumstances 11 of these particular locations make them suitable for economic loop deployment by 12 any CLEC who does not already have fiber facilities in the area. Thus, SBC does 13 not even begin the relevant inquiry for establishing non-impairment as to any 14 CLEC other than those who have deployed the fiber that is used by SBC as step 15 one in its analysis. And it would be a strange result indeed if deployment of fiber 16 to serve a few buildings in an area were somehow to bar that CLEC from further 17 access to UNE loops in that area. SBC's focus on proximity to existing fiber 18 turns the potential deployment test away from its intended objective: to determine 19 whether a particular location is demonstrably suitable for multiple, competitive 20 supply, notwithstanding the general barriers to self-deployment and the absence 21 of actual deployment sufficient to satisfy the triggers.

Q. DOES SBC'S RELIANCE ON A 300-FOOT CORRIDOR EFFECTIVELY REMOVE ANY ADDRESS THE FACTOR OF LOCAL TOPOGRAPHY?

3 A. No. Mr. J. Gary Smith's sarcastic observation that no major river or hill is likely 4 to be found within 300 feet of existing fiber in St. Louis or Kansas City may be 5 representative of his low regard for the requirements of the FCC's analysis, but it 6 truly does not take into consideration the location-specific obstacles that may lie 7 between the CLEC's facilities and the building, especially in a large city. 8 Numerous obstacles and delays almost always occur for projects that involve 9 digging up city streets, and the costs of such endeavors often accumulate to levels 10 much higher than originally expected. Probably the most famous recent example 11 of this is the "Big Dig", a highway renovation project that was recently completed 12 in Boston. That project, which replaced only 7.5 miles of highway, ended up 13 taking 15 years and costing in excess of \$14 billion, \$10 billion more than originally expected. While this is obviously an extreme example, it demonstrates 14 15 that construction and installation of facilities over even short distances in city 16 areas can present much greater economic barriers than will constructing facilities 17 over longer distances in rural areas.

18 Q. ARE THERE OTHER FLAWS RELATED TO THE USE OF A DISTANCE 19 MEASUREMENT, SUCH AS THE 300 FOOT APPROACH USED BY 20 SBC?

A. Yes. First, it does not appear that SBC's analysis made a determination as to
whether the point on the CLEC's network that is 300 feet from the building would
provide a point from which a lateral facility could be extended. If an accessible

1 splicing point, such as a manhole, is not available, the true distance would have to 2 be extended to the nearest splice point. Second, the 300 foot analysis criterion 3 does not take into account whether any type of reasonable access is available 4 between the splicing point and the building. It is not appropriate to presume the 5 availability of necessary conduit without an actual building-specific evaluation for each specific building for which SBC seeks a finding of non-impairment due to 6 7 potential deployment. Third, even if a building is within 300 feet of a splicing point, SBC's analysis does not provide any information about the availability of 8 9 building access at any of these locations, which is a critical issue for CLECs 10 seeking to deploy loop facilities to buildings.

11 Q. IS IT FAIR TO ASSUME THAT CLECS GENERALLY WILL HAVE

ADEQUATE BUILDING ACCESS ARRANGEMENTS AVAILABLE TO THEM AT THE 321 BUILDINGS CONTESTED BY SBC?

14 A. Absolutely not. Again, SBC relies on generalization and assumption where the 15 TRO demands location-specific evidence. Mr. G.O. Smith may have found that 16 "building owners are willing to negotiate agreeable access arrangements to their 17 property," G.O. Smith Direct at 24, but Mr. Smith represents the ILEC whom 18 building owners have regarded as essential to their tenants for over a century. 19 CLECs' experience is quite different, and less agreeable, as described in the 20 testimony of Mr. Giovannucci and Mr. Grossmann, and property owner 21 objections to multiple carriers' equipment and demands for unreasonable 22 compensation can and do continue to delay or even kill projects. Indeed, as I 23 have discussed under the trigger analysis, AT&T has established access to the

entire location at a distinct minority of the Missouri buildings to which it has
 extended some form of high-capacity loop facilities. Building access is an
 idiosynchratic factor, entirely dependent on building owner, that may not be
 generalized or assumed away.

5 Q. WHAT TYPE OF COST EVIDENCE DID SBC PROVIDE TO SUPPORT 6 ITS POTENTIAL DEPLOYMENT CLAIMS?

- A. SBC relied upon a cost study developed by the Cambridge Strategic Management
 Group that was filed with the FCC by the United States Telecommunications
 Association, and came up with a minimum annual revenue threshold of \$ 44,000
 as a proxy for building-specific costs. SBC witness Romatowski also provided
- some information related to an SBC 2000 Missouri UNE DS3 loop cost study,.
- 12 although it appears that the Cambridge Study threshold was the basis for SBC's

13 decision to utilize its \$ 50,000 telecommunications "spend" factor.

14 Q. IS MR. ROMATOWSKI'S RELIANCE ON THE 2000 UNE DS3 LOOP 15 STUDY APPROPRIATE HERE?

16 A. No. SBC of course complains vigorously that its existing UNE rates, and the

17 TELRIC methodology generally, substantially understate its costs. Tellingly, Mr.

- 18 Romatowski does not state that the costs from this 2000 study provide a fair
- 19 representation of SBC's forward-looking costs of deploying DS3 loops today.
- 20 More fundamentally, if SBC's cost study was prepared in accordance with
- 21 TELRIC, it would have incorporated advantages of scope and scale that CLECs
- 22 do not enjoy (but which TELRIC is intended to mimic).

Q. DID SBC CORRECTLY ANALYZE THE REVENUE OPPORTUNITIES AVAILABLE AT THE BUILDINGS FOR WHICH IT SEEKS A FINDING OF NON-IMPAIRMENT ON THE BASIS OF POTENTIAL DEPLOYMENT?

5 A. No. The appropriate approach should be to determine whether a building has 6 sufficient demand for DS3 or dark fiber loops to allow for multiple, competitive 7 supply into the building. A large building (or even a single customer in that 8 building) could easily surpass the \$50,000 threshold without having any demand 9 whatsoever for DS3 or dark fiber loops. The only revenues that should be 10 considered are those specific to the building of an individual DS3 or dark fiber 11 loop. This is consistent with the FCC's determination as mentioned above that" 12 "the potential revenue stream associated" with lower-capacity facilities "is many 13 times smaller than that" of a higher-capacity facility. TRO ¶ 320 n.945. Here again it is essential to recognize that a requesting carrier may only obtain up to 2 14 15 DS3 loops at UNE (\S 251(c)(3)) rates for any customer location. The question is 16 whether that carrier could afford to self-deploy its own facilities to serve at that 17 level – not a carrier seeking to serve a larger demand (whom the FCC already has 18 determined in the TRO is not impaired, declining to unbundle OCn level loops or 19 provide for access to 3 DS3 loops at a single location). "Total building revenue" 20 is irrelevant. That figure would certainly contain revenues other than those for the 21 specific one or two DS3 that a requesting carrier could obtain as a UNE, and can 22 be expected to include potential OC(n) circuits, long distance service, and data 23 services. Moreover, this revenue figure does not consider that enterprise

1		customers in commercial buildings are generally tied up in long-term contracts
2		that make them economically unavailable for a competitive provider.
3		Since loops are used as an input to other services and represent only a small
4		portion of the facilities needed to provide entire high capacity services to
5		enterprise customers, it would be both reasonable and consistent to measure the
6		costs of provisioning such facilities against the revenues that a CLEC could earn
7		by providing DS3s or dark fiber as a wholesale offering. It is also consistent with
8		CLEC "build or buy" analyses for an individual building. For example, a CLEC's
9		decision to replace an existing special access line into a building with the CLEC's
10		own DS3 loop is driven from a cost standpoint solely by whether the cost to
11		provision its own loop is less than the cost of purchasing the special access line.
12	Q.	SHOULD ANY OF THE BUILDINGS LISTED BY SBC QUALIFY FOR
12 13	Q.	SHOULD ANY OF THE BUILDINGS LISTED BY SBC QUALIFY FOR POTENTIAL DEPLOYMENT BASED UPON SBC'S SHOWING IN THIS
	Q.	
13	Q. A.	POTENTIAL DEPLOYMENT BASED UPON SBC'S SHOWING IN THIS
13 14		POTENTIAL DEPLOYMENT BASED UPON SBC'S SHOWING IN THIS CASE?
13 14 15		POTENTIAL DEPLOYMENT BASED UPON SBC'S SHOWING IN THIS CASE? No. SBC's analysis clearly does not meet any of the FCC's criteria for items the
13 14 15 16		POTENTIAL DEPLOYMENT BASED UPON SBC'S SHOWING IN THIS CASE? No. SBC's analysis clearly does not meet any of the FCC's criteria for items the Commission must evaluate, and therefore this Commission should find that SBC
13 14 15 16 17		POTENTIAL DEPLOYMENT BASED UPON SBC'S SHOWING IN THIS CASE? No. SBC's analysis clearly does not meet any of the FCC's criteria for items the Commission must evaluate, and therefore this Commission should find that SBC has not satisfied the potential deployment analysis for any of the buildings listed
13 14 15 16 17 18	A.	POTENTIAL DEPLOYMENT BASED UPON SBC'S SHOWING IN THIS CASE? No. SBC's analysis clearly does not meet any of the FCC's criteria for items the Commission must evaluate, and therefore this Commission should find that SBC has not satisfied the potential deployment analysis for any of the buildings listed in the attachments to the Smith testimony.

- 1 SBC's direct case, responses that should have been filed before the due date for
- 2 this testimony, but were not.