

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Second Investigation	)	
into the State of Competition in the Exchanges of	)	Case No. TO-2005-0035
Southwestern Bell Telephone, L.P., d/b/a	)	
SBC Missouri.	)	

SBC MISSOURI'S REPLY TO SOCKET

SBC Missouri¹ respectfully submits this Reply to Socket Telecom, L.L.C.'s ("Socket's") February 21, 2005 Response to the objections SBC Missouri made to Late-Filed Exhibit 53.

1. In its Response, Socket provides a cost estimate of a DS0 loop and DS1 transport combination (offered as a supplement to Late-Filed Exhibit 53) and compares it with the expense of obtaining a DS1 EEL.

SBC Missouri notes that it has not taken the position here that EELs are the most efficient or appropriate method for a CLEC to provide local service to exchanges located far from its switch (e.g., St. Louis to New Madrid, estimated at over 145 miles from each other). Nor is SBC Missouri relying on such extended EEL arrangements to support its request for competitive relief. Obviously, the greater the distance an EEL spans, the more costly the arrangement, due to distance-sensitive transport charges. SBC Missouri's witness Craig Unruh explained in his pre-filed testimony that EELs are generally used to connect exchanges neighboring the exchanges in which it has chosen to collocate (e.g., a CLEC collocating in SBC Missouri's Moberly central office using an EEL to reach the adjacent SBC Missouri Higbee exchange).² To serve a single customer in a remote location (e.g., trying to serve a customer in New Madrid from St. Louis), it would likely be more efficient to use other methods of providing service, such as resale, until the CLEC expects to have a customer base sufficient to support its investment in facilities. Depending on its projections, the CLEC could also establish collocation in New Madrid (or at

¹ Southwestern Bell Telephone, L.P., d/b/a SBC Missouri, will be referred to in this pleading as "SBC Missouri."

² Ex. 15, Unruh Direct, p. 28; Ex. 17, Unruh Surrebuttal, p. 14.

least closer to New Madrid, making an EEL a more economical method of providing service). These are all normal considerations for carriers to evaluate in designing their networks (e.g., where to place switches, where to collocate). Certainly, as Socket and other CLECs have demonstrated, there are several viable methods of providing service outside the major metropolitan areas.³

2. Socket's Response also takes issue with SBC Missouri's statement that there is no requirement for a CLEC to establish a point of interconnection in the New Madrid exchange when an EEL as described in Late-Filed Exhibit 53 is used. Socket is correct that a CLEC wishing to establish a point of interconnection outside the exchange in which it will be exchanging local traffic is required to incur the cost of back-hauling the traffic from the point of interconnection to SBC Missouri's facilities in the New Madrid exchange (i.e., from the point of interconnection in St. Louis to SBC Missouri's central office in New Madrid). But as set out in Paragraph 1.2 of Attachment 11: Network Interconnection Architecture from the M2A (partially quoted in Socket's February 21, 2005 Response, this requirement does not apply for EELs within the MCA:

1.2 Subject to Paragraph 1.3 below, the Parties will interconnect their network facilities at a minimum of one mutually agreeable and technically feasible Point of Interconnection (POI) in each SWBT Exchange Area in which CLEC offers local exchange service. For purposes of interconnection and inter-carrier compensation, "Exchange Area" shall be defined consistent with SWBT's Missouri retail tariffs, except that the entirety of a Metropolitan Calling Area ("MCA") shall be considered a single Exchange Area, in circumstances where CLEC establishes a POI at a SWBT local tandem located within that MCA. If CLEC establishes a POI at a SWBT local tandem located in a MCA, CLEC may, at its option, deliver to SWBT at that POI all traffic that originates and terminates within that MCA, until such time as traffic volumes between CLEC and a particular SWBT end-office within that MCA justify deployment of direct trunking. Each party will be responsible for providing necessary equipment and facilities on their side of the POI for this arrangement. If CLEC establishes collocation at an end office, any direct trunks will be provisioned over the CLEC

³ For example, Socket is providing service, or will be very shortly in Eldon, Flat River, Fulton, Hannibal, Lake Ozark, Osage Beach, Mexico, Poplar Bluff, Sikeston and Cape Girardeau. T. 1158 (Kohly). Socket utilizes a switch in St. Louis to serve each of these exchanges. T. 1167 (Kohly).

collocation facility. A POI will be identified by street address and Vertical and Horizontal (V & H) Coordinates. This process will continue as CLEC initiates exchange service operations in additional SWBT Exchange Areas.

3. Finally, Socket's Response describes the FCC's recently released Triennial Review Remand Order as imposing a "new limitation on the use of EELs" and points to a new FCC rule that provides a ten DS1 limit on the number of transport routes a CLEC may purchase between two ILEC wire centers.⁴ SBC Missouri agrees that the FCC's Order contains a new limitation on the number of DS1s a CLEC may obtain between two LEC central offices. This limitation, however, is based on the FCC's determination of the point at which it would be economically justifiable for a CLEC to self provision such facilities:

Limitation on DS1 Transport. On routes for which we determine that there is no unbundling obligation for DS3 transport, but for which impairment exists for DS1 transport, we limit the number of DS1 transport circuits that each carrier may obtain on that route to 10 circuits. This is consistent with the pricing efficiencies of aggregating traffic. While a DS3 circuit is capable of carrying 28 uncompressed DS1 channels, the record reveals that it is efficient for a carrier to aggregate traffic at approximately 10 DS1s. When a carrier aggregates sufficient traffic on DS1 facilities such that it effectively could use a DS3 facility, we find that our DS3 impairment conclusions should apply.⁵

The touchstone of impairment for the FCC's determinations in this area can be seen from the FCC's ruling on how impairment should be analyzed when EELs are involved. In the Triennial Review Remand proceeding, some CLECs argued for special treatment of EELs claiming that interoffice transport should be analyzed separately for impairment purposes when used as a component of an Enhanced Extended Loop ("EEL") combination. The FCC rejected this argument:

. . . We see no benefit in performing a duplicative analysis of the same elements, and the parties provide no compelling case why an impairment analysis of the individual element components of an EEL combination is insufficient. Nor do NuVox and ATX et al. answer why, if an efficient competitor could duplicate the

⁴ Socket's Response, p. 3.

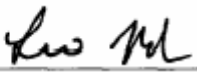
⁵ Triennial Review Remand Order, para. 128.

transport facility on that route, NuVox should continue to have access to unbundled transport on that route.⁶

WHEREFORE, SBC Missouri respectfully requests the Commission to sustain its objection and decline to admit Late-Filed Exhibit 53.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE, L.P.
D/B/A SBC MISSOURI

BY 

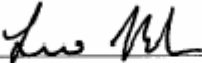
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⁶ In the Matter of Unbundled Access to Network Elements and Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, Order on Remand, WC Docket No. 04-313, CC Docket No. 01-338, Released February 4, 2005, para. 85.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing document were served to all parties by e-mail on March 2, 2005.



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