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Loop Qualification
Loop Conditioning
ISDN Loops
Cross Connects
Technical Publications

Witness:

Anthony S. Clark

Sponsoring Party:

MoPSC Staff

Type of Exhibit:

Rebuttal Testimony

Case No.:

TO-2000-322

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Missouri Public
Service Commission

MISSOURI PUBLIC SERVICE COMMISSION

UTILITY OPERATIONS DIVISION

REBUTTAL TESTIMONY

OF

ANTHONY S. CLARK

SOUTHWESTERN BELL TELEPHONE COMPANY

CASE NO. TO-2000-322

Jefferson City, Missouri
January 2000

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1
2 **REBUTTAL TESTIMONY**

3 **OF**

4 **ANTHONY CLARK**

5 **SOUTHWESTERN BELL TELEPHONE COMPANY**

6 **DIECA COMMUNICATIONS, INC. D/B/A COVAD COMMUNICATIONS COMPANY**

7 **CASE NO. TO-2000-322**
8

9 **Q. Please state your name, employer and business address.**

10 **A.** My name is Anthony Clark, and I am employed on the Telecommunications Department
11 Staff (Staff) of the Missouri Public Service Commission (Commission). My business
12 address is 301 West High Street, Jefferson City, MO, 65101.
13

14 **Q. Please describe your educational and professional background and current work**
15 **responsibilities.**

16 **A.** I received my B.S. in Business and M.A. in Economics from the University of Missouri,
17 Columbia. I have taught undergraduate courses in economics and accounting. Since
18 beginning my employment as an economist with the Commission in December 1996, I
19 have been involved in a wide array of cases and projects relating to the regulation and
20 deregulation of the telecommunications industry, including participation in previous
21 arbitration cases as a member of the Commission's Arbitration Advisory Staff (AAS).
22
23

1 **Q. Have you testified previously before the Commission?**

2 A. Yes. Schedule 1 contains a list of cases in which I have testified before the Commission.
3

4 **Q. What is the purpose of your testimony in this case?**

5 A. The purpose of my testimony is to summarize Staff's position regarding the outstanding
6 issues in this case, incorporating the recommendations contained in the Rebuttal
7 Testimony of Staff witness Shawnee Claiborn-Pinto and Staff witness Myron Couch. In
8 addition I will respond directly to the Direct Testimony of several witnesses in the case,
9 including Terry L. Murray and John C. Donovan representing DIECA Communications,
10 Inc. d/b/a Covad Communications Company (Covad); and Jerrod Latham and John Lube
11 of Southwestern Bell Telephone Company (SWBT).
12

13 **Q. Based on your understanding of the Direct Testimony and the Joint Issue Statement**
14 **filed by the parties, what issues are before the Commission in this case?**

15 A. At issue are multiple prices involved in the provisioning of xDSL services. These are
16 prices SWBT will charge Covad for the UNE elements, qualification and conditioning
17 required for Covad to provide xDSL services to its end user customers. Also at issue is
18 the question of whether SWBT should have the ability to make substantive, unilateral
19 modifications to its Technical Publications which may, in effect, change the contract
20 between Covad and SWBT in such a way that may be deemed deleterious by Covad.
21
22
23

1 **Q. How is Staff's recommendation organized in your testimony?**

2 A. I will address the issues in five separate sections: (1) Loop Qualification, (2) Loop
3 Conditioning, (3) ISDN Loops, (4) Cross Connects and (5) Technical Publications.
4

5 **(1) Issue A(3) Loop Qualification**

6 **Q. What is Staff's recommendation regarding the question of whether SWBT should**
7 **be allowed to charge for loop qualification?**

8 A. Staff witness Couch is familiar with the equipment in SWBT's central offices that
9 provides loop qualification information on a mechanized basis (Couch Rebuttal p. 3).
10 Mr. Couch also acknowledges that loop qualification could, in some cases, be more than
11 a database check (Couch Rebuttal p. 3). Staff thus accepts that the process, at this time,
12 may not be completely mechanized. However, Mr. Couch also testifies that there is
13 equipment available which SWBT could be using that would allow a complete
14 mechanized loop qualification process (Couch Rebuttal p. 4).
15

16 **Q. What is Staff's recommended charge for loop qualification?**

17 A. As calculated in the Ms. Claiborn-Pinto's Rebuttal Testimony, Staff's recommended
18 price for loop qualification is \$13.00. Staff's recommended price is based on SWBT's
19 cost studies, and is discussed in more detail in Schedule 1 of Ms. Claiborn-Pinto's
20 Rebuttal Testimony. I would note that, in deriving the proposed rate for loop
21 qualification, Staff has removed the joint and common costs proposed by SWBT witness
22 Jerrod Latham (Latham Direct p. 5).
23

1 **Q. Why has Staff removed joint and common costs from SWBT's nonrecurring charge**
2 **for loop qualification?**

3 A. It is improper to apply the joint and common cost factor to these nonrecurring charges.
4 The nonrecurring charge is the result of a one-time event, and is calculated using loaded
5 labor rates. All the costs incurred in that one-time event are recovered in the loaded labor
6 rates. The joint and common costs are fully recovered in the recurring rates for the
7 elements. Applying the joint and common cost allocation to the nonrecurring charges
8 would result in over recovery of costs on the part of SWBT. Further, in Case Nos. TO-
9 97-40, et al.¹ and TO-98-115² the Commission did not approve, nor did the AAS
10 recommend, the recovery of joint and common costs in non-recurring UNE charges.
11

12 **Q. Does Staff have any other recommendations with regard to loop qualification?**

13 A. Yes. It is of crucial importance to the advanced services market in Missouri that Covad
14 and other competitive DSL providers have nondiscriminatory, real-time electronic access
15 to SWBT's loop makeup information and xDSL ordering. In the Texas Arbitration
16 Award, the arbitrator ordered SWBT to develop and deploy enhancements to its existing
17 Datagate and EDI interfaces that will allow CLECs (as well as SWBT's retail operations
18 or its advanced service subsidiary) to have real-time electronic access as a preordering
19 function to SWBT's loop makeup information. This information is to include (a) the
20 actual loop length; (b) the length by gauge; and (c) the presence of repeaters, load coils,

¹ In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell Telephone Company, et al

² In the Matter of AT&T Communications of the Southwest, Inc.'s Petition for Second Compulsory Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Southwestern Bell Telephone Company.

1 or bridged taps; and shall include, if noted on the individual loop record, (d) the
2 approximate location, type, and number of bridged taps, load coils, and repeaters; (e) the
3 presence, location, type, and number of pair-gain devices, DLC, and/or DAML³, and (f)
4 the presence of disturbers in the same and/or adjacent binder groups. The Texas
5 arbitrators also found that SWBT should provide to the CLEC any other relevant
6 information listed on the individual loop record but not listed above.⁴

7
8 The Texas arbitrator ordered SWBT to develop and deploy these enhancements as soon
9 as possible, but not to exceed six months from the award. Additionally, the Texas
10 arbitrator ordered SWBT to develop and deploy enhancements to its existing Datagate
11 and EDI interfaces to allow for ordering xDSL and other advanced services as soon as
12 possible, but not to exceed six months from the award.

13
14 Staff recommends the Commission order similar provisions in the current proceeding.
15 Specifically, Staff recommends that the Commission order SWBT to develop and deploy
16 enhancements to its existing Datagate and EDI interfaces that will allow CLECs, as well
17 as SWBT's retail operations or its advanced service subsidiary, to have real-time
18 electronic access as a preordering function to the above-listed loop makeup information.
19 SWBT should be ordered to develop and deploy these enhancements as soon as possible,
20 but no later than July 2000. In addition, Staff recommends the Commission order SWBT
21 to develop and deploy enhancements to its existing Datagate and EDI interfaces to allow

³ Digital Loop Carrier and/or Digital Add a Main Line

⁴ See Attachment to Direct Testimony of Covad witness Bernard Chao, Texas Arbitration Award, p. 62 and p.71

1 for ordering xDSL and other advanced services as soon as possible, but no later than July
2 2000.

3
4 **Q. Doesn't SWBT witness John Lube state that, in response to the FCC's**
5 **SBC/Ameritech Merger Order, SWBT already plans to have mechanized loop**
6 **qualification in place by July 2000 (Lube Direct p. 6)?**

7 A. Yes. But timing is of critical importance. If competitive DSL providers are to compete
8 effectively in the state, they require such a system. SWBT should be required to
9 implement its mechanized loop qualification process as soon as possible. Competitive
10 DSL providers are at an extreme disadvantage by having to rely upon SWBT (i.e.,
11 without direct access) for loop qualification information. This appears to be a strong
12 factor, among others, that is currently hampering the development of the advanced
13 services market in Missouri.

14
15 **Q. Would it be appropriate for SWBT to still charge \$13.00 for loop qualification after**
16 **the process is mechanized?**

17 A. No. At that point, the process would become part of SWBT's OSS. Therefore, the
18 Commission may wish to consider making SWBT's loop qualification charge a
19 temporary, transitory charge, rather than a charge that will be in effect for the whole life
20 the SWBT/Covad agreement.

(2) Issue A(6) Loop Conditioning

Q. What is Staff's recommendation regarding the question of whether SWBT should be allowed to charge for xDSL conditioning?

A. Staff recognizes the theoretical arguments against conditioning charges for xDSL loops. I agree with statements made by Covad witnesses to the effect that load coils, bridged tap and repeaters on loops less than 17,500 feet are not consistent with an efficiently-designed, forward-looking network (e.g., Murray Direct, p. 29-32). Mr. Couch is familiar with SWBT's network in Missouri and does not dispute the possible existence of load coils, bridged tap and repeaters on loops less than 17,500 in Missouri, although, as stated in his testimony, he believes such situations should be rare (Couch Rebuttal p. 6-8). The FCC has stated that incumbent LECs may be compensated for conditioning, but also that such conditioning charges should be consistent with TELRIC principles.⁵ Staff agrees that SWBT should be allowed to charge for conditioning loops, but not at the prices SWBT has proposed in this proceeding.

Q. What conditioning charges does Staff recommend in this case?

A. As calculated in Ms. Claiborn-Pinto's Rebuttal Testimony, Staff's recommended charges for loop conditioning are as follows:

⁵ FCC 96-325, First Report and Order, CC Docket No. 96-98, *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*

STAFF RECOMMENDED LOOP CONDITIONING CHARGES

<u>Loops between 12 and 17.5 Kft</u>	<u>Initial</u>	<u>Additional Same Location/Cable</u>	<u>Additional Same Location, Different Cable</u>
Removal of Load Coils	\$499.06	\$19.76	\$97.24
Removal of Bridged Taps	\$382.84	\$19.76	\$68.19
Removal of Repeaters	\$191.42	\$14.72	\$34.09
Removal Bridge Tap & Load Coil	\$849.33	\$39.53	\$165.43
Removal Bridge Tap & Repeater	\$541.69	\$34.49	\$102.28

<u>Loops over 17.5 Kft*</u>	<u>Initial</u>	<u>Additional Same Location/Cable</u>	<u>Additional Same Location, Different Cable</u>
Removal of Load Coils	\$166.35	\$6.26	\$32.41
Removal of Bridged Taps	\$191.42	\$9.88	\$34.09
Removal of Repeaters	\$191.42	\$14.72	\$34.09
Removal Bridge Tap & Load Coil	\$344.20	\$16.15	\$66.51
Removal Bridge Tap & Repeater	\$358.42	\$24.61	\$68.19

* These charges apply in addition to the charge above (loops between 12 and 17.5Kft).

Staff's recommended charges are based on cost factors contained in SWBT's cost studies with modified time estimates for certain work activities. The cost calculations are detailed in Schedule 2 of Ms. Claiborn-Pinto's Rebuttal Testimony. The modified time estimates are detailed in Mr. Couch's Rebuttal Testimony (Couch Rebuttal p. 4-6). As with Staff's proposed charge for loop qualification, I have removed the joint and common costs from SWBT's conditioning charges. The rationale for removing joint and common

1 costs described previously in my testimony also applies to the removal of joint and
2 common costs from SWBT's conditioning charges.

3
4 **Q. Does Staff have any further recommendations with regard to conditioning charges?**

5 Yes. As previously stated, Staff acknowledges the possible existence of load coils,
6 bridged tap and repeaters on loops between 12,000 and 17,500 feet. However, Staff does
7 believe such situations should be rare. SWBT has acknowledged that such occurrences
8 are the exception rather than rule. SWBT has stated that only 3% to 5% of the loops in
9 its network between 12,000 and 17,500 feet would require conditioning in order for
10 xDSL services to be deployed. Staff recommends the Commission place a limit on the
11 number of loops for which SWBT may charge Covad conditioning charges. Staff
12 recommends the Commission Order that for every one hundred unbundled loops Covad
13 orders from SWBT, SWBT may only charge Covad for conditioning a maximum of four
14 of the loops.

15
16 **Q. What is Staff's reasoning for recommending a limit on the number of loops to which**
17 **conditioning charges may apply?**

18 A. In discussions with Covad representatives, Staff learned that Covad has had experiences
19 in other states in which the incumbent LEC applied conditioning charges to a
20 substantially high percentage of loops ordered by Covad. Such experience is far out of
21 line with estimates SWBT has provided, and obviously would not lend itself to a pro-
22 competitive environment, the type of environment the FCC has envisioned for advanced
23 services. In order to provide Covad (and other competitors) assurance that they may

1 develop and proceed with a business plan to enter the advanced services market in
2 Missouri, without significant and unexpected barriers to entry, Staff's recommended limit
3 should be ordered.
4

5 **Q. Do you have data to support Covad's experience with loop conditioning in other**
6 **jurisdictions?**

7 A. This exact information is being gathered and tabulated as part of Covad's response to
8 SWBT's Section 271 (Texas) filing with the FCC. The results should be available to Staff
9 by the time of the hearing in the current proceeding.
10

11 **Q. How would such a limit work in practical application?**

12 A. Covad and SWBT should insert language into the agreement to the effect that after the
13 purchase of one hundred unbundled loops by Covad, a true up shall occur in which
14 SWBT shall refund to Covad charges for conditioning loops beyond the limit. The limit
15 would not apply to conditioning charges for loops over 17,500 feet.
16

17 **Q. Have you considered the possibility of SWBT recovering its conditioning charges in**
18 **the form of recurring charges, as suggested by Covad witness Terry Murray on**
19 **page 34 of her Direct Testimony?**

20 A. Ms. Murray cites 47 C.F.R. § 51.507(e), which provides that state commissions may,
21 where reasonable, require an incumbent LEC to recover nonrecurring costs through
22 recurring charges over a reasonable period of time. I have considered this concept. Ms.
23 Murray makes no specific proposal as to how SWBT's conditioning charges would be

1 made into recurring charges. It would be possible, with certain assumptions, to turn
2 Staff's proposed pricing structure for loop conditioning into recurring charges spread
3 evenly over all DSL loops. However, I am not recommending this option. I would also
4 note that 47 C.F.R. § 51.507(e) simply allows the Commission the option of requiring
5 SWBT to recover its nonrecurring costs through recurring charges. I am aware of no
6 federal regulation that requires the Commission to do so.

7
8 **Q. Why does Staff not endorse this concept of spreading conditioning costs over all**
9 **DSL loops in the form of recurring charges?**

10 A. The current structure assigns costs as they actually occur. To transform the conditioning
11 costs into recurring charges, one would have to make assumptions about the number of
12 loops requiring conditioning and the type of conditioning required. Any assumptions
13 along these lines could quickly become obsolete. Already SWBT maintains that a very
14 low percentage of the loops in its network would require conditioning (3% to 5%). That
15 percentage will only decrease over time as SWBT conditions the network for its own use
16 and the use of competitors. In my view, reshaping SWBT's conditioning costs into
17 recurring charges would actually be disadvantageous to Covad and other competitors.

18
19 **Q. Would Staff's proposed conditioning charges, with the proposed limit, result in non-**
20 **recurring charges that are unreasonably low for the work involved in conditioning**
21 **loops for DSL service?**

22 A. No. Staff is concerned that Staff's proposed charges may actually still be too high. Staff
23 is aware of other incumbent LECs that charge CLECs nothing for conditioning loops for

1 DSL (e.g., Sprint, as testified to in Case No. TO-99-461⁶). The Texas arbitrator required
2 SWBT to incorporate "efficient conditioning" practices in its charges for loop
3 conditioning. The Texas arbitrator found that for loops between 12,000 and 18,000 feet,
4 SWBT would be required to use a unit size of 50 in calculating costs, and a unit size of
5 25 for loops greater than 18,000 feet. This was because the Texas arbitrator found that
6 SWBT's internal practices called for conditioning of at least 50 pairs in a binder group at
7 a time.⁷ Further, the Texas Arbitrator noted that SWBT could not testify that the company
8 had charged SWBT retail ADSL customers the \$900 conditioning charge listed in its
9 federal tariff. The Texas arbitrator stated that this appears to constitute a barrier to
10 CLEC's offering of xDSL services, i.e., charging wholesale customers conditioning
11 charges while excusing retail customers. Staff concurs with the sentiments of the Texas
12 arbitrator on that point. Staff's understanding is that since this finding of the Texas
13 arbitrator, SWBT has charged four of its Texas retail ADSL customers for loop
14 conditioning. SWBT has thus far not charged any Missouri retail ADSL customers for
15 loop conditioning.

16
17 Additionally, Staff is concerned about a couple matters that came to light in the
18 deposition of SWBT witness John Lube.⁸ When asked if the non-recurring cost study for
19 installing an unbundled ISDN BRI loop included activities for unloading the loop, Mr.
20 Lube didn't know the answer. Although he did acknowledge that an ISDN loop should be
21 non-loaded. This raises concerns about the validity of SWBT's loop conditioning cost

⁶ In the Matter of the Petition of Sprint Communications Company L.P. for Arbitration of Unresolved Interconnection Issues Regarding XDSL with Southwestern Bell Telephone Company

⁷ See Attachment to Direct Testimony of Bernard Chao, Texas Arbitration Award, p.98

1 studies. SWBT's non-recurring charge for an ISDN-equipped loop is \$57.77 for an initial
2 installation and \$30.22 for an additional installation. Even the non-recurring charges
3 proposed by SWBT for installing an ISDN BRI (clean copper) loop in Case No. TO-97-
4 40 et al⁹ are substantially lower than SWBT's proposed charges for removing load coils.
5 Further, in his deposition, Mr. Lube confesses that he is aware of no study that was
6 performed to determine why SWBT should charge for unloading loops between 12,000
7 and 17,500 feet, but not for loops less than 12,000 feet. Mr. Lube simply states that
8 SWBT doesn't charge for unloading loops less than 12,000 because it would be rare such
9 loops would require conditioning. However, SWBT has also admitted that loops between
10 12,000 and 17,500 would rarely require conditioning. The reason SWBT charges for
11 conditioning loops less than 17,500 at all is thus unclear.

12
13 Staff views all these factors as support for reducing SWBT's proposed conditioning
14 charges by an amount at least equal to that proposed by Staff, and support for imposing a
15 limit on the number of loops for which SWBT may charge a CLEC for loop conditioning.

16
17 **(3) Issue A(7) ISDN Loops**

18 **Q. What is Staff's recommendation regarding prices for ISDN BRI loops?**

19 **A.** Staff recommends the rates that were established in Case No. TO-97-40 et al. The rates
20 are as follows:

21
22

⁹ Deposition of John Lube in Docket No. 00-DCIT-389-ARB, In Re: DIECA Communications, Inc. vs. Southwestern Bell Telephone, before the State Corporation Commission of the State of Kansas

Staff Proposed ISDN BRI Prices

	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
ISDN-BRI Loop	\$25.79	\$42.10	\$58.44	\$41.44
<u>ISDN-BRI Loop Installation</u>	<u>NRC</u>			
Initial (All Zones)	\$57.77			
Additional (All Zones)	\$30.22			

Q. Ms. Murray proposes in her Direct Testimony (p. 51-58) that the Commission revisit SWBT's ISDN loop rates because they appear drastically out of line in relation to ISDN loop rates established in other jurisdictions. How do you respond?

A. It seems there is some confusion about the application of the ISDN BRI rates the Commission established in Case No. TO-97-40 et al. I would venture to say that most, if not all, of the other jurisdiction ISDN BRI loop rates listed by Ms. Murray on pages 51 and 52 of her Direct Testimony are not directly comparable to the ISDN BRI loop rates established by the Commission.

The ISDN loop rates established by the Commission in Case No. TO-97-40 et al. include the equipment necessary to provision ISDN. This includes the central office terminal and remote terminal.¹⁰ I spoke with staff members from the state commissions for two of the states cited in Ms. Murray's testimony. The staff members related to me that the ISDN BRI loop rates cited by Ms. Murray (Murray Direct p. 51-53) cover only a basic loop. Those rates do not cover all the components necessary to provision ISDN services.

⁹ Two times the rate established by the Commission

If, in Missouri, Covad wishes to utilize its own electronics to provision an ISDN-type service (including any ISDN-type DSL service), then it merely needs to purchase a standard clean copper loop from SWBT. In such case, the ISDN BRI loop rate and the standard loop rate are identical, as Ms. Murray states is the case for US West and Ameritech in other states.

Q. Do you have any other recommendations in relation to ISDN loops?

A. Yes. I recommend the Commission specify in its order that the ISDN BRI rates include all the necessary equipment for a CLEC to provision ISDN service, and that a CLEC providing an ISDN-type service utilizing its own electronics will pay for a standard 8db loop at the standard 8db loop rates established by the Commission in Case No. TO-97-40.

(4) Issue A(8) Cross Connects

Q. What is Staff's recommendation regarding prices for non-shielded cross connects?

A. For non-shielded cross connects Staff recommends the rates that were established in Case No. TO-97-40 et al and are proposed by SWBT in the current proceeding. The rates are as follows:

<u>Non-shielded Cross Connects</u>	<u>Monthly Recurring</u>	<u>NRC Initial</u>	<u>NRC Additional</u>
2-Wire Analog (w/o testing)	\$0.31	\$19.96	\$12.69
2-Wire Digital (w/o testing)	\$0.31	\$35.83	\$29.44
4-Wire Analog (w/o testing)	\$0.63	\$19.96	\$12.69
2-Wire Digital (with testing)	\$1.89	\$25.38	\$17.73

¹⁰ See page 25 of the AAS's report in Case No. TO-97-40 et al.

1 **Q. What is Staff's recommendation regarding prices for shielded cross connects?**

2 A. For shielded cross connects Staff proposes the rates that were established by the
3 Commission in Case No. TO-99-370¹¹, and proposed by SWBT in the current
4 proceeding. The rates are as follows:

<u>Shielded Cross Connect</u>	<u>Staff's Proposed Price</u>
Monthly recurring	\$0.80
Installation, Initial	\$19.96
Installation, Additional	\$12.69

10
11 **Q. Regarding cross connects, Ms. Murray states that SWBT's proposed prices appear**
12 **high and should be revisited by the Commission (Murray Direct p. 59). How do you**
13 **respond?**

14 A. Covad has provided no real basis by which the Commission may revise the rates. In Case
15 No. TO-97-40 et al., the Commission and its AAS examined competing cost models. The
16 estimates Ms. Murray provides for cross connects are based on decisions in other
17 jurisdictions rather than detailed, Missouri-specific cost studies. If the Commission
18 wishes to take a fresh look at these rates, then the interim rates should be those already
19 established in Case No. TO-97-40 et al.

20

¹¹ In the Matter of the Petition of Broadspan Communications, Inc., for Arbitration of Unresolved Interconnection Issues Regarding ADSL with Southwestern Bell Telephone Company

1 **Q. Mr. Donovan maintains that the labor effort to install a cross connect is already**
2 **included in order to get dial tone to work on an 8 db UNE loop (Donavan Direct p.**
3 **42). Do you have any comments?**

4 **A.** Yes. The rates for 8db unbundled loops established by the Commission in Case No. TO-
5 97-40 do not include costs for cross connects. Costs for cross connects were calculated
6 separately.

7
8 **Q. Ms. Murray states that the cost study produced by SWBT for shielded cross**
9 **connects does not appear to correspond to the rates proposed by SWBT (Murray**
10 **Direct p. 58). How do you respond?**

11 **A.** The cost study corresponds with the monthly recurring shielded cross connect rate
12 proposed by SWBT. However, the nonrecurring charge for shielded cross connect
13 proposed by SWBT is not based on the cost study, but rather on the Commission's
14 determination in Case No. TO-99-370. The Commission states in its Order in that case:

15
16 The evidence presented did not establish any appreciable difference in the amount of
17 labor required to make a shielded or non-shielded cross-connect....There is no reason for
18 SWBT to charge a higher rate for a shielded cross-connect."

19
20
21 Thus, in Case No. TO-99-370, the Commission established a non-recurring charge for
22 shielded cross-connects equal to the non-recurring charge for non-shielded cross-
23 connects.

1 **Q. On what basis did Staff determine its proposed shielded cross connect rates?**

2 A. Staff's proposed rates are the same shielded cross connect rates established by the
3 Commission in Case No. TO-99-370, and those proposed by SWBT in the current
4 proceeding. As I stated in my Rebuttal Testimony in Case No. TO-99-461¹², SWBT's
5 cost studies were prepared in accordance with Commission decisions in Case No. TO-97-
6 40 regarding cost factors.¹³ Further, although there may be some difference in the amount
7 of time required to install a shielded cross connect,¹⁴ this difference should not be
8 appreciable and has certainly not been appropriately documented in this case. Covad's
9 evidence on this issue is not substantial enough to warrant a modification of the rates
10 previously established by the Commission for cross connects. SWBT has presented no
11 new evidence. Therefore, Staff recommends the Commission order the same rates for
12 shielded and non-shielded cross connects established in previous arbitration cases.

13
14 **(5) Issue (B) Technical Publications**

15 **Q. What is Staff's position regarding the issue of whether SWBT should have the**
16 **ability to make unilateral, substantive modifications to its technical publications?**

17 A. Staff's position is that any technical publication changes made by SWBT should not
18 affect agreements in place prior to the change, unless the agreement is renegotiated or
19 arbitrated. Staff's recommendation regarding technical publications is discussed in more
20 detail in Mr. Couch's Rebuttal Testimony (Couch Rebuttal p. 8-10).

21

¹² In the Matter of the Petition of Sprint Communications Company L.P. for Arbitration of Unresolved
Interconnection Issues Regarding XDSL with Southwestern Bell Telephone Company

¹³ With the exception that SWBT improperly included joint and common costs in its proposed non-recurring charge
for shielded cross connect.

1 **Q. Can you please summarize Staff's recommendations regarding the issues in this**
2 **case?**

3 **A.** I have summarized Staff's recommended prices for the elements in dispute as Attachment
4 2 to my Rebuttal Testimony. Additionally, Staff makes the following recommendations:

- 5
6 • SWBT should be required to develop and deploy enhancements to its existing
7 Datagate and EDI interfaces that will allow CLECs, as well as SWBT's retail
8 operations or its advanced service subsidiary, to have real-time electronic access
9 as a preordering function to the loop makeup information described in my
10 testimony. SWBT should be ordered to develop and deploy these enhancements
11 as soon as possible, but no later than July 2000. In addition, Staff recommends the
12 Commission order SWBT to develop and deploy enhancements to its existing
13 Datagate and EDI interfaces to allow for ordering xDSL and other advanced
14 services as soon as possible, but no later than July 2000.
- 15
16 • SWBT should be limited to charging Covad for conditioning a maximum of four
17 loops out of one hundred ordered. SWBT and Covad should insert language into
18 their agreement which requires a true up after each one hundred loops ordered by
19 Covad, in which SWBT shall reimburse Covad for any conditioning charges
20 above the limit. This should not be construed to mean that SWBT would only
21 condition four of one hundred loops.

¹⁴ By the amount of time it would take to simply run a ground wire.

- 1 • Staff recommends the Commission specify that SWBT's ISDN BRI loop rates
2 include all the necessary equipment for a CLEC to provision ISDN service, and
3 that a CLEC providing an ISDN-type service utilizing its own electronics will pay
4 for a standard 8db loop at the standard 8db loop rates established by the
5 Commission in Case No. TO-97-40.
6
- 7 • Changes to SWBT's technical publications should not be allowed to affect
8 agreements which were in place prior to the change, unless SWBT renegotiates or
9 arbitrates the agreement.
10

11 **Q. Does this conclude your Rebuttal Testimony?**

12 **A. Yes, it does.**
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Clark Rebuttal

Case No. TO-2000-322

Schedule 1

Cases in which I have testified before the Commission:

TT-97-524	In the Matter of Southwestern Bell Telephone Company's Tariff to Revise P.S.C. No. No. 40, Wireless Interconnection Service
TR-98-373	In the Matter of the Investigation into the Earnings of Seneca Telephone Company and Goodman Telephone Company
TO-98-329	Investigation into Various Issues Related to the Missouri Universal Service Fund
TC-98-251, et al.	In the Matter of Chariton Valley Telephone Corporation's Complaint Against Southwestern Bell Telephone Company for Terminating Cellular Compensation
TO-98-14	In the Matter of the Implementation of Number Conservation Methods in the St. Louis, Missouri Area
TT-99-428, et al.	In the Matter of Alma Telephone Company's Filing to Revise Its Access Service Tariff, P.S.C. MO No. 2
TO-99-461	In the Matter of the Petition of Sprint Communications Company L.P. for Arbitration of Unresolved Interconnection Issues Regarding XDSL with Southwestern Bell Telephone Company
TX-2000-160	In the Matter of the Proposed Rule 4 CSR 240-32.120 regarding Snap-Back Requirements for Basic Local Telecommunications Companies

Clark Rebuttal

Case No. TO-2000-322

Schedule 2

Staff Proposed Loop Conditioning Prices

<u>Loops between 12 and 17.5 Kft</u>	<u>Initial</u>	<u>Additional Same Location/Cable</u>	<u>Additional Same Location Different Cable</u>
Removal of Load Coils	\$499.06	\$19.76	\$97.24
Removal of Bridged Taps	\$382.84	\$19.76	\$68.19
Removal of Repeaters	\$191.42	\$14.72	\$34.09
Removal Bridge Tap & Load Coil	\$849.33	\$39.53	\$165.43
Removal Bridge Tap & Repeater	\$541.69	\$34.49	\$102.28

<u>Loops over 17.5 Kft *</u>	<u>Initial</u>	<u>Additional Same Location/Cable</u>	<u>Additional Same Location Different Cable</u>
Removal of Load Coils	\$166.35	\$6.26	\$32.41
Removal of Bridged Taps	\$191.42	\$9.88	\$34.09
Removal of Repeaters	\$191.42	\$14.72	\$34.09
Removal Bridge Tap & Load Coil	\$344.20	\$16.15	\$66.51
Removal Bridge Tap & Repeater	\$358.42	\$24.61	\$68.19

* These charges apply in addition to the charge above (loops between 12 and 17.5Kft).

Staff Proposed ISDN BRI Prices

	<u>Zone 1</u>	<u>Zone 2</u>	<u>Zone 3</u>	<u>Zone 4</u>
ISDN-BRI Loop	\$25.79	\$42.10	\$58.44	\$41.44

<u>ISDN-BRI Loop Installation</u>	<u>NRC</u>
Initial (All Zones)	\$57.77
Additional (All Zones)	\$30.22

Staff Proposed Cross Connect Prices

<u>Non-shielded Cross Connects</u>	<u>Monthly Recurring</u>	<u>NRC Initial</u>	<u>NRC Additional</u>
2-Wire Analog (w/o testing)	\$0.31	\$19.96	\$12.69
2-Wire Digital (w/o testing)	\$0.31	\$35.83	\$29.44
4-Wire Analog (w/o testing)	\$0.63	\$19.96	\$12.69
2-Wire Digital (with testing)	\$1.89	\$25.38	\$17.73

Shielded Cross Connect

Staff Proposed Price

Monthly recurring	\$0.80
Installation, Initial	\$19.96
Installation, Additional	\$12.69

Loop Qualification

Staff Proposed Price

Per loop	\$13.00
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Notary Public