



**MCI Telecommunications Corporation**  
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Washington, D.C. 20006

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July 31, 1995

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Mr. William F. Caton  
Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N.W.  
Washington, D.C. 20554

**Re: Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection Through Virtual Collocation for Special Access and Switched Transport, CC Docket 94-97, Phase I; Bell Atlantic Petition for Partial Reconsideration**

Dear Mr. Caton:

Enclosed herewith for filing are the original and four (4) copies of MCI Telecommunications Corporation's Opposition regarding the above-captioned matter.

Please acknowledge receipt by affixing an appropriate notation on the copy of the MCI Opposition furnished for such purpose and remit same to the bearer.

Sincerely yours,

Don Sussman  
Regulatory Analyst

Enclosure  
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Before the  
Federal Communications Commission  
Washington, D.C. 20554

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JUL 31 1995

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
)  
Local Exchange Carriers' Rates, )  
Terms, and Conditions for ) CC Docket No. 94-97  
Expanded Interconnection Through ) Phase I  
Virtual Collocation for Special Access )  
and Switched Transport )

**MCI OPPOSITION**

MCI Telecommunications Corporation ("MCI") respectfully submits its comments in opposition to Bell Atlantic's<sup>1</sup> Petition for Partial Reconsideration, filed July 5, 1995.<sup>2</sup> Bell Atlantic's Petition for Partial Reconsideration contends that the Commission should reconsider its Virtual Collocation Overhead Order, which was released on May 11, 1995.<sup>3</sup> In the Virtual Collocation Overhead Order, the Commission prescribed the overhead

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<sup>1</sup> The Bell Atlantic Telephone Companies ("Bell Atlantic") are Bell Atlantic-Delaware, Inc.; Bell Atlantic-Maryland, Inc.; Bell Atlantic-New Jersey, Inc.; Bell Atlantic-Pennsylvania, Inc.; Bell Atlantic-Virginia, Inc.; Bell Atlantic-Washington, DC, Inc.; and Bell Atlantic-West Virginia, Inc.

<sup>2</sup> Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection Through Virtual Collocation for Special Access and Switched Transport, CC Docket No. 94-97, Phase I, Petition for Partial Reconsideration, filed July 5, 1995 ("Petition for Partial Reconsideration").

<sup>3</sup> Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection Through Virtual Collocation for Special Access and Switched Transport, CC Docket No. 94-97, Phase 1, Report and Order, FCC 95-200 (released May 11, 1995) ("Virtual Collocation Overhead Order") at ¶103. "Our final prescription of the maximum overhead loading levels for Bell Atlantic, BellSouth, GTE, United and US West will ensure that these LECs' overhead loadings are set at just and reasonable levels."

levels that Bell Atlantic, and other Tier 1 local exchange carriers ("LECs"), were to use in calculating rates for virtual collocation services. The prescribed overhead levels were based on the amount of overhead that LECs recover from "comparable services."

Bell Atlantic argues that the Commission incorrectly calculated Bell Atlantic's overhead loadings. Bell Atlantic argues that the Commission calculated Bell Atlantic's overhead loading levels based solely upon access channel terminations that do not use interoffice mileage. Bell Atlantic contends that this is incorrect because the Commission's standard specifies that "comparable services" include a combination of channel terminations with and without interoffice mileage.<sup>4</sup> Bell Atlantic argues that if the Commission had calculated overhead loadings with reference to channel terminations with and without interoffice mileage, the Commission would have calculated loading factors for DS1s and DS3s which are significantly higher than the levels which it prescribed.<sup>5</sup>

While the Bureau may have elicited data in its TRP Order<sup>6</sup> that included a combination of channel terminations with and without interoffice mileage, the Commission decides what is comparable in resolving the investigation. In its Virtual Collocation Overhead Order, the Commission correctly excluded overheads from channel termination

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<sup>4</sup> Petition for Partial Reconsideration at 1.

<sup>5</sup> Bell Atlantic asserts that "proper application of the [Commission's] standard would have resulted in a loading factor of 1.79 for DS1 and 1.28 for DS3, rather than the 1.35 and 1.23 factors the Commission applied." Petition for Partial Reconsideration at n. 8.

<sup>6</sup> Commission Requirements for Cost Support Material To Be Filed with Virtual Collocation Tariffs for Special Access and Switched Transport, Tariff Review Plan Order, 9 FCC Rcd 5682-83 (1994) ("TRP Order").

services with interoffice mileage in calculating its prescribed overhead loading levels. As the Commission explained:

"because a channel termination facility connects the customer premise to the nearest central office, interoffice mileage is not needed"<sup>7</sup>

The Commission did recognize that interoffice mileage could be applicable if the customer wished to be connected to a different central office, however, based on MCI's experience with virtual collocation, it is extremely rare for a collocator to hand off its customers' traffic at any point other than at the serving wire center to which it intends to connect.<sup>8</sup>

In both the TRP Order<sup>9</sup> and the Virtual Collocation Tariff Suspension Order,<sup>10</sup> the Bureau, and then the Commission, "sought to identify services that it could use as a yardstick to evaluate the overhead loadings assigned to virtual collocation services."<sup>11</sup> Through its investigation process, the Bureau extended to the LECs an opportunity in their direct cases to demonstrate that their proposed overhead loadings were

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<sup>7</sup> Virtual Collocation Overhead Order at n. 87 [emphasis added].

<sup>8</sup> The underlying premise behind Virtual Collocation is for the interconnector to carry its customers' traffic on its own facilities, handing the traffic off as close to the serving wire center as possible. Thus from a practical point of view, a virtual collocation arrangement does not typically involve interoffice mileage (as traffic is brought within a few yards of the LEC's equipment).

<sup>9</sup> TRP Order 9 FCC Rcd 5682-83 (1994).

<sup>10</sup> Ameritech Operating Companies, et al., CC Docket No. 94-97, Order, DA 94-1421, 10 FCC Rcd 1960 (1994) ("Virtual Collocation Tariff Suspension Order"), ¶¶17-18.

<sup>11</sup> Virtual Collocation Overhead Order at ¶39.

just, reasonable, and nondiscriminatory. The Communications Act places the burden of proof on the carriers.<sup>12</sup> Based on the extensive record, Bell Atlantic failed to demonstrate to the Commission that services with interoffice mileage are comparable to expanded interconnection services. Bell Atlantic's Petition for Partial Reconsideration offers no new evidence to support a different conclusion.<sup>13</sup> Nor does Bell Atlantic demonstrate that weighing the calculation of prescribed overheads to reflect the proportion of collocation services with interoffice miles would have any appreciable effect. Its Petition for Partial Reconsideration should be denied.

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<sup>12</sup> 47 U.S.C 204(a)(1). Section 204(a) of the Communications Act clearly states that "the burden of proof to show that the increased charge, or proposed charge, is just and reasonable shall be upon the carrier."

<sup>13</sup> Virtual Collocations Overhead Order at n. 67 (finding that the LEC direct cases reveal a "substantial percentage" of channel terminations are not sold with interoffice mileage.)

Bell Atlantic's Petition for Partial Reconsideration offers no new evidence to support its assertion that interoffice mileage should be included in calculating overhead loading levels for expanded interconnection. Its Petition for Partial Reconsideration is based on assumptions about expanded interconnection that are factually incorrect. Thus, for the above-mentioned reasons, the Commission should deny Bell Atlantic's Petition for Partial Reconsideration.

Respectfully submitted,  
MCI TELECOMMUNICATIONS CORPORATION

A handwritten signature in black ink, appearing to read 'Don Sussman', is written over a long horizontal line that extends to the right.

Don Sussman  
Regulatory Analyst  
1801 Pennsylvania Ave., NW  
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(202) 887 2779

July 31, 1995

STATEMENT OF VERIFICATION

I have read the foregoing and, to the best of my knowledge, information, and belief, there is good ground to support it, and it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed on July 31, 1995.

A handwritten signature in black ink, appearing to read 'Don Sussman', with a long horizontal flourish extending to the right.

---

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## **CERTIFICATE OF SERVICE**

**I, Stan Miller, do hereby certify that copies of the foregoing Opposition were sent via first class mail, postage paid, to the following on this 31st day of July.**

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