Bottom line -- SWBT has met or bettered the provisioning interval contained in its Expanded Interconnection Technical Publication; it has never missed a date.

XV. SWBT'S INSTALLATION PROCEDURES COMPLY WITH THE VIRTUAL COLLOCATION ORDER AND ARE JUST AND REASONABLE

Time Warner again expresses its dissatisfaction with the Commission's requirements as to installation.[64] As explained in the Direct Case, SWBT's installation practices for IDE do not vary from the installation practices of its non-IDE equipment (the costs of which installation is based upon estimates provided by the various equipment vendors), and are otherwise fully compliant with the Virtual Collocation Order. As with all of its equipment, SWBT uses its own personnel whenever possible to install (as well as repair and maintain) IDE, and uses outside contractors only when and where necessary due to lack of time or training. Contrary to Time Warner's reading, that Order did not purport to give interconnectors the ability to contract with third parties to install SWBT equipment in SWBT central offices.

As to Time Warner's complaint about the possibility that SWBT's actual costs may be less than the installation costs included in its virtual collocation rates, the opposite is just as true. The cost may also be higher. However, SWBT is required to offer virtual collocation under tariff, not under contract or an ICB. Any such imprecision

[64] Time Warner at 26.

is inherent in the nature of all tariffed rates, and interconnectors are no more immune from that reality than any other party.

XVI. SWBT'S TRAINING METHODS AND COSTS ARE REASONABLE

MFS has effectively admitted that SWBT's training tariff provisions are reasonable. MFS has suggested that interconnectors be allowed the ability to coordinate the training sessions for LEC technicians on non-standard IDE.[65] SWBT's tariff already allows for this procedure. At Section 25.2.2, SWBT's tariff states that

> if the interconnector does not have the Telephone Company coordinate the required training, the interconnector may assume the responsibility for providing the training. It is then the responsibility of the interconnector to:
>
> (1) arrange and pay to the supplier all costs for training sessions, including required course material, and
>
> (2) arrange and pay to each individual supplier all costs associated with lodging and other than local transportation, such as air fare, required for Telephone Company employee training.

Although SWBT's tariff has read that way since January 15, 1995, to date not a single interconnector has taken advantage of this provision. Rather, interconnectors have elected to have SWBT coordinate the training and bill for training at the tariffed rates, yet another demonstration that SWBT's tariffs are reasonable.[66]

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[65] MFS at 21, 22.

[66] SWBT would still prefer that training be provided on an individual case basis ("ICB"), but that option was foreclosed with the Bureau's Order in this proceeding released December 9, 1994 and Erratum released December 12, 1994. SWBT believes that such a method is the only way in which the LEC providing a virtual collocation arrangement ensures recovery of (continued...)

MCI and MFS also want the number of technicians to be trained on non-standard IDE to be set by the Commission at three per central office. In response to a more direct inquiry from MCI with that same suggestion, SWBT has provided the letter attached as Attachment 4 that addresses that unreasonable demand. That letter explains how SWBT is organized to ensure repair and maintenance proficiency and coverage for its non-IDE equipment. When required to provide virtual collocation arrangements on non-standard IDE, SWBT uses the exact same practice that it uses for its non-IDE equipment. The number of technicians that must be trained is determined on a central office-by-central office basis by the SWBT network manager that has responsibility for ensuring that SWBT can, as required by the Virtual Collocation Order, repair and maintain non-standard IDE under the same intervals as non-IDE equipment. Factors taken into consideration include the number and availability of personnel, the size of the central offices within a "coverage group," and bargaining unit rules that govern such matters as overtime, seniority, vacation, and the like. To adopt MCI's non-existent "industry standard" would simply prevent SWBT from treating non-standard IDE like SWBT-standard IDE, much less SWBT non-IDE equipment. Such treatment would result in a new and vastly different category of SWBT network equipment heretofore unknown, with SWBT effectively required to adopt special maintenance, repair, and work rules and management practices applicable only to that non-standard IDE.

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[66](...continued)
its training costs, and the interconnector is charged actual expense of that training.

SWBT's uniform approach to IDE is clearly reasonable in contrast. Where the IDE requested by an interconnector is standard for the central office in question, no training charges are applied and the interconnector gets the full benefit of SWBT's technicians. When the IDE is not standard for that office, SWBT has not created unique training requirements but rather treats the need to train for that IDE in exactly the same manner that SWBT trains on non-IDE equipment. Moreover, to the extent additional training is needed at a later date due to SWBT personnel changes, SWBT incurs those expenses but does not charge the interconnector. Again, MCI is free to coordinate the training required to maintain the non-standard IDE it selected. However, for the reasons given, an interconnector is not free to manage SWBT's network by determining the number of employees to be trained.

Finally, Time Warner somehow believes that the in-house training done for SWBT standard equipment and that equipment for which the internal expertise exists is comparable to the outside training that SWBT must seek for non-standard and foreign equipment.[67] The comparison can only begin and end with the general type of certain costs that may be incurred in training (e.g., plane fare, hotel expenses). While those costs may fit within the same broad category, comparing the actual travel expenses for a Dallas technician going to the SWBT training center in Dallas for in-house instruction on SWBT-standard equipment, to the travel expenses for that same technician to go to

[67] Time Warner at 48.

Raleigh, North Carolina for instruction on non-standard equipment is a waste of time. The alleged agreement of other LECs notwithstanding, there is no further comparison that can be made of such training or actual costs.

XVII. CONTRARY TO CLAIMS MADE BY TIME WARNER AND KC FIBERNET, AT&T IS NOT SWBT'S STANDARD

SWBT is always amazed when interconnectors make representations to the Commission about the workings and operations of SWBT's network and the actual, personal knowledge of its technical personnel. The latest example of this phenomena are assertions by both Time Warner and KC Fibernet that AT&T is a standard used by SWBT for the equipment used as IDE.[68] To explain once again, AT&T equipment was previously (but is no longer) one of two standards used by SWBT. However, even when AT&T equipment was standard, it was not used in every central office. Some offices used one standard, some the other, and others both. Moreover, instead of replacing AT&T where it exists with the new single, standard , SWBT still purchases AT&T equipment for growth and maintenance but only for those current locations. In essence, those locations are grandfathered with AT&T. Moreover, due to this grandfathering, there are some central offices that do not even use the current SWBT standard. Accordingly, when an interconnector selects equipment for use as IDE in a particular office, a survey of that particular office is made to determine whether the technicians that have coverage responsibility in that particular central office have the necessary

[68] See Time Warner at 45-47; KC Fibernet at 8.

proficiency to maintain that particular equipment. If AT&T equipment is designated to be used in an office where SWBT uses that equipment, no training is necessary even though AT&T is no longer SWBT's standard. If not, training is required to meet the requirements imposed by the Commission. Correspondingly, it may occur that an interconnector designates SWBT's current standard for an office where AT&T is grandfathered and used exclusively.

The interconnectors are merely attempting to convince with the use of inductive reasoning. That attempt fails for the fundamental reason that inductive reasoning is nearly always wrong -- one cannot generalize from a few observations and draw a correct conclusion about the universe. Simply because AT&T equipment may be used in one SWBT central office and its associated personnel can install, repair, and maintain that equipment does not mean that all SWBT central offices and personnel can do the same. As SWBT stated in its Direct Case and reiterated here, training needs on equipment will be particular and specific to each SWBT central office and simply cannot be generalized like the interconnectors would prefer. SWBT's network and the knowledge and training of its personnel are just not homogenous, and any argument based on the presumption are fatally flawed.

For these reasons, Time Warner's demand for an ordered refund of $76,000 is unsupportable. In the offices where Time Warner required AT&T equipment to be used for IDE, AT&T equipment was not present and the SWBT technicians responsible for those offices were not trained on the equipment ordered by Time Warner. Accordingly,

in order to comply with the standards established by Virtual Collocation Order, training was required, the costs incurred, and the tariffed payment made. There is nothing to refund, nor any basis for any such refund.

XVIII. TARIFFED PROVISIONING, REPAIR, AND MAINTENANCE INTERVALS ARE NEITHER NECESSARY NOR REASONABLE

In a prime example of interconnector inconsistency, interconnectors continue to press for tariffed provisioning, repair, and maintenance intervals. Although SWBT does not have such intervals in its tariffs for its customers, including those for DS1/DS3 services, interconnectors do not want to be treated like those customers. Apparently, interconnectors do not see any benefit in being treated like a customer in this situation so they seek preferential terms and conditions. The lack of such intervals in all other SWBT tariffs has not resulted in a determination that they are unreasonable in any other situation, and does not make them unreasonable here.[69]

Moreover, SWBT already provides each interconnector with the provisioning interval for the installation of virtual collocation arrangements in the same manner it provides them to access customers -- through its applicable technical publication. In 1985, the Commission determined that SWBT did not need to maintain those intervals

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[69] Note that this is another practice that the interconnectors want the LECs to change. Also, SWBT has a prediction in this regard. If the Commission mandates tariffed intervals, the interconnectors will claim that each interval filed by each LEC is too long notwithstanding the use of the same intervals for that LEC's DS1/DS3 customers. Further, the interconnectors will choose the shortest interval tariffed by any LEC as the one that should apply to all LECs (though even that interval will be thought by the interconnector to be too long).

within SWBT access tariffs due to the fact that those intervals would change and constant updating to the tariff would be necessitated. Accordingly, access provisioning intervals are maintained in SWBT's Interexchange Customer Information Handbook, which is provided to every access customer. In the exact same fashion, provisioning intervals for interconnectors are maintained in SWBT's Expanded Interconnection Technical Publication, which is provided to anyone that inquires about virtual collocation.

The considerations that led to this decision still exist, and are at least as applicable to virtual collocation arrangements, if not more so. If provisioning interval tariffs were required, SWBT would likely have to modify those intervals any time a vendor changes its provisioning intervals for any of the 20 types of IDE filed in SWBT's virtual collocation tariff. Not even counting the internal cost of updating that tariff, SWBT would have to pay the $565 filing fee with each required tariff change. Those costs are not specifically recovered in SWBT's virtual collocation rates. If a different tariffing obligation is mandated, these costs covered by virtual collocation matters will need to be recovered from interconnectors. Since SWBT's provisioning intervals are largely outside of SWBT's ability to affect in that the decisions made by the interconnector and the vendor dictates the majority of the length of the interval, requiring the various provisioning intervals to be tariffed would be clearly unreasonable and unnecessarily burdensome. As noted earlier, SWBT has not failed to meet its published interval of provisioning virtual collocation arrangements.

Those interconnectors that argue that tariffing repair and maintenance intervals would not be unduly burdensome are just as clearly wrong. For SWBT's access services, SWBT has a "constant improvement team" with a mission to continually improve those intervals. Such intervals are service-specific, and vary from state-to-state. Through this process, some intervals may change up to six times a year, and are implemented on short notice. Requiring a tariff filing before modifying intervals would only slow the process down, and cost SWBT an unrecovered $565 in filing fees each time.

Finally, MCI's argument that a "penalty" be inserted in the LEC tariff which would apply if the interval is not met. SWBT already has credits for service interruptions in its tariffs and similarly has a credit for interruption of virtual collocation arrangements. Again, no SWBT customer receives a "penalty" payment or other treatment even remotely similar, and there is no reason why interconnectors should be treated differently in that respect. To date, it has been interconnectors, not SWBT, that have missed scheduled due dates.

XIX. SWBT SHOULD NOT BE REQUIRED TO TARIFF SUPERFLUOUS ITEMS

ALTS wants SWBT to tariff its practices on who may order virtual collocation arrangements and on the use of letters of agency for these arrangements. Those items were addressed in SWBT's Direct Case not because its tariffs in any way stated, implied, or otherwise intimated that there were any such restrictions whatsoever, but rather on unfounded allegations made by interconnectors. Notwithstanding SWBT's early denial

of those allegations,[70] SWBT was again required by the Designation Order to respond with yet another factual denial. Even though there was no SWBT explanation since the unfounded allegations were wrong and thus there was nothing *to* explain, ALTS is now graciously willing to "accept" SWBT's "explanation" but only if "incorporated into [its] tariff language."[71] And SWBT is accused of manipulating the process.

SWBT's process is what it always was, and there is simply no need for any verbiage in SWBT's tariff "solving" a non-problem. SWBT is unwilling to add any such language in its tariffs.

XX. AN INTERCONNECTOR IS SUBJECT TO ADDITIONAL LABOR CHARGES WHEN CAUSED BY THAT INTERCONNECTOR

Somewhere, MFS apparently got the impression that interconnectors are immune from charges as a result of custom work. They are not. If, in order to provision a virtual collocation arrangement, SWBT must construct new conduits as it was required to do in the Houston, Texas situation cited by MFS, the interconnector must pay for that construction. Inasmuch as the Commission has stated that LECs would be able to recover their costs of providing virtual collocation,[72] MFS was charged those additional costs of providing it the virtual collocation arrangement it ordered. A declaration like that sought by MFS would negate that earlier Commission order.

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[70] SWBT's Reply Comments to Parties' Petitions to Reject, filed April 1, 1994.

[71] ALTS at 29 (emphasis added).

[72] Virtual Collocation Order, para. 30.

To the extent that the Commission believes it needs to clarify the treatment of collocation requests where charges are "in dispute" as MFS desires, the Commission should be clear that charges pursuant to effective tariffs, whether or not under investigation or an accounting order, are not "in dispute" and those charges must be paid in accordance with the tariff. Interconnectors should not be able to escape paying such charges on any pretense that they are "in dispute" as they have the hundreds of thousands of dollars of outstanding physical collocation charges.

XXI. ATTEMPTS TO RAISE ISSUES WHOLLY UNRELATED TO ANY DIRECT CASE OR THE DESIGNATION ORDER MUST BE IGNORED

With the last two sections of its opposition, MCI attempts to stretch this Phase II investigation into a rulemaking. The Designation Order involves the reasonableness of the various virtual collocation tariffs at issue; not additional (and certainly not inappropriate and unnecessary) requirements that the Commission should impose to make virtual collocation even more onerous. In arguing for additional reporting requirements and circuit roll-over requirements, MCI does not cite one direct case, much less one tariff. As any other person, MCI needs to file a request for rulemaking to begin the process of rulemaking. To, as MCI seeks, adopt new rules with additional requirements that would be applicable to LECs through the tariffing process would simply be unlawful under the Administrative Procedure Act.

Nevertheless, SWBT would point out that MCI's suggested reporting requirements would achieve neither of the goals it claims.[73] Instead, this is another situation where under the guise of the public interest, private competitive interests are being pursued. The suggested reporting requirements would provide MCI and other LEC competitors with sensitive competitive information which would undoubtedly be used to develop business plans. The LECs already report how many DS1 cross-connects are operational as a part of the requirements necessary to offer volume and term discounts. Reporting cross-connects by office each quarter will not make this number more verifiable. In contrast, these reports will provide MCI with information necessary to "keep tabs" on every LECs' and every interconnectors' operations. Using this information, a competitor like MCI gathers sensitive marketing intelligence that can be used to damage its competitors, both LEC and competitive access provider ("CAP") alike. The contrast with Time Warner is remarkable; as detailed later in this Rebuttal, Time Warner is making every attempt to keep SWBT from performing necessary IDE monitoring functions due to security and competitive concerns while MCI wants the LECs to report on the demand for virtual collocation by all interconnectors.

With regard to MCI's reporting requirements and its usefulness in assessing the level of competition in each study area, this purported value assumes that interconnection

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[73] MCI claims that the reporting requirements would substantiate claims of anticompetitive abuses, and also offer insight as to how much, and when, pricing and regulatory flexibility should be afforded a particular LEC.

is required to have effective competition. This assumption is false. For example, in Houston, SWBT has lost 30% percent of the high capacity access market; in Dallas, 37%. In each of these cases, the majority of that market share was achieved by competitors without the use of any expanded interconnection arrangement. Thus, collocation is not required for effective competition, making MCI's proposed data reporting requirement unnecessary and inaccurate as a competitive measure (although highly valuable competitive intelligence).

MCI's proposal to require the LECs to report semi-annual Quality of Service Reports is also unduly burdensome and unnecessary. IDE is connected to SWBT's Network Monitoring and Analysis system in the same manner as SWBT's other equipment.[74] SWBT technicians respond to trouble reports generated by this system regardless of which equipment fails. MCI fails to recognize that a failure of collocated equipment also takes down the service to which it is interconnected -- in other words, a SWBT-provided service. SWBT cannot degrade or lessen interconnector's quality of service without lowering SWBT's own quality, and SWBT has no incentive to lower its own quality of service in the hopes that an interconnector will somehow be damaged.

With regard to MCI's assertion that this will aid the Commission in assessing the level of competition in each study area, SWBT can see no possible correlation between repair intervals and the degree of competition in each study area.

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[74] This will be the case unless the Commission finds SWBT's alarm collection device ("ACD") tariff provisions unreasonable.

Finally, MFS' claims of an "overwhelming need for more detailed performance reports" are based upon one general allegation regarding a single LEC. If MFS believes that it has been treated in a manner that violates the Commission's orders, it should file a complaint. Not every LEC should be required to "answer" simply due to vague allegations filed in a tariff proceeding. Indeed, more often than not, SWBT works to expedite virtual collocation orders due to the failure of the interconnector to plan. Apparently, that failure is somehow SWBT's problem. In any event, before the Commission imposes such a burden on the LECs, additional rulemaking and actual proof of a problem should be required.

XXII. THE COMMISSION SHOULD NOT ADDRESS ANY ACD ISSUES UNLESS IT INTENDS TO RESOLVE THEM AT THIS PHASE OF THE PROCEEDING

As an initial procedural matter, SWBT does not believe that the Designation Order covered SWBT's 1995 tariff filings that inserted the provisions regarding alarm collection devices ("ACDs") and the ACD Link into its virtual collocation tariffs. SWBT has no objection to resolving those tariffing filings in this phase of the proceeding, if indeed the issues are truly and finally resolved. However, if the Commission intends to issue another order designating ACD issues in the future notwithstanding their discussion in this phase, the Commission should strike those portions of the oppositions that attempt to raise ACD issues (e.g., MFS, Time Warner) as outside the scope of the Designation

Order and procedurally defective. Acting on the complaints of MFS and Time Warner over SWBT's ACD tariffs in this Phase II and later allowing them and other interconnectors another opportunity to be heard yet again in another phase on the same issue violates SWBT's fundamental rights to due process and finality. Interconnectors cannot be allowed to continue to take multiple bites of the apple and force SWBT to continue to address those multiple bites, and the Commission should not waste its limited resources in such a fashion.

XXIII. THE NEED FOR AN ACD HAS BEEN DEMONSTRATED AND IS REASONABLE

In a previous pleading, SWBT explained the use of a dedicated alarm collection device ("ACD") and the optional ACD Link, and demonstrated that both are reasonable and necessary to meet the obligations imposed by the Commission. (A copy of that pleading is attached as Attachment 5.) Put as simply as possible, SWBT cannot provide the same level of maintenance and repair to IDE as it provides its non-IDE equipment without the use of an ACD. Absent the use of an ACD, SWBT cannot be assured of meeting the Commission's requirement that SWBT's repair intervals for IDE be the same as those for its non-IDE equipment. The use of a dedicated ACD must be provided to each interconnector within each office in order to address SWBT network security and the security concerns of other interconnectors within that same office. The ACD Link is an optional feature that permits, under applicable circumstances, an interconnector to

lower its costs through the use an ACD in one central office with another of its virtual collocation arrangements in another central office.

With regard to the use of ACDs by other LECs, SWBT cannot respond as to how other LECs monitor IDE and can speak authoritatively only about the requirements and operations of SWBT's own network engineering and monitoring systems. The fact that other LECs may not use dedicated ACDs does not render SWBT's longstanding network practices or a tariff requirement consistent with those practices unreasonable.

XXIV. AN ACD IS NEEDED TO MONITOR ALL IDE IN ORDER TO MEET THE REQUIREMENTS OF THE VIRTUAL COLLOCATION ORDER

The Virtual Collocation Order placed SWBT under an obligation to repair and maintain IDE "at a minimum" under the same time intervals and with the same failure rates of its non-IDE equipment.[75] Prior to the Virtual Collocation Order and continuously since, SWBT uses ACDs to monitor all of its similar network equipment as part of its repair and maintenance functions. Without also using an ACD, SWBT could not meet its Commission-mandated obligation to monitor and respond to IDE alarms in the same manner as SWBT does for its other equipment.[76]

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[75] Virtual Collocation Order at para. 44. The Commission reiterated that requirement again at paragraph 57 of that Order.

[76] Virtual Collocation Order at para. 57.

This is not a matter of SWBT "[using] the Commission's own words as a thinly-veiled excuse" to increase virtual collocation rates as Time Warner avers,[77] but SWBT fulfilling its obligations under the Virtual Collocation Order. Time Warner would apparently prefer SWBT to ignore any of the "Commission's own words" that may result in increased interconnector costs. SWBT does not understand that it has the ability to pick and choose among Commission directives and only comply with those Time Warner and other interconnectors particularly like.[78]

In fact, SWBT has explored other possible means of fulfilling its obligations under Commission orders, and has met and spoken with various interconnectors many times in an attempt to discuss the technical issues and hopefully find a technical resolution to the interconnector concerns that would still allow SWBT to have the necessary monitoring and alarm functionality as it has with its non-IDE equipment (and thus fulfill its obligations under the Virtual Collocation Order) as well as to meet its network security requirements. However, no mechanism but a dedicated ACD has been found by SWBT or suggested by any interconnector that meets those objectives.[79]

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[77] Time Warner at 9.

[78] To the extent that Time Warner is dissatisfied with the Commission's orders in that respect, there are processes by which to seek resolution of that dissatisfaction.

[79] SWBT did investigate the possibility of just using the dual gateway functionality available on some IDE in lieu of an ACD, but found that alternative lacking in that the functionality does not multiplex alarms/events from different IDE networks or dissimilar elements into a single output, does not offer hubbing functionality or office interface or (continued...)

XXV. THE USE OF AN ACD DOES NOT PREVENT AN INTERCONNECTOR FROM REMOTELY MONITORING AND CONTROLLING IDE OR THE INTERCONNECTOR'S OWN NETWORK

As discussed, SWBT must perform monitoring as required by the Commission (and has every right to inasmuch as, according to the Commission, IDE supposedly belongs to SWBT). However, as also required by the Commission, each interconnector is to be given remote access to its IDE. As stated in paragraph 25 of the Virtual Collocation Order,

> The monitoring and control functions that the LECs must permit interconnectors to perform are conducted from remote locations and involve only the interconnector's ability to track, reconfigure, and otherwise supervise the operations of the communications circuits terminating in the designated equipment.

The tariff is unambiguously clear on how that ability is provided and gives the interconnector possible options from which it may select.[80]

Notwithstanding Time Warner's repeated, strident complaints, SWBT's ACD does not prevent an interconnector "from electronically monitoring and controlling its own network" and does not supplant the interconnector's "monitoring and control functions."[81]

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[79](...continued)
protocol conversion capability, and does not provide the concentration and security functions offered by an ACD. Based upon those deficiencies, SWBT determined that it should use an ACD in the same manner that it does with its non-IDE equipment. With ACDs, SWBT's Network Monitoring and Analysis ("NMA") system can be consistently used to monitor and diagnose IDE and SWBT network equipment equally.

[80] Tariff F.C.C. No. 73, Section 25.2.6.

[81] Time Warner at 9.

Time Warner possesses all of these abilities by connecting into the ACD and/or the IDE, and such SWBT monitoring does not "deprive [Time Warner] of the necessary functionality for [Time Warner] to perform remote monitoring and control of its own SONET ring."[82]

Time Warner's unhappiness over its remote monitoring and control capabilities really arises from Time Warner's own selection of IDE. Pursuant to the ability given it under the Virtual Collocation Order, Time Warner selected equipment with a single X.25 Gateway Network Element ("GNE") interface. The Commission must remember that SWBT did not file a tariff for this IDE with a single GNE interface because SWBT thought that it was a good choice or that it would provide an interconnector with the functions and capabilities required by both SWBT and the interconnector. Instead, at least one interconnector (presumably Time Warner) requested that it be tariffed, and SWBT did so as required by Commission order.

Because of the differences between IDE identified by potential interconnectors, SWBT tariffed two different methods of allowing interconnectors to have the required remote monitoring and control functions. Where the IDE selected by an interconnector has two gateways, the interconnector is free to use one gateway for the remote capability. To address the limitations of certain IDE that only have one gateway, (such as that selected by Time Warner), SWBT also tariffed the other remote access arrangement cited

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[82] Id.

by Time Warner.[83] That remote access arrangement allows the interconnector the necessary remote monitoring and control capabilities and SWBT is in full compliance with the Virtual Collocation Order. Again, SWBT was under three obligations: (I) to allow the interconnector to select the IDE; (ii) to perform maintenance and repair under the same intervals as its non-IDE equipment; and (iii) to permit remote monitoring and control of the IDE by the interconnector. This other remote access arrangement became necessary as a function of SWBT's obligations and the interconnector's particular decisions, as well as the right, need, and ability of SWBT to recover the cost of providing virtual collocation arrangements.

Time Warner's attempt to cast this as being required to pay to "access its own network" is thus specious at best;[84] Time Warner is instead being required to pay the costs caused by SWBT's compliance with the Virtual Collocation Order and the decisions that Time Warner is permitted to make under that Order. Although Time Warner would like to plug into the single gateway on the IDE it selected, SWBT needs that gateway in order to fulfill its repair and maintenance responsibilities under the Virtual Collocation Order. To the extent that Time Warner cannot remotely monitor and

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[83] Time Warner at 11.

[84] Time Warner at 11. Time Warner also loses sight of the fact that the IDE, according to the Commission, belongs to SWBT.

control the IDE in the manner it would prefer,[85] Time Warner should be required to modify its own internal, administrative methods to perform those functions. It should be SWBT that modifies its longstanding procedures to monitor its own equipment to meet its own standards.

While Time Warner's suggestion that another connection to a SONET ring will provide SWBT "access [to] alarm information" is technically accurate, it ignores the fact that the "alarm information" provided by its suggested alternative provides much less detail (i.e., SWBT could only tell whether the alarm is major or minor in nature) than SWBT NMA system gets from all of its similar non-IDE equipment. Where using an ACD provides detailed alarm information that allows for alarm resolution without the need to dispatch a technician to the IDE, Time Warner's suggestion would always require a technician to be dispatched to clear the alarm. Indeed, even Time Warner acknowledges the inherent limitations of such high level alarms.[86] Stated another way, Time Warner's suggestion would create an equipment "underclass" that SWBT's alarm monitoring system and network personnel would be required to treat differently and in a more costly manner. SWBT uses that GNE interface to plug the IDE into the ACD so that it can fulfill its mandated repair and maintenance obligation. As Time Warner

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[85] The Commission should not be confused. Time Warner has the ability to connect directly to the IDE it selected even given SWBT's use of that GNE gateway, and that alternative connection gives Time Warner the same control and monitoring capability that the GNE gateway provides.

[86] Time Warner at 12.

acknowledges, equipment with a dual GNE is scheduled to become available in 1996;[87] until then, Time Warner should live with whatever limitations may exist in the IDE that it selected.

SWBT cannot be blamed for complying with the Commission's mandates, nor can its tariffs or practices be found unreasonable because of such compliance. SWBT is required to allow Time Warner to select its IDE, as well as maintain and repair IDE under the same intervals and failure rates as its non-IDE equipment. SWBT has also provided a means by which an interconnector may remotely monitor and control the IDE as required by the Virtual Collocation Order, even under the limitations of the IDE tariffed at the demand of interconnectors. SWBT has acted reasonably throughout and fully complied with the Virtual Collocation Order. The fact that a series of Time Warner decisions has placed Time Warner in a position that it protests as untenable is hardly the cause for sympathy from the Commission, much less a determination that SWBT's tariffs or standard operating practices are unreasonable.

If, however, the Commission issues any order modifying the Virtual Collocation Order that directs SWBT not to use the ACD in any particular situation, SWBT would have to be relieved of the obligation to, "at a minimum," maintain and repair IDE not having an ACD in the same time interval and failure rates as SWBT's non-IDE equipment. In addition, SWBT would have to be protected from and indemnified by the

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[87] Time Warner at 11.

interconnectors with regard to any liability relating to outages and the like. Moreover, SWBT would have to be given the ability to recover from interconnectors the increased cost associated with any modified repair and maintenance responsibilities (e.g., time and materials charges incurred when alerted that IDE is malfunctioning). It would be patently unfair to hold SWBT to its own standards yet deny SWBT the methods necessary to meet those standards.

XXVI. THE ACD IS NOT USED TO MONITOR ANY INTERCONNECTOR'S NETWORK

Time Warner also raises various security concerns over SWBT's use of an ACD. As an initial matter, the Commission should be clear on a fundamental point -- the ACD is used by SWBT solely for the purpose of monitoring IDE in compliance with the requirements of the Virtual Collocation Order. However, due to the signaling and systems used in conjunction with an ACD, information from network components other than the IDE are accessible by using the ACD. SWBT recognized this capability early in provisioning virtual collocation arrangements and, for that reason, adopted the use of a dedicated ACD per interconnector per central office. This standard provides Southwestern Bell and all interconnectors "firewall" network protection against improper intrusion by others. SWBT's use of the ACD will be limited to its responsibilities under the Virtual Collocation Order, and no other. However, the ACD must be used with IDE if SWBT is to comply with that Order. There is no other secure way SWBT can

adequately monitor the IDE and perform alarm analysis, and to avoid unnecessary dispatches of technicians.

XXVII. SWBT HAS NO OBJECTION TO SHARED ACDS UNDER APPROPRIATE TERMS AND CONDITIONS IF DEMAND EXISTS

SWBT has no objection, however, to interconnectors with virtual collocation arrangements sharing ACDs where technically feasible and operationally practical. However, as with other MFS' positions, SWBT believes MFS' proposal is made in an attempt to appear reasonable to the Commission notwithstanding the lack of any demand for shared ACD. As explained in Attachment 5, interconnectors that share an ACD will be able to potentially monitor each other's dedicated IDE as well as each other's networks. SWBT doubts that any interconnector will want to make that capability available to a competing interconnector. For example, MFS clearly cannot count on Time Warner to share ACDs. Time Warner already objects to SWBT's use of an ACD to perform the Commission-mandated monitoring due to the information it provides SWBT; the objection to providing that same information to another CAP would undoubtedly be just as virulently opposed.

Nevertheless, if two or more interconnectors come to SWBT with a joint desire to share an ACD, SWBT is willing to tariff such an arrangement with appropriate terms and conditions. Included would be adequate protection against the misuse of that shared ACD by any of those sharing it; SWBT has no interest in being placed in the middle of a dispute among interconnectors that the monitoring capabilities of the shared ACD were

used for competitive purposes. At a minimum, consents, releases, and indemnifications to SWBT by all interconnectors involved would be required in writing.

SWBT is not willing, however, to tariff ACD sharing in anticipation that interconnectors will actually share ACDs. Given the competitive practicalities that argue against such an arrangement, SWBT should not be required to expend the resources to tariff an arrangement for which there is no demonstrated demand.

Finally, in an attempt to call into question SWBT's motives, MFS complains that "it is inconceivable that SWB would have failed to include it in its original tariff filings."[88] SWBT respectfully suggests that MFS attempt to stretch its imagination. The Commission gave very little time for the LECs subject to the Virtual Collocation Order to file tariffs. In that thirty-six day window, the need for a dedicated ACD was not recognized by SWBT personnel. Prior to the completion of the first SWBT-provided virtual collocation arrangement in March 1995, the need was recognized and a dedicated ACD was used even though not charged to the interconnector due to the lack of a tariff. In order to properly recover the full costs associated with ACDs from the cost causers, the ACD tariff was filed. There is nothing sinister or diabolical about the ACD's timing; it was an omission that occurred as a direct result of being required to fully construct a new engineering design under an extremely short deadline.

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[88] MFS at 17 n.20.