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GTE Service Corporation

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

November 5, 1998

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

Ex Parte: Deployment of Wireline Services Offering Advanced Telecommunications Capability - CC Docket No. 98-147

Dear Ms. Salas,

On Wednesday, November 4, 1998, John Boshier and Eugene Eng, of GTE; Ken Krisko and Jeff Linder of Wiley, Rein and Fielding; and the undersigned, met with Jonathan Askin, Jason Oxman, Daniel Shiman of the Common Carrier Bureau; Stagg Newman of the Office of Engineering and Technology; and Robert Pepper of the Office of Plans and Policy to discuss the provision of advanced telecommunications services.

In the meeting, we discussed collocation and loop provisioning aspects of GTE's National Advanced Services Plan, as outlined in its comments in the proceeding indicated above. GTE proposes that to the extent that ILECs comply with reasonable and flexible collocation and loop provisioning requirements, advanced service affiliates of the ILEC should be deemed to be non-dominant and subject to structural separation requirements no more stringent than those which currently apply to independent telephone companies. On balance, GTE believes its diverse set of collocation options, if implemented, would permit competitive entry of alternative providers in an efficient and cost-effective manner, while recognizing ILEC responsibilities for maintaining overall network security and reliability. The attached material was used in the discussions.

If you have any questions regarding this filing, please call me at (202) 463-5293.

Sincerely,

W. Scott Randolph
Director - Regulatory Matters

Attachment

cc: Jonathan Askin
Jason Oxman
Daniel Shiman
Stagg Newman
Robert Pepper

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GTE's National Advanced Services Plan

1. Separate Affiliate Elements of the NASP

- An ILEC's advanced service affiliate should maintain separate books of account.
- The affiliate should not jointly own transmission or switching facilities with the ILEC, but should be permitted to transfer personnel and other resources or assets that were deployed before the final date of the Commission's order resulting from the *Advanced Services NPRM*.
- The affiliate should acquire any tariffed services from the ILEC at the tariffed rates and should be permitted to obtain unbundled network elements and services for resale pursuant to an approved interconnection agreement.
- The affiliate shall be a separate legal entity from the ILEC.
- The affiliate may be staffed by personnel hired from the ILEC and affiliate personnel should be housed in segregated space.
- The affiliate should not obtain credit under any arrangement that would permit a creditor, upon default, to have recourse to the assets of the ILEC. Holding companies typically finance both ILEC and other operations through the common corporate parent. The rule does not disturb this longstanding practice.
- Contracts between the ILEC and its affiliate should be disclosed to regulators upon request.

GTE's National Advanced Services Plan

2. Collocation Elements of the NASP

- Upon request, collocating parties should have the flexibility to place their equipment in "shared" collocation space dedicated to CLEC use, with or without employing cages.
- CLECs should be permitted to use a third-party inspection in conjunction with state commission review to confirm that space in a central office is exhausted. Upon confirmation by the state commission, the third party's finding would be conclusive with respect to that central office unless and until space becomes available. Its fee would be paid by the CLEC if the ILEC's finding of exhaustion is upheld, and by the ILEC if the finding of exhaustion is overturned.
- CLECs should have the flexibility to lease collocation space in increments of 25 square feet.
- CLECs should be able to sub-lease space within collocation cages, as long as the original requesting party remains liable for payment to the ILEC and for security within its collocation cage.
- CLECs using common space (whether or not caged) should be permitted to use their own technicians to cross-connect their equipment with one another, provided that they do not use GTE infrastructure and follow all applicable building codes and GTE cabling standards.
- ILECs should remove obsolete equipment (if any) at the request of any collocating CLEC, so long as the CLEC agrees to pay the costs of such removal.
- On a case-by-case basis, ILECs should permit CLECs to lease unused ILEC property for the purpose of constructing their own adjacent facility where central office collocation space is exhausted.

3. Loop-Related Elements of the NASP

- ILECs should permit sub-loop unbundling upon bona fide request where technically feasible.
 - ILECs may voluntarily provide conditioned loops even where they have not deployed advanced services, if they recover their actual costs of performing the conditioning.
-

GTE National Advanced Services Plan Collocation Options

- Physical Collocation
 - 25 sq. ft. increments for cages.
 - Cage sharing permissible.
- Common Collocation
 - Cageless
 - CLEC may place secure cabinet
 - Separate area from ILEC equipment
- Virtual Collocation

GTE National Advanced Services Plan Common Collocation Costs*

	<u>Common</u>	<u>Physical</u>
NRC's(1)	\$13,201	\$35,453
MRC's(2)	\$ 615	\$ 851

* Assumes a standard collocation arrangement, excluding extraordinary environmental conditioning charges.

(1) NRC's include Engineering, Building modification, DC power installation, cable pull and cable racking.

(2) MRC's include floorspace, DC Power, and cable space.

GTE National Advanced Services Plan

Other Options

- CLEC placement of Hut on GTE premise.
- CLEC constructs facility.
 - Zoning, Code, and safety considerations observed.
- Can be used when C.O. space is exhausted.
- Unrestricted access to equipment.
- No restrictions on equipment.

GTE National Advanced Services Plan

Available Space

- Third party inspection of offices can be made at the CLEC's request.
 - Neutral inspector selected by PUC.
 - Findings confirmed by the PUC.
 - Costs paid by CLEC if ILEC finding is supported, or paid by ILEC if finding is not supported.

GTE National Advanced Services Plan Space Reclamation

- GTE can evaluate where equipment, storage, or personnel relocation might provide additional collocation space.
- Requesting CLECs should be willing to pay the cost of any such relocation and space rehabilitation.

GTE National Advanced Services Plan

Collocation Assembly

Timeframes

- Physical - 120 days from request
- Virtual - 30 days from delivery of equipment and fiber
- Common - First request, same as physical. Next requests - 30 days
- 168 collocation projects completed in 1998 compared to 95 in all of 1997.
Currently over 250 projects pending.

GTE National Advanced Services Plan

Cost Recovery

- C.O. provides two core functions:
 - Heart of basic telecommunications network.
 - Access point to exchange facilities.
- Costs to convert existing infrastructure to accommodate competition need to be recovered.

GTE National Advanced Services Plan

Security Issues

- ILEC bear responsibility for core services.
 - Civil Defense, Air Traffic Control, E911
- Numerous Parties entering and Exiting Office.
 - Multiple CLECs and their contractors
 - ILEC Personnel
- Training Issues.
- Service Protection.



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