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July 26, 1999

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

WRITTEN EX PARTE

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> Street, S.W., Room TWB-204  
Washington, D.C. 20554

Re: CC Docket No. 96-98

Dear Ms. Salas:

This is to give notice that today I have sent the attached written ex parte to staff in the Common Carrier Bureau and in the Office of Engineering and Technology.

In accordance with Section 1.1206(b)(1), I am filing two copies of this notice in the docket identified above. If you have any questions concerning this, please call me.

Sincerely,



Kathleen B. Levitz  
Vice President – Federal Regulatory

Attachment

cc: Jake Jennings  
Claudia Fox  
Chris Libertelli  
Sanford Williams  
Jerome Stanshine

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Kathleen B. Levitz  
Vice President-Federal Regulatory

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## WRITTEN EX PARTE

Mr, Jake Jennings  
Policy and Program Planning Division  
Common Carrier Bureau  
Federal Communications Commission  
Room 5-C260  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

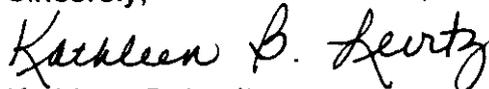
Re: CC Docket No. 96-98

Dear Mr. Jennings:

On July 7, 1999, Jonathan Banks, Keith Milner, Kelly Stephens, Stephen Inman and I, representing BellSouth, met with you to discuss issues relating to the Commission's UNE Remand proceeding. During that meeting BellSouth noted that there were four facilities-based CLECs operating in the Atlanta Zone 1 area. BellSouth presented estimates of what it would cost each of those CLECs to expand their transport coverage to reach every BellSouth central office in the Atlanta Zone 1 area. At the time of our meeting the BellSouth representatives committed to providing you with more detailed information about the cost assumptions underlying those estimates. Attached is the promised information, as well as the pages from the attachment to the notice of our earlier ex parte that formed the basis for the discussion of build-out costs held on July 7. If after reviewing the attached information, you have any questions, please call me at 202.463.4113.

In accordance with Section 1.1206(b)(1), I am filing two copies of this written ex parte presentation with the Secretary of the Commission and requesting that it be associated with the record of CC Docket No. 96-98.

Sincerely,



Kathleen B. Levitz  
Vice President - Federal Regulatory

Attachment

cc: Claudia Fox  
Chris Libertelli  
Jerome Stanshine  
Sanford Williams

## Investment per fiber strand per mile

Investment (with utilization factor applied -- see assumption No. 2)

<u>Plant Type</u>		<u>Distribution to Plant Type</u>	
Aerial	\$88.52	23%	\$20.36
Buried	\$233.68	26%	\$60.76
Underground	\$141.61	51%	\$72.22
	<b>Fiber subtotal</b>		<b>\$153.34</b>
Poles	\$18.99	23%	\$4.37
Conduit	\$118.63	51%	\$60.50
	<b>Total w/ structure</b>		<b>\$218.20</b>

## Mix of OC System Sizes

OC3	3.4%
OC12	7.4%
OC48	89.2%

## Assumptions

- 1) All figures are based on BellSouth GA statewide average placing costs and cable sizes.
- 2) 75% of the fibers in each sheath are used to provide service.

## Estimated Cageless Collocation Costs Per Wire Center Per DS1

### Assumptions

- An efficient carrier will utilize a cageless collocation arrangement  
 BellSouth assumed the following components comprise a typical arrangement:
- \* 5 bays of equipment occupy 40 square feet, unenclosed space
  - \* Power requirement is 50 amps
  - \* A private fiber entrance facility ties the collocation arrangement to the CLEC network backbone
- All charges have been converted to a monthly recurring charge per DS1 using the following:
- \* 5 year payback period at 11.25% annual cost of money
- BellSouth conservatively assumed the following cross-connect quantities, converted to DS1 equivalent

<u>Cross-connects</u>	<u>Equivalent DS1</u>
200 DS0s	8.33
20 DS1s	20
3 DS3s	84
<b>Total</b>	<b>112.33</b>

### **Non-recurring Arrangement Charges:**

<u>Charge</u>	<u>Description</u>	<u>How to Apply Rate</u>	<u>Quantity</u>
\$ 3,850.00	Application Fee	Per request, per location	1
\$ 15,400.00	Space Preparation Fee	ICB, per location (incl engineering)	1
\$ 2,750.00	Cable Installation	Per fiber entrance cable installed	1
\$ 22,000.00	Total non-recurring		

**Non-Recurring Charges converted to a monthly Recurring Cost per DS1:**  
 \$ 4.28 Non-recurring Charge Total / DS1 equivalent total recovered over 5 years @ 11.25%

### **Recurring Arrangement Charges:**

<u>Charge</u>	<u>Description</u>	<u>How to Apply Rate</u>	<u>Quantity</u>	<u>Rate</u>
\$ 300.00	Floor Space	Per square foot	40	\$ 7.50
\$ 250.00	Power	Per -48 volt DC amp	50	\$ 5.00
\$ 13.35	Cable Support Structure			
\$ 563.35	Total recurring			

**Monthly Recurring Charges converted to an aggregate Recurring Cost per DS1:**  
 \$ 5.02 Collocation Space / DS1 (low fill)

### **One-Time Collocated Equipment Costs\*:**

<u>Cost</u>	<u>Model</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit cost</u>
\$ 4,500.00	Vendor A	DSX-1 Panel	3	\$ 1,500
\$ 2,600.00	Vendor B	M13 Multiplexer	1	\$ 2,600
\$ 6,200.00	Vendor C	DSX-3 Panels	1	\$ 6,200
\$ 2,500.00	Vendor D	Remote Alarm Unit	1	\$ 2,500
\$ 300.00	Vendor A	LG-X Panel	1	\$ 300
\$ 1,200.00	Vendor A	OC-12 ADM	1	\$ 1,200
\$ 48,000.00	Vendor D	Access Node DLC	2	\$ 24,000
\$ 65,300.00				

**Equipment Costs converted to monthly Recurring Cost per DS1:**  
 \$ 12.71 Collocation Eqpt / DS1 (low fill) @5 yrs over 12 mths@11.25%

\*Estimates based on standard contract vendor cost

**Estimated Cageless Collocation Costs  
Per Wire Center Per DS1**

**Collocation Cross Connect Charges:**

<u>Charge</u>	<u>Description</u>	<u>How to apply rate</u>	<u>Quantity</u>	<u>Rate</u>
\$ 8.00	DS1 cross connect recurring	Per month, per cross-connect	1	\$ 8.00
\$ 155.00	DS1 cross connect non-recurring	One time, per cross-connect	1	\$ 155.00

**Non-Recurring Cross-Connect Cost converted to monthly Recurring Cost per DS1:**

\$ 0.61 DS1/X-conn (\$155.00/5 yrs/12 mths@11.25%)

**Summary**

<u>Element</u>	<u>Description</u>	<u>Per Unit Cost</u>
Space	- Nonrecurring converted to recurring cost	\$ 4.28
	- Recurring	\$ 5.02
Equipment	- One time cost converted to recurring cost	\$ 12.71
Cross-Connect	- Nonrecurring converted to recurring cost	\$ 0.61
	- Recurring	\$ 8.00

**Total monthly collocation cost per DS1 per wire center \$ 30.62**

# CC Docket No. 96-98

BellSouth July 7, 1999 Ex Parte  
Presentation

# **Transport**

- Given the widespread availability of competitive facilities in major markets such as Atlanta, transport should not be a UNE in such markets
- Reasonably efficient CLECs would not be impaired by the absence of transport as a UNE

# Transport

- Collocation, competitive fiber and entrance facilities are extensive in Zone 1 Atlanta area
  - 23 of 24 Zone 1 Atlanta central offices have existing/in-progress collocation arrangements
  - 71% of access lines are accessible by existing competitive entrance facilities present in 50% of the central offices

# Transport

- With nominal build-out, major CLECs in Atlanta area can expand their transport coverage to 100% of BellSouth's Zone 1 Atlanta central offices
  - Very doable for CLECs
  - CLECs can serve one another's needs, if they so desire

# Transport

- Estimate of AT&T's build-out cost for 100% Atlanta Zone 1 transport coverage
  - Additional route miles of fiber to connect 11 remaining central offices
    - 135 Route Miles
  - Estimated average cost per month to reach each of these remaining 11 COs is \$36 per DS1

# Transport

- Estimate of MCI's build-out cost for 100% Atlanta Zone 1 transport coverage
  - Additional route miles of fiber to connect 16 remaining central offices
    - 180 Route Miles
  - Estimated average cost per month to reach each of these remaining 16 CO'S is \$35 per DS1

# Transport

- Estimate of ICG's build-out cost for 100% Atlanta Zone 1 transport coverage
  - Additional route miles of fiber to connect 19 remaining central offices
    - 115 Route Miles
  - Estimated average cost per month to reach each of these remaining 19 Zone 1 CO's is \$ 36 per DS1

# Transport

- Estimate of e.spire's build-out cost for 100% Atlanta Zone 1 transport coverage
  - Additional route miles of fiber to connect 16 remaining central offices
    - 325 Route Miles
  - Estimated average cost per month to reach each of these remaining Zone 1 CO's is \$38 per DS1

# Transport

- **Analysis Steps**

- 1 Air mile distances from each competitor's fiber route to each BellSouth Zone 1 CO were estimated
- 2 The distances in step 1 were summed to produce total air miles of fiber required for CLEC to build out to every BellSouth Zone 1 CO
- 3 The Georgia statewide average BellSouth fiber cost/month/air mile/DS1 was multiplied by the total air miles in step 2 to produce the total fiber build-out cost per month/DS1
- 4 The total air miles in step 2 was multiplied by a route-to-air ratio of 1.5 to estimate the total route miles of fiber required for build-out
- 5 The Zone 1 COs without collocation and/or entrance facilities were identified for each CLEC

# Transport

- Analysis Steps (continued)

6 The typical cageless collocation cost per month per office per DS1 is multiplied by the number of Zone 1 COs in which the CLEC does not have an existing or pending collocation arrangement

7 Typical termination equipment and entrance cable costs per month per office per DS1 are multiplied by the number of Zone 1 COs in which the CLEC does not have entrance facilities

8 The costs for fiber (step 3), collocation (step 6), and termination equipment & entrance cable (step 7) are summed to produce an estimate of the total build-out cost per month per DS1 for each of the four CLECs

Note: Nonrecurring costs and equipment costs amortized over 5 year period @ 11.25% cost of money

# Transport

- Summary--
  - In major markets such as Atlanta:
    - CLECs have in place extensive facilities to reach BellSouth's central offices
      - Fiber routes and spurs
      - Entrance facilities and CO equipment
      - Collocation arrangements
    - CLECs have many pending/planned additions to these facilities
    - With nominal build-out, CLECs can reach all CO and have 100% coverage for alternative transport
    - Transport should not be a UNE