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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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In the Matter of	
Deployment of Wireline Services Offering Advanced Telecommunications Capability	CC Docket No. 98-147
and	
Implementation of the Local Competition Provisions of the Telecommunications Act of 1996	CC Docket No. 96–98

REPLY COMMENTS
of the
GENERAL SERVICES ADMINISTRATION

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Summary

GSA responds to comments on issues concerning interconnection and access to unbundled network elements, including the appropriate response to a remand of the Commission's order prescribing requirements for incumbent LECs to allow collocation at their facilities.

First, GSA urges the Commission to reject requests by incumbent LECs to respond to the remand with a narrow standard for determining whether collocation is "necessary" for competition. Numerous parties interested in expanding opportunities for carriers to participate in telecommunications markets rebut these claims, explaining that a narrow standard will short–change consumers seeking more competition.

Second, GSA addresses comments concerning several specific collocation arrangements. GSA concurs with many parties that competitive LECs need to deploy their line cards at incumbents' facilities. Also, GSA concurs with comments explaining that direct links between collocating carriers will allow competitors to serve consumers more economically.

In addition, GSA addresses steps to expedite fulfillment of collocation requests. GSA urges the Commission to reject claims that regulatory steps to expedite collocation are superfluous, because competitive LECs demonstrate the value of shorter provisioning periods and more flexible procedures for reserving potential collocation sites.

Finally, GSA explains that comments demonstrate the value of several policies that do not depend on collocation. For example, comments support requirements for competitive LECs to have options to buy or lease loop plant that incumbent carriers propose to retire. Also, comments demonstrate that interconnections between competitors at the incumbent LECs' remote terminals will help alleviate congestion at central offices, reduce demands for transport, and expand opportunities for competition in suburban and rural areas.

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REPLY COMMENTS of the GENERAL SERVICES ADMINISTRATION

The General Services Administration ("GSA") submits these Reply Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Second Further Notice of Proposed Rulemaking in CC Docket No. 98–147 ("Second Further Notice") and the Fifth Further Notice of Proposed Rulemaking in CC Docket No. 96–98 ("Fifth Further Notice"), which were released on August 10, 2000. In these notices the Commission requests comments and replies on issues concerning collocation, sharing, and access by competitive local exchange carriers ("LECs").

I. INTRODUCTION

On March 31, 1999, the Commission adopted the *Advanced Services First Report and Order* to address claims that incumbent LECs were impeding collocation

by competitive LECs.[1] This order directed incumbent carriers to expand options to include cageless collocation, adjacent collocation, and other collocation arrangements, and directed incumbent LECs not to impose unreasonable space requirements for collocation.[2] Several parties sought review of the Commission's findings by the Court of Appeals for the District of Columbia Circuit.[3]

Although many collocation requirements were affirmed in this review, the court stated that the Commission's interpretation of "necessary" under section 251(c)(6) of the Telecommunications Act seemed "overly broad and disconnected" from the provision's statutory purpose.[4] However, the court ruled that the Commission would have the opportunity to refine its collocation requirements on remand if it stayed "within the limits of the ordinary and fair meaning of section 251(c)(6) of the legislation."[5]

On August 10, 2000, the Commission released an Order on Reconsideration to strengthen its rules concerning competitors' access to incumbent LECs' networks.[6] Concurrently with the Order on Reconsideration, the Commission released both the Second Further Notice and Fifth Further Notice to address the court's remand, and to suggest rules concerning additional collocation and unbundling issues.

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1 *In the Matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98–147, First Report and Order and Further Notice of Proposed Rulemaking, 14 FCC Rcd 4791 (1999) ("*Advanced Services First Report and Order*"), *aff'd in part and remanded in part sub nom. GTE Service Corp. v. FCC*, 205 F.3d 416 (D.C. Cir. 2000).

2 *Id.*, paras. 420–427.

3 *Id.*

4 *GTE Service Corp. v. FCC*, 205 F.3d at 422, referencing the Telecommunications Act of 1996, Pub. L. No. 104–104, 110 Stat. 56, codified at 47 U.S.C. § 151 *et seq.* ("Telecommunications Act").

5 *GTE Service Corp. v. FCC*, para. 424.

6 Order on Reconsideration in CC Docket No. 98–147, released August 10, 2000 ("Order on Reconsideration").

On October 12, 2000, GSA submitted Comments in response to the Second and Fifth Further Notices. In its Comments, GSA urged the Commission to define "necessary" so that competitive LECs would not be required to implement impractical solutions, employ uneconomic configurations, or breach reasonable operational constraints in implementing options for collocation. Comments were submitted by more than 35 additional parties.

Commenters included an exceptionally diverse group of parties, including incumbent and competitive LECs, firms that manufacture and install elements of the telecommunications network, and organizations that use telecommunications networks to provide a wide variety of services to their customers. In these Reply Comments, GSA responds to the positions advanced by those parties.

II. THE COMMISSION SHOULD NOT HEED RECOMMENDATIONS BY INCUMBENT CARRIERS TO LIMIT COLLOCATION.

A. Commenters explain that a liberal standard for determining collocation requirements will foster competition.

The court's objections to the collocation rules in the *Advanced Services First Report and Order* focused on the requirements for incumbent LECs to allow physical collocation of equipment that is "not directly related to and thus necessary, required, or indispensable to interconnection or access to unbundled network elements" as required by section 251(c)(6) of the Telecommunications Act.[7] Thus, a threshold issue for comment in the Second Further Notice is the meaning of "necessary" as contained in this section of the legislation.[8]

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7 GTE Service Corp. v. FCC at para. 422, citing section 251(c)(6) of the Telecommunications Act.

8 Second Further Notice, para. 74.

Incumbent LECs contend that the Commission should adopt an extremely limited "necessary" standard. For example, Verizon asserts that collocation should be required "only where there are no other practical alternatives."[9] Moreover, according to Verizon, "all functions in collocated equipment must be necessary for interconnection or access to unbundled network elements ("UNEs").[10] To justify these positions, Verizon states:

> Congress recognized that the incumbent LECs are in the telecommunications business, not the real estate business. . . . [C]ongress never intended that competitors simply set up shop in the incumbents' central offices.[11]

In similar comments, BellSouth urges the Commission to recognize that competitive LECs have ample options to rely on facilities such as "collocation hotels" that are being constructed to accommodate telecommunications and other high–tech companies.[12]

Competitive LECs and other parties interested in expanding the capabilities of existing telecommunications networks thoroughly rebut the incumbent LECs' assertions. For example, the Association for Local Telecommunications Services ("ALTS"), the Competitive Telecommunications Association ("CompTel") and several individual carriers ("Joint Commenters") detail competitive LECs' requirements for collocation. The Joint Commenters ask the Commission to reject a "narrow" interpretation of "necessary" and find that collocation is justified if it is necessary to meet the broad pro–competitive objectives of the Telecommunications Act.[13]

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9 Comments of Verizon, p. 2 (emphasis supplied.)

10 *Id.*, p. 6 (emphasis supplied.)

11 *Id.*, p. 5.

12 Comments of BellSouth, p. 4.

13 Submission of Joint Commenters, p. 3.

Moreover, the Joint Commenters explain that several sections of the Telecommunications Act require that competitors play a principal role in choosing collocation space from available alternatives in incumbents' premises.[14]

Network Telephone, a competitive LEC operating in the southeastern U.S., explains that if an incumbent can refuse to allow collocation of any facilities — including integrated multi–functional equipment — competitive LECs will be forced to incur substantial expenses for less efficient or more costly arrangements, which will make them less competitive in local telecommunications markets.[15]

Network Telephone's comments are reinforced by another party, Advanced TelCom Group ("TelCom"), which observes that telecommunications equipment continues to become more multi–functional as technology advances.[16] Thus, TelCom notes, both the development of competition and the extension of advanced network capabilities would be impaired if the Commission were to limit the ability of telecommunications providers to collocate equipment that has capabilities other then those used exclusively for interconnection or access to UNEs.[17] Moreover, TelCom explains that to the extent collocated equipment has additional capabilities, limitations on the ability of the collocator to employ those capabilities imposes inefficiencies that favor the continuation of market control by incumbent carriers.[18]

In its Comments, GSA acknowledged that competitive LECs often have <u>some</u> alternative way to meet every need for equipment or services.[19] However, if

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14 *Id.*

15 Comments of Network Telephone Corp. ("Network Telephone"), p. 3.

16 Comments of TelCom, p. 2.

17 *Id.*

18 *Id.*

19 Comments of GSA, pp. 4–5.

competitors are forced to follow circuitous and costly paths, end users will receive few benefits from competition.[20] Rhythms NetCommunications ("Rhythms") details the disadvantages of stringent rules for assessing the need for collocation, stating:

> In contrast, a strict reading of the term "necessary," one that equates the term to indispensable", could seriously damage competitors'' ability to compete. Equipment limited to "necessary" functionality may not even exist. If it does exist, it may be antiquated, cumbersome or even larger than more efficiently designed multi–use models.[21]

Rhythms continues by explaining that an appropriate "necessary" standard can be implemented without effecting an "unnecessary" taking of LEC property.[22]

In summary, GSA concurs with Rhythms in urging the Commission to adopt a "necessary" standard that will help expand the opportunities for competition, rather than pose additional obstacles to meeting this goal.

B. Competitive LECs describe the need to deploy their line cards at incumbents' facilities.

A significant issue regarding collocation sites is whether the Commission should require incumbent LECs to permit competitors to place line cards at the incumbents' remote terminals. This issue is as vigorously contested as the general requirements for collocation — and along the same lines. For example, the United States Telecom Association ("USTA") asserts that the Commission "should not impose burdensome collocation obligations involving access to incumbent LEC premises for line–sharing or collocation at remote terminal facilities."[23]

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20 *Id.*

21 Comments of Rhythms, p. 12.

22 *Id.*, pp. 12–26.

23 Comments of USTA, p. 7.

In its comments, Verizon also asserts that the Commission cannot lawfully adopt its tentative conclusion to allow competitors to place line cards at remote terminals.[24] According to Verizon, the Telecommunication Act only confers authority for collocation of "equipment."[25] However, line cards cannot be considered "equipment" as the term is employed in the legislation, because they are useless without associated hardware and software, and thus serve no stand–alone function.[26]

GSA urges the Commission to reject these claims. Literal application of a "stand–alone" requirement would lead to exclusion of nearly every device used in telecommunications networks.

Several parties in the current proceeding rebut incumbent carriers' contentions concerning line cards. For example, WorldCom observes that incumbent carriers deploy limited transmission facilities in an effort to control the number of market participants in its service area.[27] To ensure open markets, WorldCom recommends that the Commission (1) require incumbent LECs to allow collocation at remote terminals, (2) permit competitive LECs to use data-capable line cards at those locations, and (3) require incumbents to install adequate transport capacity for transmission to their central offices.[28]

Another carrier, Conectiv Communications ("Conectiv"), also rebuts the claim that line cards are not "stand–alone equipment." Conectiv observes that incumbent carriers acknowledge that line cards and the associated plugs are an "integrated piece

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24 Comments of Verizon, p. 8.

25 *Id.*

26 *Id.*

27 Comments of WorldCom, p. 13.

28 *Id.*

of technology" with capabilities in providing basic telephone services, as well as additional capabilities and functionalities.[29]

GSA concurs with WorldCom and Conectiv on this issue. In its Comments, GSA cited proposals by SBC Communications ("SBC") in Illinois to limit deployment of line cards. In that proceeding, SBC argued that the requirements for line sharing did not extend beyond copper loops to "next generation" digital loop carrier ("DLC") systems.[30] The Illinois Commerce Commission rejected this position, finding that if incumbent carriers were not required to provide line sharing wherever it was technically feasible, incumbent carriers would retain monopoly control as technology advanced.[31] GSA urges the Commission to adopt a similar requirement.

C. Direct links between collocating carriers will provide more opportunities for competition.

Another important issue concerning collocation is whether incumbent LECs should be obliged to link the facilities of multiple competitors who are collocated in the same central office. BellSouth argues that section 251(c)(2) of the Telecommunications Act provides no statutory basis for the Commission to require that incumbent LECs permit collocating carriers to cross–connect among themselves.[32] However, in their own comments, competitors explain that the Commission should not rely on this section of the legislation concerning interconnections among carriers at collocation sites.

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29 Comments of Conectiv, pp. 28–29.

30 Comments of GSA, p. 7, citing Illinois Commerce Commission, Consolidated Petitions for Arbitration between Covad Communications Co. and Ameritech Illinois, and Rhythms Links, Inc. and Ameritech Illinois., Docket Nos. 00–0312 and 00–0313, Arbitration Decision, August 17, 2000, pp. 27–32; and *Telecommunications Reports Daily*, August 28, 2000, p. 4.

31 Arbitration Decision, p. 31.

32 Comments of BellSouth, p. 8.

Covad states that section 251(c)(2) of the Telecommunications Act requires an incumbent LEC to provide, for the facilities and equipment of any requesting telecommunications carrier, interconnections for the transmission and routing of telephone exchange service and exchange access.[33] Covad explains that while this section of the Telecommunications Act addresses interconnections between competitive and incumbent LECs, other sections of the legislation address the requirements for interconnections between multiple competitors at the collocation site. For example, section 251(a)(1) requires each telecommunications carrier "to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers."[34] Moreover, section 251(c)(6) requires an incumbent LEC to permit, pursuant to "just reasonable and non–discriminatory" terms and conditions, collocation of equipment "necessary for interconnection or access to unbundled network elements at the premises of the local exchange carrier."[35]

Continuing on this point, Covad notes that section 251(c)(6) uses the term "interconnection" rather than "interconnection pursuant to section 251(c)(2)" or "interconnection with the incumbent's network."[36] Covad explains that this wording shows that Congress intended to require incumbent LECs to permit competitive LECs to employ collocated equipment for interconnection with another competitive carrier.[37]

From GSA's perspective, Covad's analysis is persuasive. Moreover, other parties describe the importance of cross–connections to other competitive LECs in

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33 Comments of Covad Communications Company, ("Covad"), p. 27, citing 47 U.S.C. § 251(c)(2).

34 *Id.*, citing 47 U.S.C. §251 (a)(1).

35 *Id.*, p. 26, citing 47 U.S.C. § 251(c)(6).

36 *Id.*, p. 28.

37 *Id.*

providing services to their customers. For example, Lightbonding.com ("Lightbonding"), a carrier using fiber optical networks in metropolitan areas, urges the Commission to ensure that the lack of interconnections or other limitations on collocation arrangements do not remain a bottleneck that delays facilities–based competition.[38]

In its comments, Lightbonding explains that if competitive LECs are unable to collocate on incumbent LECs' premises to connect with other competitors, they will not have access to advanced optical network and transport services now under development.[39] Moreover, Lightbonding reports that many incumbent LECs are excluding the competitive LECs which provide advanced network and transport services from their premises, even though the incumbent's fiber transport facilities are unavailable or are unable to provide the service configurations and transmission quality that competitive LECs require.[40]

Other competitive LECs explain the importance of cross–connections from an economic standpoint. For example, NorthPoint Communications ("NorthPoint") states that the inability to obtain cross–connections would increase its interoffice transport costs two– or three–fold in certain central offices, placing the carrier at a competitive disadvantage relative to incumbent carriers which are able to aggregate traffic for efficient delivery over interoffice transport facilities.[41]

GSA concurs with the comments by these competitive LECs. The Commission should require incumbent LECs to allow cross–connections between competitors at collocation sites unless the collocating carriers have equivalent opportunities to

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38 Comments of Lightbonding, p. 2.

39 *Id.*, p. 3.

40 *Id.*

41 Comments of NorthPoint, p. 10.

interconnect at other locations without significant delays or substantial additional costs.[42]

III. NUMEROUS COMMENTS SHOW THE VALUE OF RULES FACILITATING IMPLEMENTATION OF COLLOCATION REQUESTS.

A. Provisioning time limits should reflect the extent of the work required to prepare the collocation site.

The Commission has determined that incumbent LECs must provide physical collocation within 90 days after receiving an application by a competitive LEC.[43] This limit applies for all types of collocation arrangements, unless state regulators have set their own standards, or the competitive and incumbent LECs have agreed to a different schedule.[44] The Commission seeks comments on whether it should adopt a shorter provisioning interval, particularly for collocation arrangements that potentially could be implemented with less difficulty or in cases where the collocating carrier is willing to assist in preparing the collocation site.[45]

In their comments, incumbent LECs seek to extend the provisioning interval. For example, BellSouth urges the Commission to adopt a provisioning interval of at least 120 days as the national standard for "previously unconditioned space."[46] Similarly, Verizon states that the Commission's proposal to shorten the provisioning interval for certain less difficult types of collocation is based on the "mistaken premise" that the 90–day interval can actually be met for the "average" collocation

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42 Comments of GSA, p. 12.

43 Order on Reconsideration, paras. 11–39.

44 *Id.*

45 Second Further Notice, para. 114.

46 Comments of BellSouth, p. 22.

arrangement.[47] According to Verizon, incumbent carriers need more time, not less, to provide collocation arrangements.[48]

In contrast, carriers needing collocation to provide services to their own customers explain that there is often no need for provisioning intervals as long as 90 days. For example, NorthPoint explains that shorter provisioning intervals are justified for cageless collocations and extensions to existing collocation arrangements, because the incumbent LEC then completes only a subset of the activities necessary with initial caged collocation.[49] Thus, NorthPoint urges the Commission to require incumbent LECs to provision cageless collocation as well as collocation "augments" within 45 days of receiving an application.[50]

The Rural Independent Competitive Alliance ("RICA"), an organization of carriers operating principally outside of metropolitan areas, explains that collocation is especially important in the service areas of its member companies, where competition has generally been slow to develop.[51] Also, RICA states that incumbent LECs have significantly delayed competition by "nit–picking" the details of collocation arrangements.[52] To expedite the process, RICA urges the Commission to require cageless collocation in 45 days and to adopt a rule that incumbent LECs must notify carriers seeking collocation immediately after receiving an application as to whether physical collocation is practical, and if not, what other options are in fact available.[53]

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47 Comments of Verizon, p. 21.

48 *Id.*

49 Comments of NorthPoint, p. 22.

50 *Id.*

51 Comments of RICA, pp. 1–2.

52 *Id.*, p. 5.

53 *Id.*, pp. 6–7.

A carrier with extensive experience in implementing interconnections with incumbent LECs in central offices in all types of areas throughout the nation also explains that collocation intervals can be reduced in many situations.[54] AT&T states that the 90–day interval proposed by the Commission is generally appropriate for caged collocation and certain other arrangements in unconditioned space.[55] However, AT&T recommends a limit of 60 days for provision of cageless collocation where conditioned space is available, and a limit as low as 15 or 30 days to augment existing arrangements.[56]

GSA also recommended a variable standard in its Comments. Specifically, GSA suggested a standard similar to that employed by the Public Utility Commission of Texas — maximum intervals of 90 days for caged collocation, 70 days for cageless collocation, and 55 days with significant assistance by the requesting carrier in preparing the collocation site.[57] GSA urges the Commission to adopt these standards, which conservatively permit more time for cageless collocation than recommended by some competitors. Also, GSA recommends adoption of the proposal for a limit in the range of 15 to 30 days for augmentations, depending on the extent of the work required.

B. Guidelines for space reservation policies should expand options for competitors.

In addition to the time allowed for response to requests, additional factors concerning implementation of collocation arrangements will have a significant impact

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54 Comments of AT&T Corp., ("AT&T"), p. 69.

55 *Id.*

56 *Id.*, pp. 68–71.

57 Comments of GSA, p. 9, citing Order on Reconsideration, p. 17.

on the development of competition. For example, GSA has explained the need for uniform guidelines concerning reservation of collocation space.[58]

Incumbent LECs urge the Commission to refrain from adopting a national space reservation policy. For example, BellSouth observes, "Zoning and permitting intervals vary from state to state. The best way for the Commission to ensure reasonable space reservation policies is to permit the negotiation and arbitration process to work."[59]

Similarly, Verizon contends that the space reservation "policy" should be confined to a requirement that incumbent carriers not discriminate among various competitive LECs that are seeking to collocate.[60] According to Verizon, the Commission should not even adopt a default policy to be effective if state regulators fail to establish their own standards.[61]

GSA urges the Commission to reject these recommendations. In the first place, zoning and permitting regulations — which usually vary by municipality rather than state — will seldom accommodate or address the unique issues arising in collocation of telecommunications carriers. Moreover, Federal agencies have observed numerous disputes between collocated carriers on matters such as maintenance of collocation space. These disputes have frequently delayed implementation of competitive selections among alternative local exchange service providers. Uniform national guidelines should help reduce these problems.

In their comments responding to the Notice, competitive LECs are effective in demonstrating the need for national guidelines. For example, CTSI explains:

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58 Comments of GSA, pp. 9–10.

59 Comments of BellSouth, p. 23.

60 Comments of Verizon, p. 33.

61 *Id.*

> In states where space reservation policies have not been implemented, incumbents may be able to thwart competition by reserving space indefinitely. A national standard needs to be established such that disparities in the amount of time incumbent LECs may restrict the availability of collocation space will not lead to inconsistent deployment of advanced services through the U.S.[62]

Other competitors concur with this assessment. For example, Link Networks states that although a few state commissions are in the process of establishing space reservation rules, it is likely that some states will not take this action at any time in the future.[63]

In its comments, Network Access Solutions ("NAS") observes that the Commission has already held that incumbent LECs may not reserve space for future use under terms more favorable than those that apply to competitors.[64] However, NAS reports that compliance with the rule has been mixed. Among the cases cited by NAS is Washington state, where regulators have held that an incumbent carrier may reserve space for its use for one year.[65] In practice, Qwest typically allows competitors to reserve for only 60 days.[66] Therefore, NAS urges the Commission to adopt clear and strong guidelines that require symmetry in the application of reservation practices to all carriers — incumbent and competitive LECs.

In summary, GSA concurs with CTSI, Link and NAS that guidelines providing equitable treatment for all carriers will help foster competition. State regulators should have authority to prescribe their own rules within Commission guidelines, and the Commission can draw upon the procedures that these regulators have found to be

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62 Comments of CTSI Inc. ("CTSI"), pp. 48–49.

63 Comments of Link Networks, p. 35.

64 Comments of NAS, p. 21, citing Order on Reconsideration of First Advanced Services Order, FCC 00–297, released August 10, 2000, para. 33.

65 Comments of NAS, p. 21.

66 *Id.*, p. 22.

effective as a basis for national standards. Indeed, in its Comments, GSA urged that the Commission specify maximum reservation periods of one year for transport equipment, three years for digital cross–connect systems and switching equipment, and five years for power equipment and main distribution frames, considering experience in several states.[67] Based on comments submitted by carriers in this proceeding, GSA urges the Commission to adopt these limits and to reiterate that they are equally applicable for space reservations by incumbent as well as competitive LECs.

IV. CONTRARY TO CLAIMS BY SOME PARTIES, THE COMMISSION SHOULD PROVIDE ADDITIONAL OPPORTUNITIES FOR INTERCONNECTION.

A. Competitive LECs should have options to use copper loop plant that incumbent carriers plan to retire.

Advances in technology have led to additional opportunities for competitive LECs to employ existing local loop plant, even without "collocation" at the facilities of incumbent LECs. For example, incumbent LECs are starting to overlay or replace their existing network architecture with remote terminals, fiber feeder subloops, and "next generation" DLC systems.[68] The copper facilities remaining in place are unused capacity that is usually capable of providing service. Competitive LECs may be able to employ this plant and thus avoid the need to construct duplicative facilities.

Several incumbent LECs contend that competitive LECs should not be given these opportunities. For example, Verizon asserts that the Commission should not force incumbent LECs to retain obsolete plant that business judgment would dictate

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67 Comments of GSA, p. 109.

68 Fifth Further Notice, paras. 118–120.

should be retired in favor of higher-capacity, more advanced technologies.[69] According to Verizon, this policy would discourage innovation, and fail to motivate carriers to deploy new technologies and services for the public.[70]

Sprint also objects to allowing competitive LECs to use such existing plant, stating that the cost of maintaining the copper "can impose a considerable expense on incumbent LECs."[71] Moreover, in Sprint's view, the Commission should not be in the position of "micro-managing decisions" by incumbent LECs as to whether and when to abandon copper plant.[72]

GSA urges the Commission to reject these claims. To GSA's knowledge, no one is proposing that the Commission tell incumbent carriers "whether and when" to abandon any plant. The proposal under consideration in whether incumbent LECs should be required to make plant available that they no longer need and have determined to retire.

Moreover, GSA has acknowledged that incumbent LECs should be made financially whole.[73] In its Comments on this issue, GSA explained that competitive LECs should be allowed to either purchase or lease the plant.[74] In the former case, the competitor would pay the depreciated cost, while in the latter case the competitor would reimburse the incumbent for continuing carrying costs.[75]

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69 Comments of Verizon, p. 38.

70 *Id.*

71 Comments of Sprint Corporation ("Sprint"), p. 38.

72 *Id.*

73 Comments of GSA, p. 13.

74 *Id.*

75 *Id.*

With regard to Verizon's argument that the incumbent carrier has already determined that retiring the plant is the most economical course, GSA urges the Commission to consider that the economics from the standpoint of the competitor may be very different from the economics from the standpoint of the incumbent carrier. Although the incumbent may have better options, use of the existing plant may be the most "cost–effective" choice for the competitor because this course eliminates the need for substantial construction.

Competitive LECs describe the potential value of the LECs' previously used plant. For example, Focal Communications ("Focal") states that because of incumbent LECs' resistance to permitting competitors to collocate at remote terminals, competitive LECs are having problems accessing customers in suburban neighborhoods and rural locations.[76] Thus, permitting incumbent LECs to deny competitors' access to existing copper facilities would essentially impair competition in all areas except the most concentrated urban centers.[77]

Similarly, Conectiv explains that the importance of existing copper plant has not been diminished by new technologies such as DLC.[78] Conectiv explains that with the high cost of fiber–to–the–curb technology, copper is often the most economical choice for the distribution portion of the local loop.[79] Thus, the value of existing plant has increased, particularly for competitive LECs whose business plans are focused on the use of this technology.[80]

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76 Comments of Focal, p. 33.

77 *Id.*

78 Comments of Conectiv, p. 42.

79 *Id.*, p. 44.

80 *Id.*, p. 42.

GSA concurs with the conclusions expressed by Focal and Conectiv. Thus, GSA urges the Commission to adopt a policy that efficiently uses valuable copper loop resources in place if competitors wish to purchase or lease them from an incumbent carrier.[81]

B. Interconnections at remote terminals will aid in developing more competition in suburban and rural locations.

An additional issue concerning interconnection is whether incumbent LECs should be required to allow competitors to cross–connect at remote terminal locations, even if they do not place line cards there.[82] GSA explained that the requirement for incumbent LECs to allow cross–connections at "any technically feasible point" encompasses remote terminals.[83] However, parties opposing collocation at remote terminals also object to cross–connections at those locations. Indeed, Verizon asserts that the Commission has no authority to require cross–connections between competitive LECs at any premises of the incumbent carrier.[84] In summary, Verizon states that competitors should not be permitted to use the incumbents' facilities as a hub even if they offer "cheaper, more convenient, or higher quality" interconnections.[85]

Competitive LECs rebut the contentions of incumbent carriers on this issue. For example, WorldCom argues convincingly that incumbent LECs should be required to provide cross–connects at a remote terminal, as in a central office or other facility

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81 Comments of Focal, p. 33; and Comments of Conectiv, pp. 42–44.

82 Fifth Further Notice, paras. 132–133.

83 Comments of GSA, p. 14, citing *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96–98, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, 15 FCC Rcd 3696 ("*UNE Remand Order*"), para. 179.

84 Comments of Verizon, pp. 12–13.

85 *Id.*

where it is technically feasible.[86] Moreover, WorldCom explains that the Commission should visit the issue of inter–office transport and require incumbent LECs to provide the appropriate access to fiber or unbundled multiplexing equipment that allows competitive access to remote facilities.[87]

Another competitive LEC, RCN Telecom Services ("RCN"), elaborates on the need for access to remote terminals. RCN states that for numerous reasons, including congestion and the need for additional transport, "the remote terminal is becoming the new central office."[88] Indeed, RCN explains, remote terminals are becoming so valuable to competitive LECs that the Commission should be alert to attempts by incumbent LECs to deploy equipment that will not support interconnection.[89] To prevent this anti–competitive practice, WorldCom urges the Commission to take steps to ensure that the equipment which incumbent carriers deploy to interface with competitive LEC facilities is "outfitted with interfaces and protocols that enable efficient interconnections on just and reasonable and nondiscriminatory terms and conditions."[90]

GSA concurs with RCN and WorldCom on the need for more interconnection options. GSA explained that interconnections at remote terminals will ease the need for collocation at central offices, lead to more efficient use of resources, and reduce the need to disrupt traffic for placement of redundant outside plant.[91] Thus, GSA urges the

86 Comments of WorldCom, p. 15.

87 *Id.*, p. 16.

88 Comments of RCN, p. 23.

89 *Id.*

90 *Id.*

91 Comments of GSA, p. 15.

Commission to reject requests by incumbent carriers to limit opportunities for cross–connections outside of central offices.

V. CONCLUSION

As a major user of telecommunications services, GSA urges the Commission to implement the recommendations set forth in these Reply Comments.

Respectfully submitted,

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November 14, 2000

CERTIFICATE OF SERVICE

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