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August 17, 2001

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AUG 17 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Magalie R. Salas, Esq.
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Arbitration of Interconnection Agreement Between Verizon and Cox
CC DOCKET NO. 00-249**

Dear Ms. Salas:

On behalf of our client Cox Virginia Telcom, Inc. ("Cox"), and in accordance with the Commission's procedural orders in the above-referenced proceeding, I transmit to you herewith an original and four copies of the rebuttal testimony of Dr. Francis R. Collins in support of Cox's petition for arbitration of an interconnection agreement with Verizon Virginia Inc.

Please inform me if any questions should arise in connection with this submission.

Respectfully submitted,



J.G. Harrington

Counsel to Cox Virginia Telcom, Inc.

Enclosure

cc: As per the attached service list.

No. of copies rec'd 0+4
ENCLOSURE

CERTIFICATE OF SERVICE

I, Michelle W. Holly, a legal secretary at Dow, Lohnes & Albertson, PLLC do hereby certify that on this 17th day of August, 2001, copies of the foregoing letter and enclosure were served as follows:

TO FCC as follows (by hand):

Dorothy T. Attwood, Chief (8 copies)
Common Carrier Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Jeffrey Dygert
Common Carrier Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Katherine Farroba
Common Carrier Bureau
Federal Communications Commission
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Washington, DC 20554

TO AT&T as follows:

David Levy
Sidley & Austin
1722 Eye Street, NW
Washington, DC 20006

Mark A. Keffer
AT&T
3033 Chain Bridge Road
Oakton, Virginia 22185

TO VERIZON as follows:

Richard D. Gary
Kelly L. Faglioni
Hunton & Williams
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219-4074

Karen Zacharia
David Hall
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Arlington, Virginia 22201

TO WORLDCOM as follows:

Jodie L. Kelley, Esq.
Jenner and Block
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Washington, DC 20005


Michelle W. Holly

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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AUG 17 2001

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

In the matter of)
)
Petition of Cox Virginia Telcom, Inc.)
)
For Arbitration of an Interconnection)
Agreement with Verizon Virginia, Inc.)

CC Docket No. 00-249

**PETITION FOR ARBITRATION
OF COX VIRGINIA TELCOM, INC.**

REBUTTAL TESTIMONY

OF

PROF. FRANCIS R. COLLINS, Ph.D.

ON BEHALF OF

COX VIRGINIA TELCOM, INC.

AUGUST 17, 2001

1 **INTRODUCTION**

2 Q. HAVE YOU FILED DIRECT TESTIMONY IN THIS PROCEEDING?

3 A. Yes. I filed Direct Testimony on July 31, 2001, on behalf of Cox Virginia Telcom, Inc.
4 (“Cox”). I described my qualifications in that testimony and in the attachment to that
5 testimony.

6 Q. DR. COLLINS, WHAT IS THE PURPOSE OF THIS REBUTTAL TESTIMONY?

7 A. My testimony will address matters raised in the direct testimony of witnesses sponsored
8 by Verizon Virginia, Inc. (“Verizon”) that was filed in this proceeding on July 31, 2001.
9 I will use the term “Parties” to refer to Cox and Verizon.

10 **THE ISSUES IN DETAIL**

11 **ISSUE I-1: VERIZON MAY NOT, THROUGH ITS DESIGNATIONS OF**
12 **INTERCONNECTION POINTS OR BY DISCOUNTING THE COMPENSATION IT**
13 **OWES COX, REQUIRE COX TO PAY FOR VERIZON’S DELIVERY OF VERIZON’S**
14 **TRAFFIC TO COX’S NETWORK.**

15
16 Q. DR. COLLINS, PLEASE PROVIDE AN OVERVIEW OF VERIZON’S TESTIMONY
17 CONCERNING NETWORK ARCHITECTURE.

18 A. The issues that relate to network architecture concern how carriers design their networks.
19 As its witnesses’ testimony makes clear, Verizon believes it should be allowed to impose
20 its own network design on competitive local exchange carriers (“CLECs”), such as Cox.
21 Yet, the conceptual design of Verizon’s legacy network is nearly 100 years old.
22 Although it has evolved, those changes were and are extensions from the legacy concepts
23 and are based on narrowband design. While that network is adequate for Verizon’s use,

1 it does not reflect a conceptual architecture based on currently available broadband
2 technology. If Verizon were to construct facilities today to serve its subscribers' needs, it
3 certainly would not duplicate its present network. Cox is building a network utilizing
4 modern technology that does now and will continue to differ radically from Verizon's
5 current network.

6 The Federal Telecommunications Act of 1996, Pub.L. 104-104, 110 Stat. 56 *et seq.*
7 ("1996 Act") and the FCC's implementing rules do not take the view that CLECs can be
8 compelled to adopt either the technology or the network design of an incumbent local
9 exchange carrier ("ILEC") as a condition of interconnection. Such a view would have
10 discouraged competition and reduced the consumer benefits flowing from the 1996 Act.
11 Rather, federal law adopts the principles of economic efficiency and has the specific goal
12 of promoting competition. CLEC network designs are much more efficient and should
13 not be handicapped by requiring unnecessary facilities or points of interconnection, as
14 suggested by Verizon's witnesses. Cox and Verizon are co-carriers, and Verizon attains
15 no special rights by virtue of being the incumbent. The FCC should not, as Verizon's
16 witnesses recommend, reward Verizon for its failure to change the architecture of its
17 network to one which is more contemporary.

18 Q. DO YOU AGREE WITH VERIZON WITNESSES ALBERT AND D'AMICO THAT
19 COX SHOULD PAY VERIZON FOR TRANSPORTING LOCAL CALLS AS IF THEY
20 ARE TOLL CALLS?

21 A. No. Messrs. Albert and D'Amico incorrectly argue that Cox must compensate Verizon
22 for transporting a local call as if it were a toll call unless the call stays within Verizon's

1 local calling area. This argument assumes that the point of interconnection (“POI”),
2 where the physical hand-off takes place, or the interconnection point (“IP”), where
3 financial responsibility attaches, has some relevance to whether a call is local or toll.
4 This has never been the case because a call has always been determined to be local or toll
5 based upon originating and terminating rate centers. If both the originating and
6 terminating rate centers are within a local calling area, the call is deemed to be local, and
7 if not, it is a non-local call. Where the call was switched or the distance between carriers’
8 switches has nothing to do with the determination of whether a call is local or toll. The
9 argument also assumes that Verizon’s local calling area is static. That is not the case. In
10 the past six months, Verizon has added at least 50 new flat rate routes to the Norfolk
11 LATA.

12 The fallacy of the position advanced by Verizon’s testimony is illustrated by Verizon’s
13 own tandem switching practices. Verizon commonly transports its own local traffic, *i.e.*,
14 calls from one Verizon customer to another Verizon customer located in the same local
15 calling area, outside the local calling area for tandem switching. This routing allows
16 Verizon to achieve the efficiencies of tandem switching, even though the end offices
17 serving both Verizon customers are located within their local calling area. This transport
18 beyond the local calling area and tandem switching does not transform a local call into a
19 toll call for traffic between Verizon’s customers and should not do so for CLEC traffic.
20 Indeed, the cost of such transport is borne by Verizon and its average cost is included in
21 its local rates.

22 Verizon witnesses Albert and D’Amico offer a hypothetical case involving a Verizon
23 customer located in Staunton, Virginia, who calls a CLEC customer who is in the same

1 local calling area. Under their scenario, the CLEC's POI is located 90 miles away in
2 Roanoke, which is in the same LATA as Staunton but in a different local calling area. (I
3 note that no current Cox-Verizon interconnection link is more than four miles long.) The
4 testimony alleges that the call "would, in essence, be a toll call because of the CLEC's
5 choice as to the placement of its POI."¹ It further asserts that Verizon would not bill its
6 customer for its costs of handling that call.

7 As discussed above, Verizon's current local rates already recover the costs of a certain
8 level of tandem switching and transport within and without the local calling area. Indeed,
9 the distances that Verizon transports local calls within its own network are similar to
10 those described in the Staunton-to-Roanoke hypothetical. Moreover, I have shown that
11 Verizon's local charges are based neither on where its customers are located nor on the
12 transport distances involved in handling their calls. Notably, in the case of a foreign
13 exchange call, Verizon would not charge its calling customer for a call that terminates
14 outside the local calling area, notwithstanding the high-mileage path of its transport.

15 Verizon recovers the costs of transporting these local calls through its local charges, even
16 though they are routed over long distances. The only call for which Verizon charges its
17 originating customers extra is a toll call which arises when the rate center for the called
18 customer's NXX is outside the local calling area of the calling customer.

19 Adopting Verizon's proposal would force Cox to choose between two economically
20 inefficient options. Either Cox would be required to re-engineer its network to mirror
21 Verizon's legacy network or Cox would be forced to bear costs that result from calls

¹ Albert/D'Amico Direct Testimony at 7.

1 originating on the Verizon network. Either option would be contrary to the principles of
2 the 1996 Act and would put Cox at an unwarranted competitive disadvantage.

3 Q. DR. COLLINS, REGARDING INTERCONNECTION POINTS, HAS THE VERIZON
4 TESTIMONY TAKEN A STATEMENT FROM THE *LOCAL COMPETITION ORDER*²
5 OUT OF CONTEXT, AND IF SO, WHAT IS THE PROPER INTERPRETATION?

6 A. Yes. The *Local Competition Order* addresses the possibility that a CLEC requesting a
7 technically feasible but expensive method of interconnection, and mandates that the
8 CLEC must bear the incumbent's cost of providing that method.³ Also in the *Local*
9 *Competition Order*, the FCC states that competitors have an incentive to make
10 economically efficient interconnection decisions because they must compensate the
11 incumbents for providing such methods of interconnection.⁴

12 The FCC's requirement addresses not the *location* at which interconnection is sought, but
13 rather the *method* of interconnection that is being requested by the CLEC. The Verizon
14 testimony confuses the costs of furnishing transport and the cost of providing an
15 expensive method of interconnection. The Massachusetts commission, in its rejection of
16 Bell Atlantic's proposal to include similar "geographically relevant interconnection
17 points" ("GRIP") language in its interconnection agreements with Greater Media and
18 MediaOne, rejected a similar argument made by Bell Atlantic, stating:

² Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, *First Report and Order*, 11 FCC Rcd 15499 (1996) (the "*Local Competition Order*") (subsequent history omitted).

³ *Id.* at 15603.

⁴ *Id.* at 15608.

1 Bell Atlantic's cite to the FCC's language regarding "expensive interconnection"
2 is not on point because the FCC there was referring to interconnection costs – not
3 transport costs. [FN45]

4 Bell Atlantic is correct that "to the extent [ILECs] incur costs to provide
5 interconnection or access under sections 251(c)(2) or 251(c)(3), [ILECs] may
6 recover such costs from requesting carriers. Local Competition Order at ¶ 200.
7 However, ¶ 200 refers to the cost of establishing and maintaining an
8 interconnection arrangement for a CLEC, not to transport costs. Transport and
9 termination costs within a local service area are covered by the reciprocal
10 compensation rates under § 252(d)(2). Local Compensation Order at ¶ 1034.
11 Traffic originating and terminating outside of the applicable local area would be
12 subject to interstate and intrastate access charges. *Id.* at ¶ 1035.

13 45. "Of course, a requesting carrier that wishes a "technically feasible" but
14 expensive interconnection would, pursuant to section 252(d)(1) [pricing standards
15 for interconnection and network elements charges - standards for state
16 determinations for the just and reasonable rate for the interconnection of facilities
17 and equipment for purposes of subsection (c)(2)] be required to bear the cost of
18 that interconnection, including a reasonable profit." *Local Competition Order* at ¶
19 199. See also section VII ("concluding that requesting carriers must pay [ILECs]
20 the cost of interconnection and unbundling"). *Id.* at ¶ 199, n. 426.⁵

21 The FCC should also reject this argument, based on the same rationale.

22 Q. WHAT WEIGHT SHOULD THE FCC GIVE THE DECISION OF THE COMMISSION
23 IN SOUTH CAROLINA AND NORTH CAROLINA CITED IN VERIZON'S
24 TESTIMONY AND SHOULD THE FCC CONSIDER RELEVANT DECISIONS
25 FROM OTHER STATES?

26 A. The FCC should ignore the decision of the South Carolina commission relied upon by
27 Verizon witnesses Albert and D'Amico.⁶ The network interconnection design proposed
28 by AT&T and rejected by the South Carolina commission in that case (i.e., AT&T's "top

⁵ *MediaOne Telecommunications of Massachusetts, Inc.*, 1999 WL 1067508 (Mass. D.T.E. 1999).

⁶ *In re Petition of AT&T Communications of the Southern States, Inc. for Arbitration of Certain Terms and Conditions of a Proposed Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to 47 U.S.C. § 252*, Docket No. 2000-527C, Order No. 2001-079 (S.C.P.S.C. 2001) at 26-28.

1 of the network” or “equivalent interconnection”) differs significantly from the
2 interconnection design proposed by Cox. In that case, AT&T’s proposal required that,
3 regardless of the number of switches deployed by AT&T (or BellSouth) in a LATA, the
4 number of IPs used by each party would be no greater than the number of tandems
5 deployed by BellSouth in that LATA. In contrast, Cox and Verizon have agreed to
6 designate IPs at every switch with which they interconnect in a LATA and Cox has
7 agreed to end office interconnection when justified by traffic flow.

8 Thus, there are factual differences between Cox’s Virginia proposal and AT&T’s South
9 Carolina proposal that the FCC should take into account in considering the applicability
10 here of the decision of the South Carolina commission. Moreover, Cox has offered
11 Verizon an accommodation that would reduce Verizon’s transport costs by permitting
12 Verizon to establish IPs at all Verizon switches, both end offices and tandems, between
13 which Cox and Verizon interconnect. It is simply not the case that Cox is proposing the
14 establishment of a single IP per LATA.

15 In addition, the South Carolina commission incorrectly concluded that AT&T would not
16 be harmed by its decision. That conclusion ignores the costs for AT&T to lease or build
17 facilities to those BellSouth end offices to which it is not interconnected. Like AT&T in
18 South Carolina, Cox would be forced to build or lease facilities to many new IPs in
19 Virginia if the Verizon proposal were adopted. Thus, Cox would be harmed if the FCC
20 adopted the rationale of the South Carolina commission.

21 The North Carolina decision is instructive because it concluded by urging AT&T to seek
22 a declaratory ruling from the FCC “so that a more definitive statement of this issue may

1 be received from that source.”⁷ In reaching its conclusion, the North Carolina
2 commission complained that “clear legal guideposts are scarce” and that it was forced to
3 “rely more on public policy considerations and on common sense.”⁸ Most troubling was
4 its complaint that the record that it had been provided prevented it from arriving at a more
5 reasonable apportionment of costs between carriers.

6 For these reasons, the FCC should give little weight to the North Carolina commission’s
7 decision as precedent in this proceeding. However, the FCC should accept this decision’s
8 indirect invitation to clarify any ambiguity that remains about the correct interpretation of
9 the *Local Competition Order* regarding this issue.

10 Moreover, other states have ruled against proposals like Verizon’s. For instance, the
11 Oregon Public Utilities Commission (“OPUC”) rejected the precise arguments being
12 advanced by Verizon in this proceeding.⁹ The OPUC held that:

13 We are not prepared to adopt USWC’s proposal to require all carriers to
14 interconnect within each local calling area, because we are concerned that such an
15 approach may impair the ability of competing carriers to implement more
16 advanced network architectures. On the other hand, a reasonable argument can be
17 made that additional compensation should be required of a carrier that seeks to
18 interconnect in a manner *that is extremely inefficient or exhausts existing network*
19 *facilities*.¹⁰

⁷ *In the Matter of Interconnection Agreement Between AT&T Communications of Southern States, Inc. and TCG of the Carolinas, Inc. and Bell South Telecommunications, Inc., Pursuant to the Telecommunications Act of 1996*, Docket Nos. P-140 Sub 73, P-646 Sub 7 (N.C.P.S.C. 2001).

⁸ *Id.*

⁹ *In the Matter of the Petition of AT&T Communications of the Pacific Northwest, Inc., et. al., for Arbitration of Interconnection Rates, Terms, and Conditions Pursuant to 47 U.S.C. Sec. 252(b) of the Telecommunications Act of 1996, Commission Decision* (Or. P.U.C. 1997). This arbitration decision was upheld on this point in *U.S. West Communications, Inc. v. AT&T Communications, Inc.*, 31 F. Supp. 2d 839 n.8 (D. Or. 1998), *rev’d on other grounds, vacated in part*, *U.S. West Communications, Inc. v. Hamilton*, 224 F.3d 1049 (9th Cir. 2000), discussed below.

¹⁰ *Id.* (emphasis added).

1 Thus, the OPUC rejected the notion that CLECs should be required to compensate ILECs
2 for every additional cost imposed on the ILEC by the method of interconnection elected
3 by the CLEC. Instead, Oregon ILECs are entitled to compensation only when the
4 additional costs are “extremely inefficient,” judged in the context of both the CLEC’s and
5 the ILEC’s network architectures. I urge the Commission to adopt the view of the
6 Massachusetts and Oregon commissions.

7 Q. DO YOU HAVE AN ANSWER TO THE QUESTION OF WHETHER THE FEDERAL
8 COURTS HAVE CONSIDERED THIS ISSUE?

9 A. Yes. The two federal District Court decisions cited by Verizon witnesses Albert and
10 D’Amico are not relevant to this proceeding. These courts considered proposals to
11 establish one POI per LATA, which is not at issue in this proceeding. As explained
12 above, Cox and Verizon have agreed to designate IPs at every switch with which they
13 interconnect in a LATA. This is a radically different proposition than that presented to
14 these federal courts, under which a single POI was proposed for each LATA.

15 Verizon also misrepresents the import of these decisions. In the *AT&T* case, the District
16 Court *affirmed* the OPUC’s decision to adopt one POI per LATA, and did not require any
17 further proceeding. The court in *Jennings*, while it did remand the case for further
18 proceedings, stated that “[t]he court rejects [the ILEC’s] contention that a CLEC is
19 always required to establish a point of interconnection in each local exchange area in

1 which it intends to provide service. *That could impose a substantial burden upon the*
2 *CLECs, particularly if they employ a different network architecture than [the ILEC].”*¹¹

3 Even if Verizon had described these cases accurately, it has not met the tests proposed by
4 the District Courts. Both courts stated that an arbitrator should consider whether a CLEC
5 is choosing one POI per LATA in an attempt to maximize an incumbent’s cost to gain an
6 unfair competitive advantage. Verizon has presented no evidence to that effect in this
7 proceeding, and such a motivation plays no part in Cox’s proposal regarding the
8 establishment of Verizon’s IPs. Indeed, as shown above, Verizon’s proposal, not Cox’s,
9 will have anticompetitive effects. For these reasons, these two federal court decisions
10 furnish no support for the position advanced in the Verizon testimony and should be
11 disregarded by the FCC.

12 To my knowledge, the only FCC decision that touches on this issue is a letter dated
13 December 30, 1997, from A. Richard Metzger, Jr., Chief of the Common Carrier Bureau,
14 to Southwestern Bell Telephone Company and several wireless carriers who offer paging
15 service.¹² Mr. Metzger’s letter responded to requests for clarification of whether the
16 FCC’s rules permit a local exchange carrier (“LEC”) to charge a paging service provider
17 for transport facilities used to deliver traffic originating on the LEC’s network. It
18 concluded that a LEC could not impose such charges because it is obligated to deliver its
19 traffic to the paging service provider without charge by Section 51.703(b) of the
20 Commission’s Rules. This rule section provides that a “LEC may not assess charges on

¹¹ *U.S. West Communications, Inc. v. Jennings*, 46 F. Supp. 2d 1004, 1021 (D. Ariz. 1999) (emphasis added).

¹² Letter from A. Richard Metzger, Chief, Common Carrier Bureau, to Keith Davis, Southwestern Bell Telephone, DA 97-2726, 13 FCC Rcd 184 (1997).

1 any other telecommunications carrier for local telecommunications traffic that originates
2 on the LEC's network."¹³ Given the size of paging and wireless carriers' MTAs when
3 compared to the size of ILECs' local calling areas, the rationale expressed in this letter is
4 compelling and should be adopted by the FCC in resolving this issue in this proceeding.

5 Q. HAS VERIZON DEVELOPED AND OFFERED TO COX AN ADDITIONAL
6 PROPOSAL, "VGRIP," AS A COMPROMISE TO VERIZON'S "GRIP" PROPOSAL?

7 A. No. Cox was first made aware of Verizon's Virtual Geographically Relevant
8 Interconnection Point ("VGRIP") arrangement on July 31st in the testimony of Verizon
9 witnesses Albert and D'Amico. Verizon has never proposed such an IP arrangement to
10 Cox in negotiations, did not include proposed language to support a VGRIP arrangement
11 in its Answer to Cox's Petition and did not propose language to support a VGRIP
12 arrangement in Cox's portion of the Joint DPL. I note that Verizon has proposed contract
13 language to support its VGRIP arrangement to AT&T (see Verizon's proposed agreement
14 with AT&T, at Section 4.1.3.2) and to WorldCom (see Verizon's proposed agreement
15 with WorldCom, at Section 2.1.3.1). I can only conclude that Verizon's use of the term
16 "the Petitioners" in its testimony regarding VGRIP was mistaken, and that it meant in
17 every case to refer only to AT&T and WorldCom.

18 Q. WOULD COX AGREE TO VERIZON'S PROPOSED VGRIP ARRANGEMENT IF
19 OFFERED?

¹³ 47 C.F.R. § 51.703(b).

1 A. No. The VGRIP proposal discussed in the Verizon testimony is not a reasonable
2 alternative for Cox because it entails the wrong use of collocation space. Cox pays
3 premium rates for collocation space in Verizon's facilities to carry out its obligation to
4 deliver its traffic to Verizon. Further, Cox bears all other expenses of getting its traffic to
5 that collocated space in Verizon's facilities. It is unreasonable for Verizon to suggest that
6 collocation space, which it furnishes only at a high cost to Cox, should be diverted for
7 Verizon's use in delivering its traffic to Cox. Verizon's testimony also provides no
8 plausible reason to force Cox to bear the expense of bringing Verizon's traffic from
9 Cox's collocation space back to Cox's switches.

10 Q. WHAT SHOULD THE FCC DO TO ADDRESS THIS ISSUE?

11 A. The FCC should approve the recommendations of Cox.

12 **ISSUE I-2: VERIZON MAY NOT REQUIRE THAT COX ELIMINATE ITS MILEAGE-**
13 **SENSITIVE RATE ELEMENT AS A COMPONENT OF ITS ENTRANCE FACILITIES**
14 **RATE.**

15 Q. DO YOU AGREE WITH VERIZON WITNESSES ALBERT AND D'AMICO THAT
16 VERIZON SHOULD NOT BE REQUIRED TO PAY COX A DISTANCE SENSITIVE
17 RATE ELEMENT FOR CONNECTING FACILITIES – SO-CALLED “ENTRANCE
18 FACILITIES?”

19 A. No. Cox's entrance facilities charges should not be limited to non-distance sensitive
20 charges. There is an inexplicable lack of symmetry in this proposal because Verizon
21 wishes to prevent Cox from assessing a charge that Verizon would levy on Cox for
22 equivalent transport. Verizon would not waive its distance sensitive charges for entrance

1 facilities under similar circumstances, so there is no good reason for Cox to be forced to
2 do so.

3 Q. DOES THE VERIZON TESTIMONY MISCONSTRUE COX’S PROPOSAL?

4 A. Yes. The Verizon testimony misstates Cox’s proposal regarding Verizon’s ability to
5 build its own transport facilities to the Cox IP. It is not the case, as charged by Verizon
6 witnesses Albert and D’Amico, that Cox “refuses to allow Verizon” to build such
7 facilities.¹⁴ One way the Parties interconnect today is through a mid-span fiber meet,
8 wherein Cox and Verizon each transports its own traffic up to the meet point. This
9 configuration is used to exchange a substantial amount of Verizon traffic. The Parties
10 have agreed to incorporate provisions for mid-span fiber meets in the agreement being
11 arbitrated.¹⁵ It is therefore absurd to suggest that Verizon cannot provide its own
12 transport facilities under Cox’s proposals.

13 Moreover, as I stated in my direct testimony, Verizon is free to self-provision interoffice
14 transport facilities if it so desires, up to the entrance facility point for Cox’s switching
15 office(s).¹⁶ If Verizon elects not to establish a mid-span meet, transport for the last few

¹⁴ Albert/D’Amico Direct Testimony at 17.

¹⁵ The following agreed-to language, in pertinent part, is contained in the interconnection agreement:

4.4 Alternative Interconnection Arrangements

4.4.1 In addition to the foregoing methods of Interconnection, and subject to mutual agreement of the Parties, the Parties may agree to establish a Mid-Span Fiber Meet arrangement which may include a SONET backbone with an electrical interface at the DS-3 level in accordance with the terms of this subsection 4.4. The fiber meet point shall be designated as the POI for both Parties. In the event the Parties agree to adopt a Mid-Span Fiber Meet arrangement, each Party agrees to (a) bear all expenses associated with the purchase of equipment, materials, or services necessary to facilitate and maintain such arrangement on its side of the fiber hand-off to the other Party and (b) compensate the terminating Party for transport of its traffic from the POI to the terminating Party’s IP at rates set forth in Exhibit A. . . .

¹⁶ Collins Direct Testimony at 12.

1 miles, between the entrance facility point at a Verizon serving wire center, *i.e.*, the
2 Verizon central office nearest Cox's central office, and Verizon's IP at Cox's switch
3 location, would be provided by Cox under Cox's proposal. In Virginia, this distance is
4 estimated to be no more than 4 miles.

5 The assertion by Verizon witnesses Albert and D'Amico that "Cox believes it has the
6 right (1) to establish its IP anywhere in the LATA," suggests the possibility that Verizon
7 is confusing Cox with another petitioner in another arbitration proceeding. Cox believes
8 the Parties have agreed exactly where both Cox's and Verizon's IPs will be established.¹⁷
9 Verizon's testimony also is wrong in comparing Cox's distance sensitive elements to
10 "levying toll-like charges on Verizon VA for a call that originates and terminates in a
11 local calling area."¹⁸ Such a charge is no more "toll-like" than the distance-sensitive
12 charge for a T-1; making a charge mileage-sensitive does not convert a rate into a toll
13 charge.

14 Q. WHAT SHOULD THE FCC DO WITH RESPECT TO THIS ISSUE?

15 A. The FCC should approve the recommendations of Cox.

¹⁷ The following agreed-to language is contained in the interconnection agreement:

4.2.2 Interconnection Points. Each Party shall establish Interconnection Points ("IPs") at the available locations designated in Schedule 4.1. The mutually agreed-upon IPs on the Cox network from which Cox will provide transport and termination of traffic to its Customers shall be designated as the Cox Interconnection Points ("Cox-IPs"). The mutually agreed-upon IPs on the VZ-VA network from which VZ-VA will provide transport and termination of traffic to its Customers shall be designated as the VZ-VA Interconnection Point(s) ("VZ-VA-IP(s)"); provided that such VZ-VA-IP(s) shall be either the VZ-VA terminating End Office serving the VZ-VA Customer (for Interconnection where direct trunking to the VZ-VA End Office is used) or the VZ-VA Tandem subtended by the terminating End Office serving the VZ-VA Customer (for Interconnection where direct trunking to the VZ-VA Tandem is used). Each Party is responsible for delivering its terminating traffic to the other Party's relevant IP.

¹⁸ Albert/D'Amico Direct Testimony at 18.

1 **ISSUE I-3: 47 U.S.C. § 251(C)(6) AND 47 C.F.R. § 51.223(A) DO NOT PERMIT VZ-VA**
2 **TO COMPEL COX TO FURNISH VZ-VA COLLOCATION AT COX FACILITIES IN**
3 **THE SAME MANNER THAT VZ-VA, AS AN ILEC, IS COMPELLED TO FURNISH**
4 **COLLOCATION TO COX AT VZ-VA FACILITIES.**

5 Q. DR. COLLINS, PLEASE ADDRESS THE “COMMON SENSE APPROACH”
6 ADVOCATED IN VERIZON’S TESTIMONY.

7 A. Verizon witnesses Albert and D’Amico claim that Verizon’s proposal that Cox should be
8 compelled to furnish Verizon with physical collocation at Cox facilities is “a common
9 sense approach to collocation.”¹⁹ They would impose the same physical collocation
10 requirement on Cox that the 1996 Act places on incumbents. Such an approach
11 misapprehends why Congress forced incumbents to open their facilities to collocation by
12 CLECs. Congress recognized that incumbents possess and wield market power and other
13 advantages that CLECs lack. Notwithstanding Verizon’s efforts to obscure it, the real
14 common sense has been exercised by Congress in dealing with this vast disparity. Of
15 course, Verizon may not concede that opening its local market to competition necessarily
16 comported with the application of common sense. But that is a quarrel for Verizon to
17 take to Congress, and the FCC should not consider it in this proceeding. Finally, the FCC
18 has adopted a rule against requiring CLECs to provide physical collocation or to meet
19 any other Section 251(c) obligation.²⁰ The FCC should no more reconsider that rule in
20 this proceeding than a state commission would do so in a typical arbitration proceeding.

¹⁹ *Id.* at 28.

²⁰ 47 C.F.R. § 51.223(a) (forbidding state commissions from imposing ILEC obligations, including collocation, on CLECs).

1 Therefore, any question about fairness has been determined in another forum and thus is
2 out of place here.

3 Verizon's testimony claims that "Verizon VA is not asking this Commission to exercise
4 its authority under the Act to compel the Petitioners to provide Verizon VA with
5 reciprocal collocation."²¹ Actually, that is precisely what Verizon is asking the FCC to
6 do: the contractual language that it proposes to resolve this issue would compel Cox to
7 furnish physical collocation upon request.²² Because this result is contrary to the FCC's
8 rules, it must be rejected.²³

9 Q. VERIZON APPARENTLY FEARS THAT UNLESS IT IS ABLE TO OBTAIN A
10 COLLOCATION ARRANGEMENT AT COX'S PREMISES, VERIZON WILL BE
11 TREATED UNFAIRLY BY COX IN OBTAINING INTERCONNECTION. DOES
12 VERIZON HAVE ANY PROTECTION AGAINST BEING TREATED UNFAIRLY BY
13 COX IN ITS QUEST TO OBTAIN INTERCONNECTION AT COX'S FACILITIES?

14 A. Yes. In asserting its need for protection and making various proposals to obtain it, the
15 Verizon testimony overlooks certain safeguards that are already in place. Chief among
16 these is Cox's status as a common carrier. The Communications Act and state law ensure
17 Verizon that Cox cannot unduly discriminate against it or any other carrier. This includes
18 a prohibition on Cox's charging Verizon rates different from those assessed other carriers
19 under the same terms and conditions. Therefore, the proposal of Verizon witnesses

²¹ *Id.*

²² *See* Initial Joint Decision Point List, June 22, 2001, Verizon's proposed Section 4.3.4.

²³ 47 C.F.R. § 51.223(a).

1 Albert and D'Amico to limit Cox's transport rates to no more than those charged by
2 Verizon would be a solution to a problem that does not exist.²⁴

3 However, as discussed previously, the Parties already have agreed to include provisions
4 for shared Mid-Span Fiber Meet arrangements in the agreement.²⁵ This arrangement
5 permits both Cox and Verizon to provide part of the facilities to a meet point and then to
6 employ this shared facility to connect their respective networks. Such an arrangement
7 has been in place in Virginia since 1997, and the Parties have used it successfully. It
8 permits Verizon to control its costs and to engineer and provision its own facilities. From
9 the cost standpoint, the Parties share the costs equally and agree on the traffic termination
10 costs. Also, each Party is entitled to one-half of the capacity of the route. From a
11 network perspective, each Party owns and maintains its portion of the facility.

12 By exercising its election to establish a mid-span meet, Verizon can address its purported
13 concerns that Cox may assess unreasonable transport charges; that it will have no option
14 but to purchase facilities from Cox; and that it may be forced by Cox to haul its traffic
15 over long distances.²⁶ Even if Verizon should elect not to establish a mid-span meet, Cox
16 is willing to furnish transport for the short distance between the entrance facility to
17 Verizon's IP at Cox's switching location at reasonable rates and on a non-discriminatory
18 basis. Therefore, Verizon's fears are groundless.

19 Q. WHAT WOULD YOU RECOMMEND THAT THE FCC DO ABOUT THIS ISSUE?

²⁴ Albert/D'Amico Direct Testimony at 29.

²⁵ See *supra* n. 15.

²⁶ Albert/D'Amico Direct Testimony at 29.