

BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION **RECEIVED**  
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APR 05 2002

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

Review of the Section 251 Unbundling  
Obligations of Incumbent Local Exchange  
Carriers

Implementation of the Local Competition  
Provisions of the Telecommunications Act of  
1996

Deployment of Wireline Services Offering  
Advanced Telecommunications Capability

CC Docket No. 01-338

CC Docket No. 96-98

CC Docket No. 98-147

**COMMENTS**  
of the  
**GENERAL SERVICES ADMINISTRATION**

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## Summary

In many proceedings before this Commission and state regulatory agencies, GSA has described the need to expand unbundling and ensure that competitive LECs have access to a wide selection of UNEs. In these Comments, GSA explains that requirements for UNEs have not diminished. Therefore, any steps that the Commission takes to facilitate access to these network elements will significantly benefit consumers.

GSA asks the Commission not to eliminate unbundling obligations for any currently designated UNEs. GSA also urges the Commission to continue unbundling requirements that encompass a wide range of transmission speeds and technologies. In addition, GSA recommends that the Commission reverse its previous finding and designate local switching as a mandatory UNE for competitors' services to business users in every location, including high density zones in major metropolitan areas.

Many incumbent LECs contend that broadband unbundling requirements should be eliminated to extend the availability of these services to underserved communities. However, GSA urges the Commission to reject these requests, and find instead that broadband unbundling will provide more service options for all end users.

In these Comments, GSA explains that the Commission should refrain from placing unnecessary restrictions on the use of UNEs by competitive LECs. Also, the Commission should not credit claims that unbundling requirements discourage investment by incumbent LECs. The incumbents are motivated to invest because UNEs are priced to recover their incremental costs, including a reasonable return. Indeed, in UNE proceedings where the FEAs have participated, incumbent LECs have included substantial returns in the costs they claim as a basis for UNE charges.

Finally, GSA explains that disaggregation rules should ensure that prices reflect costs in the various geographical areas. In this vein, GSA suggests procedures to help ensure that density zones accurately portray the scope of cost variations throughout a state.

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**COMMENTS**  
of the  
**GENERAL SERVICES ADMINISTRATION**

The General Services Administration ("GSA") submits these Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Notice of Proposed Rulemaking ("Notice") in CC Docket Nos. 01-338, 96-98 and 98-147 released on December 20, 2001. The Notice seeks comments and replies on issues concerning the requirements for incumbent local exchange carriers ("LECs") to make unbundled network elements ("UNEs") available to requesting carriers.

**I. INTRODUCTION**

Pursuant to Section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. 481(a)(4), GSA is vested with the responsibility to represent the customer interests of the FEAs before Federal and state

regulatory agencies. From their perspective as end users, the FEAs have consistently supported the Commission's efforts to bring the benefits of competitive markets to consumers of all telecommunications services.

Congress included several provisions in the Telecommunications Act to help competitors overcome obstacles resulting from control of bottleneck local telecommunications facilities by incumbent LECs.<sup>1</sup> One of the most significant parts of this legislation is the requirement for incumbent LECs to unbundle their networks and make the unbundled elements available to competitors.<sup>2</sup> In mid-1996, the Commission applied this statute and listed the network elements that must be unbundled to give competitive LECs an equal chance to compete.<sup>3</sup>

Pursuant to a remand by the U.S. Supreme Court, the Commission revisited this unbundling analysis in 1999.<sup>4</sup> At that time, the Commission redefined its unbundling requirements. However, recognizing that market conditions and technology will change, the Commission stated that it would revisit its unbundling rules again in three years. The Commission addresses this objective through the instant Notice.<sup>5</sup>

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<sup>1</sup> Pub. L. No. 104-104, 110 Stat. 56, codified at 47 U.S.C. § 151 *et seq.* ("Telecommunications Act"), section 251.

<sup>2</sup> *Id.*, section 251(c)(3).

<sup>3</sup> *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-98, First Report and Order, 11 FCC Rcd 15499 (1996) ("*Local Competition First Report and Order*"), *aff'd in part and vacated in part sub. nom., Competitive Telecommunications Ass'n v. FCC*, 117 F.3d 1068 (8th Cir. 1997) and *Iowa Utils. Bd. v. FCC*, 120 F.3d 753 (8th Cir. 1997) *aff'd in part and remanded, AT&T v. Iowa Utils. Bd.*, 525 U.S. 366 (1999), on remand, *Iowa Utils Bd. v. FCC*, 219 S. Ct. 8R7, 878 (2001); Order on Reconsideration, 11 FCC Rcd 13042 (1996), Second Order on Reconsideration, 11 FCC Rcd 19738 (1996), Third Order on Reconsideration and Further Notice of Proposed Rulemaking, 12 FCC Rcd 12460 (1997), further recons. pending.

<sup>4</sup> *Iowa Utils. Bd.*, 525 U.S. at 366; and *UNE Remand Order*, 15 FCC Rcd at 3696.

<sup>5</sup> Notice, para. 1.

**II. IN PROCEEDINGS BEFORE THIS COMMISSION AND NUMEROUS STATE REGULATORY AGENCIES, GSA HAS EMPHASIZED THAT ACTIONS TO EXPAND UNBUNDLING WILL BENEFIT CONSUMERS.**

As end users of telecommunications services, Federal agencies do not have direct access to UNEs provided by any incumbent LECs. However, the prices, terms and conditions for UNEs provided to competitive LECs determine in large measure whether or not there will be vigorous competition for local telecommunications services.

Soon after CC Docket No. 96-98 was initiated, GSA responded to the Commission's Notice of Proposed Rulemaking to provide its recommendations on UNEs and other interconnection issues.<sup>6</sup> In its initial submission, GSA urged the Commission to adopt comprehensive rules to ensure efficient and timely implementation of the pro-competitive provisions of the Telecommunications Act.<sup>7</sup>

GSA continued to present its positions and recommendations regarding UNEs through Comments and Reply Comments in successive phases of CC Docket No. 96-98. Most recently, GSA submitted Comments and Reply Comments on the need for performance measurements and standards for UNEs.<sup>8</sup> In those submissions, GSA emphasized that competitive LECs need consistently high quality levels to meet the needs of end users such as Federal agencies, which contract for telecommunications services throughout the nation.<sup>9</sup>

In addition, GSA has specifically addressed issues concerning competitive LEC access to UNEs for broadband services. For example, in Comments in CC Docket No.

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<sup>6</sup> Notice of Proposed Rulemaking, FCC 96-182, released April 19, 1996.

<sup>7</sup> Comments of GSA and the U.S. Department of Defense, May 16, 1996, pp. 3-11.

<sup>8</sup> Comments of GSA, January 22, 2002; and Reply Comments of GSA, February 12, 2002.

<sup>9</sup> Comments of GSA, January 22, 2002, pp. 3-6; and Reply Comments of GSA, February 12, 2002, pp. 3-7.

96-98, as well as CC Docket No. 98-147, GSA emphasized that increased access to broadband UNEs by competitive LECs would provide opportunities for these carriers to offer services that are in high demand by consumers.<sup>10</sup>

Finally, GSA has participated in relevant proceedings at the state level. Specifically, the FEAs submitted testimony and comments before numerous state regulatory agencies to describe their need for UNEs and provide recommendations regarding UNE rates and rate structures. Indeed, many state regulatory agencies have convened a "second round" of UNE proceedings in view of changes in technology, cost structures, and other factors in the past few years. GSA has participated in five of these "second round" UNE proceedings in the past 18 months.<sup>11</sup>

In summary, the issues identified in the instant Notice build on issues that GSA has addressed through many submissions to this Commission, and through testimony and pleadings in evidentiary proceedings before many state regulatory agencies. In all cases, the gravamen of GSA's position is that there should be more competition to ensure that end users can obtain the best telecommunications services at the lowest possible costs. If competitive LECs cannot obtain all the UNEs that they need from incumbent LECs at reasonable prices, terms and conditions, there will be less competition and fewer alternatives available to the government and other end users.

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<sup>10</sup> See, for example, CC Docket No. 96-98, Comments of GSA, June 11, 2001, pp. 7-8; CC Docket No. 96-98, Reply Comments of GSA, June 25, 1998, pp. 6-8; CC Docket No. 98-147, Comments of GSA, September 25, 1998, pp. 14-15; and CC Docket No. 98-147, Reply Comments of GSA, October 16, 1998, pp. 13-15.

<sup>11</sup> California Public Utilities Commission Docket No. A.01-20-024, Georgia Public Service Commission Docket No. 14361-U, Maryland Public Service Commission Case No. 8879, Massachusetts Department of Telecommunications and Energy D.T.E. 01-20, and New York Public Service Commission Case No. 98-C-1357.

**III. THE COMMISSION SHOULD ENSURE THAT COMPETITORS HAVE A WIDE SELECTION OF UNEs.**

**A. None of the current mandatory unbundling requirements should be eliminated.**

In the *UNE Remand Order*, the Commission designated seven major network elements for unbundling: (1) local loops; (2) sub-loops; (3) network interface devices (“NIDs”); local circuit switching; (5) interoffice transmission facilities; (6) signalling and call-related data bases; and (7) operations support systems (“OSS”).<sup>12</sup> In an order released subsequently, the Commission added the high frequency portion of the loop to the list of elements with unbundling requirements.<sup>13</sup>

GSA urges the Commission to continue requirements for unbundling all of these major elements. Moreover, unbundling should continue to the granularity previously mandated. For example, requirements for unbundling local loops should continue to encompass all available loop capacities (e.g., DS1, DS3, OC3), as well as dark fiber.<sup>14</sup> Similarly, the Commission should maintain requirements to unbundle interoffice transmission facilities from DS1 to OC96 capacity levels, and higher capacities as they evolve over time.<sup>15</sup>

Although the menu of required UNEs has expanded somewhat since 1996, there has been one contraction. Operator services and directory assistance (“OS/DA”) were designated for unbundling in the *Local Competition First Report and Order*, but the Commission eliminated this requirement in the *UNE Remand Order* because of claimed competitive alternatives.<sup>16</sup>

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<sup>12</sup> Notice, para. 10.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*, para. 48.

<sup>15</sup> *Id.*, para. 61.

<sup>16</sup> *Id.*, para. 34.

The consequences of removing the unbundling requirements for OS/DA were evident at a state regulatory proceeding where the FEAs participated last year. Referencing the fact that OS/DA had been withdrawn from the mandatory unbundling list, the incumbent LEC took advantage of the opportunity to employ a different pricing approach — with charges greater than Total Element Long-Run Incremental Costs (“TELRIC”).<sup>17</sup>

The incumbent LEC’s pricing approach in this instance raises the question of whether head-to-head competition actually exists, because vigorous competition should drive prices down rather than up. In any event, events show the value of the Commission’s unbundling requirements in maintaining lower charges that will ultimately benefit all consumers.

**B. Local switching should be a mandatory UNE for competitors’ services to all business users at every location, including high density areas.**

In the *UNE Remand Order*, the Commission designated “local switching capability” as a mandatory UNE.<sup>18</sup> However, the Commission limited the requirement to provide this UNE, finding that lack of access to unbundled local circuit switching would not impair competitors in all circumstances.<sup>19</sup> Specifically, the Commission ruled that incumbent LECs would not be required to provide unbundled local switching to competitive LECs serving customers with four or more access lines in the highest of three density zones in the nation’s 50 largest metropolitan statistical areas (“MSAs”).<sup>20</sup>

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<sup>17</sup> New York Public Service Commission Case No. 98-C-1358, Initial Post Hearing Brief of the U.S. Department of Defense and All Other Federal Executive Agencies, February 16, 2001, pp. 18-19.

<sup>18</sup> *UNE Remand Order*, 15 FCC Rcd at 3808-09, 3822, paras. 253, 275.

<sup>19</sup> Notice, para. 56.

<sup>20</sup> *Id.*

In the Notice, the Commission seeks comments on whether this restriction, which it denotes as a “carve-out”, should be continued, altered or refined.<sup>21</sup>

GSA urges the Commission to abandon the “carve-out” and make local switching mandatory as a UNE for competitors serving all end users throughout the nation. There is evidence that the availability of local switching as a UNE in major metropolitan areas leads to significantly more competition.

In general, state regulatory agencies are permitted to adopt broader unbundling requirements than those prescribed by the Commission. Testimony by a witness for competitive LECs in a proceeding before a state regulatory agency explained that at least two populous states have taken this step with respect to the “four-line limitation” for local switching mentioned above.<sup>22</sup> Moreover, the witness cites a comparison between the aggregate market share of all competitors in those two states and the competitors’ market share in the nine states served by a major incumbent LEC that have not acted independently to extend unbundling requirements for local switching to the large metropolitan areas. Competitors’ penetration rates through resale of incumbents’ services are comparable for the two groups. However, in the states with extended requirements for local switching, competitors have three to four times the market share through UNEs.<sup>23</sup>

From GSA’s perspective, this evidence is persuasive. Federal agencies have extensive local telecommunications requirements in all major metropolitan areas. Indeed, GSA instituted the Metropolitan Area Acquisition (“MAA”) program to achieve

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21 *Id.*

22 Georgia Public Service Commission, Docket No. 14361-U, Direct Testimony of Joseph Gillan, February 18, 2002, p. 9, citing *Assessing the Effectiveness of Section 271 Five Years After the Telecommunications Act of 1996*, Daniel R. Shiman and Jessica Rosenworcel, October 2001.

23 *Id.*

the benefits of competition for local services in more than 20 major urban areas throughout the nation. At many locations in the highest density zone of these areas, Federal agencies have requirements for at least four access lines. Therefore, the "four-line limitation" in the largest metropolitan may be discouraging competitive LECs from participating in competitive procurements by FEAs.

In addition to the FEAs, competitive LECs may be limited in their ability to serve state and local government agencies and commercial users that have multiple access lines at center-city locations in the largest metropolitan areas. To expand the benefits of competition, GSA urges the Commission to discard the limitation on unbundling requirements for local switching.

**C. Broadband unbundling is important to provide alternatives for residential, government and business users.**

Incumbent LECs have nearly unlimited ability to provide broadband services, but they are seeking legislation that would end their mandate to unbundle the facilities used to provide them. From its perspective as an end user, GSA urges the Commission not to eliminate or reduce requirements for unbundling broadband services unless required by new legislation to do so.

The Association for Local Telecommunications Services ("ALTS") recently reported that incumbent LECs provide inferior quality service to their competitors for UNEs related to both voice and data offerings.<sup>24</sup> Apparently, incumbent LECs have both the means and the motive to disadvantage their broadband competitors. Incumbents' requests for deregulation of broadband facilities demonstrate their

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<sup>24</sup> *In the Matter of Review of Regulatory Requirements for Incumbent LEC Broadband Telecommunications Services*, CC Docket No. 01-337, Comments of ALTS, March 1, 2002, p. 8.

continuing motivation to block or discourage other carriers from providing these services.

In addition, ALTS explains that incumbent LECs still enjoy significant market power for broadband services to residential subscribers because there are still many residential neighborhoods where no cable modem alternative exists.<sup>25</sup> Moreover, the presence of an alternative provider or the existence of some competition in a geographical area does not signify that the incumbent LEC lacks substantial market power.<sup>26</sup> Incumbents have the “branding” advantage and a link to many consumers as the supplier of other telecommunications services.

Moreover, large users are captive to incumbent LECs for broadband services in spite of their size and greater “buying power.” The Ad Hoc Telecommunications Users Committee (“Ad Hoc”) reports that its members have no competitive alternatives to meet their broadband communications requirements in the overwhelming majority of service locations.<sup>27</sup> Ad Hoc states:

Even where competitive alternative are nominally “available,” members are able to make little use of those competitor services for a variety of reasons.<sup>28</sup>

Ad Hoc details the difficulties reported in a comprehensive survey of its members.<sup>29</sup>

In the first place, Ad Hoc observes that there is facilities-based competition only in a small fraction of the locations where its members have data communications needs.<sup>30</sup> Secondly, Ad Hoc notes that “issues of total cost, network integration,

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25 *Id.*

26 *Id.*, p. 6.

27 *Id.*, Comments of Ad Hoc, March 1, 2002, p. 14.

28 *Id.*

29 *Id.*, pp. 14-17.

30 *Id.*, p. 15.

reliability, and responsiveness” determine whether a competitor’s service is a viable alternative.<sup>31</sup> It is not enough to have competitors “operating” in the market. The quality as well as the quantity of the competition are important factors for end users. The FEAs submit that provision of services through UNEs, with monitoring of performance levels, should help improve quality of options offered by competitors.

In summary, residential, government and business users need alternative providers for all services. To ensure vigorous competition, GSA urges the Commission to continue requirements for unbundling broadband offerings.

#### **IV. THE COMMISSION SHOULD TAKE STEPS TO FACILITATE COMPETITORS’ ACCESS TO UNEs.**

##### **A. Whenever possible, “impair” standards should be construed in favor of requirements to unbundle networks.**

In the *Local Competition First Report and Order*, the Commission interpreted the terms “necessary” and “impair” in section 251(d)(2) of the Telecommunications Act to require incumbent LECs to make UNEs available whenever it is technically feasible to do so.<sup>32</sup> On remand, the Commission adopted more restrictive conditions, finding that a proprietary network element is “necessary” if, taking into consideration the availability of alternative elements outside the incumbent’s network (including self-provisioning by the requesting carrier) lack of access “would as a practical, economic and operational matter preclude a requesting carrier from providing the services it seeks to offer.”<sup>33</sup> For non-proprietary elements, the test is whether lack of access materially diminishes a requesting carrier’s ability to provide the services.<sup>34</sup>

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31 *Id.*, p. 16.

32 *Local Competition First Report and Order*, paras. 288-288.

33 CC Docket No. 96-98, Third Report and Order and Fourth Further Notice of Proposed Rulemaking 15 FCC Rcd 3696, (“*UNE Remand Order*”), para. 44 (emphasis in original).

34 *Id.*, para. 51 (emphasis supplied).

Although the requirements for incumbent LECs to make UNEs available are now more tightly defined than in the initial order, there is still considerable latitude for application of the Commission's goals in the circumstances of each case. Descriptors such as "preclude" and "diminish" are capable of various interpretations, and alternative words would be equally subjective. In view of this latitude, GSA urges the Commission to take any possible steps to ensure that the rules are most often construed as a requirement to provide UNEs, rather than as an excuse to avoid this obligation.

For example, the Notice observes that several major incumbent LECs have argued that unbundling requirements may discourage them from investing in additional facilities.<sup>35</sup> The Commission asks parties to comment on the weight to be given these claims.<sup>36</sup>

GSA urges the Commission not to heed claims that unbundling requirements discourage investment by incumbent LECs. There is ample incentive for investment by LECs because UNEs are priced to reflect their TELRIC, including a reasonable return, a provision of the *Local Competition First Report and Order* that was upheld by the Supreme Court.<sup>37</sup>

Moreover, in state UNE proceedings where the FEAs have participated, incumbent LECs have included substantial returns on investment in the costs they claim as a basis for their UNE charges. Indeed, incumbent LECs have maintained that returns included in the costs for UNEs should reflect alleged added risks of providing UNEs in a competitive market, and therefore should exceed the earnings for all units of the company on a consolidated basis.

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<sup>35</sup> Notice, para. 23.

<sup>36</sup> *Id.*, para. 24.

<sup>37</sup> *UNE Remand Order*, para. 1.

Considering that incumbent carriers have a “monopoly” in the market for UNEs because they are the only firms which can provide unbundled access to their own networks, the claims of “high risk” are specious. Consequently, one of the principal conclusions of the FEAs as participants in state UNE proceedings has been that the incumbent LECs’ alleged return “requirements” were far above reasonable levels.<sup>38</sup> Indeed, as long as incumbent LECs can price UNEs to earn the prevailing rate of return, or more, they should have ample motivation to make the investment needed to provide these elements along with the services that they provide directly to their own customers. GSA urges the Commission not to restrict UNE availability based on contentions to the contrary.

In addition, GSA urges the Commission to refrain from placing restrictions on the use of UNEs by competitive LECs. To address a question posed in the Notice, the Telecommunications Act does not suggest that unbundling obligations depend on the particular “service” that the requesting carrier plans to offer.<sup>39</sup> From GSA’s perspective as an end user, competitive LECs should have the sole discretion to determine which services they will provide with the UNEs that they obtain from incumbent carriers.

**B. Disaggregation rules should ensure that UNE charges accurately reflect cost variations among geographical areas.**

To allow carriers to compete everywhere with incumbent LECs, it is necessary that UNE charges accurately reflect cost variations among various types of areas. For local loops, costs depend strongly on subscriber density. Where there is a high

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<sup>38</sup> See, for example, New York Public Service Commission Case No. 98-C-1358, Initial Post-Hearing Brief of the U.S. Department of Defense and All Other Federal Executive Agencies, February 16, 2001, pp. 8-13; and Maryland Public Service Commission Case No. 8879, Initial Post-Hearing Brief of the U.S. Department of Defense and All Other Federal Executive Agencies, January 18, 2002, pp. 8-10.

<sup>39</sup> Notice, para. 37, citing Telecommunications Act, section 252(d)(2).

concentration of business or residence users, local loops are shorter and employ greater cross-section cables that have lower costs per access path. To address these effects, the Commission's Rule 51.507(f) requires state regulators to establish different prices for certain UNEs in at least three cost-related zones. GSA's participation in UNE proceedings before state commissions demonstrates the advisability of strengthening this requirement.

GSA's experience shows that a geographical breakdown may be "cost-related" but still fail to portray the extent of cost variation among various parts of the state very accurately. For example, in one proceeding, the incumbent LEC defined UNE pricing zones on the basis of "rate groups". In this jurisdiction, as in nearly every case within the FEAs' experience, rate groups are defined by some measure of the number of access lines.<sup>40</sup> Places in the most populous metropolitan area are in the "highest" rate group because there are a greater total number of access lines within the local "free" calling area. Conversely, towns and rural areas with few access lines are in the "lowest" rate group.

The incumbent LEC proposed that the rate group structure, adopted for pricing local exchange service, should also be employed for pricing UNEs.<sup>41</sup> However, while the rate group structure is cost-related, it does not provide a good model of cost dependencies. This was demonstrated by the fact that for several types of local loops that should have significant cost variations geographically, costs shown by the incumbent LEC were almost flat among the proposed UNE pricing zones. Moreover, for some types of local loops there were inversions where the middle of three UNE pricing zones had lower costs than the zone for the largest metropolitan area.

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<sup>40</sup> Georgia Public Service Commission Docket No. 14361, Direct Testimony of BellSouth witness Cynthia K. Cox, October 1, 2001, pp. 10-12.

<sup>41</sup> *Id.*

One likely cause of this effect is that some outlying communities in the largest metropolitan areas have very low population densities and hence relatively high costs. On the other hand, medium-sized cities have fewer telephones in the local calling area, but higher population densities, and lower costs overall.

For whatever reason, density zones that are defined as congruent to local exchange rate groups reflecting the number of access lines in the local calling area are a poor surrogate for UNE costs. GSA urges the Commission to amend its disaggregation rule so that this procedure is not used. There are several better alternatives.

The most direct procedure is to compute the average cost of local loops for each wire center. Wire centers would be divided into UNE pricing zones on this basis. For example, one regulatory commission rejected the request of an incumbent LEC and adopted a three-zone system based directly on wire center costs, with Zone 1 consisting of wire centers with loops that cost up to 100 percent of the statewide average cost, Zone 2 consisting of wire centers with loop costs greater than 100 percent up to 200 percent of the statewide average, and Zone 3 consisting of wire centers with loop costs more than 200 percent of the statewide average.<sup>42</sup>

To avoid computation of the costs for each wire center, an alternative would be to use subscriber density as a surrogate for cost. The procedure would determine the subscriber density for each wire center serving area. Subscriber density would be measured by dividing the total number of access lines for the wire center by the area served. Wire centers would be ranked by subscriber density, computed in this way, and divided into groups or density zones according to this ranking.

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<sup>42</sup> Louisiana Public Service Commission, Order No. U-24714 (Sub-docket A), decided September 19, 2001, p. 15.

GSA recommends that the Commission require a geographical disaggregation method such as those described here that tracks costs more accurately among geographical areas. An additional step for modeling costs more accurately would be to require more than three UNE pricing zones. The FEAs have observed that studies for seven or eight pricing zones using the Commission's Synthesis Model show cost variations of at least ten-to-one between the most dense and least dense zones.<sup>43</sup> Considerable precision is lost in collapsing to three pricing zones. Therefore, GSA urges the Commission to consider increasing the UNE pricing requirements to at least four or five pricing zones.

Finally, regardless of the number of UNE pricing zones that are employed, GSA urges the Commission to prescribe guidelines for measuring the accuracy of the zone structure employed to reflect cost variations. For example, based on the FEAs' experience with the Synthesis Model, any plan that does not demonstrate a variation of at least two- or three-to-one between the most expensive and the least expensive zones is probably not modeling the variation of costs between densely populated and sparsely populated areas very accurately.

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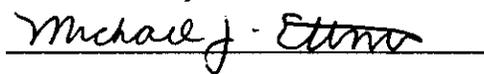
<sup>43</sup> *In the Matter of Federal-State Joint Board on Universal Service, Forward-Looking Mechanism for High Cost Support for Non-Rural LECs*, CC Docket Nos. 96-45 and 97-160, Tenth Report and Order, FCC 99-304, released November 2, 1999.

## V. CONCLUSION

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

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April 5, 2002

## CERTIFICATE OF SERVICE

I, MICHAEL J. ETTNER, do hereby certify that copies of the foregoing "Comments of the General Services Administration" were served this 5th day of April 2002, by hand delivery or postage paid to the following parties.

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