

## **ATTACHMENT 13**

### **DECLARATION OF JONATHAN P. POWELL AND STEPHEN M. OWENS**

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

In the Matter of )  
)  
Verizon Communications Inc. and )  
MCI, Inc. ) WC Docket No. 05-75  
Applications for Approval of )  
Transfer of Control )

**DECLARATION OF JONATHAN P. POWELL AND  
STEPHEN M. OWENS**

1. My name is Jonathan P. Powell. I am Director, Wholesale Pricing - Data for MCI. I have responsibility for the competitive positioning and pricing of MCI's wholesale Metro Private Line service. My business address is 6929 North Lakewood, Tulsa, Oklahoma.
2. My name is Stephen M. Owens. I am Director of Access Planning & Optimization. My group is responsible for the planning, engineering, and optimization for all interconnects with MCI's access vendors. In that capacity, I am responsible for evaluating, planning, and implementing fiber-based collocations and other extensions of MCI's local networks. My business address is 22001 Loudoun County Parkway, Ashburn, Virginia.
3. The purpose of this declaration is to describe MCI's local network facilities and MCI's provision of wholesale and retail services using such facilities.

**I. Description of MCI's Local Facilities**

4. MCI has constructed over 80 local fiber networks in the United States. In Verizon-East territory, MCI has local networks in 16 cities: Albany, NY; Baltimore, MD;

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- Boston, MA; Buffalo, NY; Nashua, NH; metropolitan New York, NY (consisting of MCI's Long Island, Manhattan, New Jersey, and White Plains networks, which are interconnected); Philadelphia, PA; Pittsburgh, PA; Portland, ME; Providence, RI; Richmond, VA; Springfield, MA; Syracuse, NY; Washington, DC; and Wilmington, DE.
5. MCI also has a local network in Verizon-West's Tampa, FL territory, and additional local networks that are largely in SBC or Qwest territory but have small sections in Verizon-West territory.
  6. MCI has provided to Verizon the detailed locations of its local fiber networks in Verizon territory, which Verizon has determined fall within 39 clusters of contiguous Verizon wire center serving areas. *See* Declaration of Quintin Lew and Ronald H. Lataille.
  7. Without exception, MCI's local fiber networks span only a small part of each metropolitan area. Because the construction of local fiber facilities is capital-intensive and time-consuming, MCI has focused its local network construction on those areas in which large numbers of existing and potential customers are located and in which there is high demand for communications services. Typically, such concentrations of high demand for communications services are found in the downtown core of cities or in certain suburban areas in which there are large numbers of customers in the financial, high technology, or other communications-intensive industries. For example, in the Washington, DC, area, MCI has local fiber routes in downtown Washington, DC and in the high-technology corridors extending to

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Reston, VA and Rockville, MD. In other cities, MCI's network scope is even more limited because the area of high demand for communications services is even more concentrated. In Buffalo, NY, for example, MCI's local fiber traverses only 16 route miles in the core of Buffalo.

8. In each local city, MCI has extended its local fiber network to those buildings that have the highest levels of demand, such as large office buildings, corporate headquarters campuses, and carrier hotels. In the nation as a whole, MCI has approximately **[BEGIN PROPRIETARY]** **[END PROPRIETARY]** "on-net" buildings – buildings in which MCI can serve customers entirely over its own facilities. Although some of the buildings included in this tally are carrier hotels, incumbent LEC central offices, or IXC POPs, most of MCI's on-net buildings are large office buildings, corporate campus buildings, or other end-user locations.
9. Of MCI's on-net buildings, approximately one-third are in the Verizon footprint. In the Verizon incumbent LEC territory in the Northeast and Mid-Atlantic, MCI has **[BEGIN PROPRIETARY]** **[END PROPRIETARY]** on-net buildings in the District of Columbia, **[BEGIN PROPRIETARY]** **[END PROPRIETARY]** on-net buildings in Delaware, **[BEGIN PROPRIETARY]** **[END PROPRIETARY]** on-net buildings in Maryland, **[BEGIN PROPRIETARY]** **[END PROPRIETARY]** on-net buildings in Maine, **[BEGIN PROPRIETARY]** **[END PROPRIETARY]** on-net buildings in New Hampshire, **[BEGIN PROPRIETARY]** **[END PROPRIETARY]** on-net buildings in New Jersey, **[BEGIN PROPRIETARY]** **[END PROPRIETARY]** on-net buildings in New

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- York, [BEGIN PROPRIETARY] [END PROPRIETARY] on-net buildings in Pennsylvania, [BEGIN PROPRIETARY] [END PROPRIETARY] on-net buildings in Rhode Island, and [BEGIN PROPRIETARY] [END PROPRIETARY] on-net buildings in Virginia. MCI also has a limited number of on-net buildings in Verizon-West territory, primarily in Florida, Texas, California, and Oregon.
10. In order to reach “off-net” customer buildings, MCI obtains high-capacity circuits either from other CLECs or, more commonly, from the incumbent LEC. MCI typically purchases incumbent LEC circuits from the incumbent LEC’s special access tariff. Those special access circuits may consist of both interoffice transport and a channel termination, or, if the end user is served by a central office in which MCI has established a fiber-based collocation, a channel termination alone.
11. In deciding where to establish fiber-based collocations, MCI has targeted those incumbent LEC wire centers with the highest levels of demand for communications services. In the nation as a whole, MCI has established a total of [BEGIN PROPRIETARY] [END PROPRIETARY] “on-net” fiber-based collocations. Of those [BEGIN PROPRIETARY] [END PROPRIETARY] fiber-based collocations, [BEGIN PROPRIETARY] [END PROPRIETARY] are in Verizon central offices.
- II. Services Provided Using MCI’s Local Fiber Networks**
12. MCI uses its local fiber networks to offer a full range of telecommunications services to both business and wholesale customers. First, MCI uses its local fiber networks to

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- connect customers to MCI's long-haul voice, data, and IP networks. By delivering voice, data, and IP services to customers in on-net buildings over MCI's own local network facilities, MCI can control service quality from end-to-end and can also reduce the cost of providing service.
13. Second, MCI uses its local fiber networks to offer local services, including local private line services, special access services, metropolitan area frame relay services, and switched business local exchange services. Switched local voice services are provided to business customers using MCI's Class 5 circuit switches associated with each MCI local network.
  14. For wholesale customers, MCI's primary local service offering is its "Metro Private Line" Service. In most applications, Metro Private Line is equivalent to the incumbent LECs' special access service offering. It provides dedicated point-to-point and point-to-multipoint DS1, DS3, and SONET circuits between carrier hotels, incumbent LEC central offices, interexchange carrier POPs and end user locations. Interexchange carriers account for the bulk of MCI's wholesale Metro Private Line revenue, although MCI also receives a smaller amount of Metro Private Line revenue from CLECs, wireless carriers, and ISPs.
  15. MCI also offers its Metro Private Line services through retail sales channels, although retail customers represent only about 25 percent of MCI's Metro Private Line revenue. MCI's retail Metro Private Line customers range widely in size and in service needs. For example, MCI serves banks that need connections between multiple branch offices in one city; school districts that need connectivity to their

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- ISPs; and numerous other customers that need connections from one metro site to another metro site or to an interexchange carrier, including healthcare providers, insurance institutions, manufacturing companies, retail businesses, technology companies, and publishing companies. Some retail customer applications of Metro Private Line are equivalent to incumbent LEC special access services, while other applications are equivalent to incumbent LEC local private line services.
16. In the areas in which MCI has local network facilities, MCI's Metro Private Line service competes with services offered by the incumbent LEC and, typically, with several CLECs that use their own local fiber facilities to provide services similar to MCI's service. MCI competes with other CLECs not only in larger cities such as New York, NY, Washington, DC, and Boston, MA, but also in smaller cities such as Buffalo, NY and Richmond, VA. Service providers competing with MCI's Metro Private Line service in the Verizon region include CLECs such as AT&T, Time Warner Telecom, XO, and TelCove; new fiber providers such as AboveNet, FiberNet, and OnFiber; and utilities such as Progress Telecom.
17. These other CLECs have generally pursued a similar market entry strategy to MCI, constructing their fiber networks on high-density routes in the downtown core or in suburban areas with high business concentration. Route maps published by CLECs that make such maps publicly available show that those CLECs have built their networks in much the same areas as MCI. For example, the published route maps for Progress Telecom, PPL Telecom, OnFiber and AboveNet show a similar deployment pattern to MCI's network in the Washington, DC, area: a concentration of fiber

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- routes in the downtown core with additional fiber routes extending to Reston, VA and along Interstate 270 to Rockville, MD.<sup>1</sup> Similarly, in Buffalo, NY, TelCove's published fiber maps show that Telcove's network traverses much the same area of the core of Buffalo as MCI's network (and is, in fact, much more extensive than MCI's Buffalo network).<sup>2</sup>
18. MCI's experience in competitive bid situations confirms that other CLECs have network facilities in the high-density areas in which MCI has constructed its local networks. When MCI responds to potential customers' requests for proposals (RFPs) for local private line or special access services connecting one of MCI's on-net buildings, there is generally at least one CLEC bidder other than MCI and the incumbent LEC, and often several CLEC bidders. For example, if MCI bids on a circuit originating or terminating at the 60 Hudson Street carrier hotel in New York, it will generally face competing bids from OnFiber, FiberNet, XO, AT&T and others.
19. In short, there are a number of other CLECs that are competing in the areas in which MCI has constructed local fiber networks.

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<sup>1</sup> [http://www.ppltelcom.com/images/maps/dc\\_nvirginia.jpg](http://www.ppltelcom.com/images/maps/dc_nvirginia.jpg);  
[http://www.progresstelecom.com/pdf/Tier%201%20\(300dpi\)V13.pdf](http://www.progresstelecom.com/pdf/Tier%201%20(300dpi)V13.pdf);  
[http://www.abovenet.com/products/maps/fibermaps\\_content.html](http://www.abovenet.com/products/maps/fibermaps_content.html);  
<http://www.onfiber.com/content/index.cfm?fuseaction=showContent&navID=28&contentID=56>

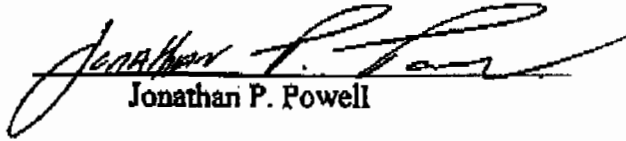
<sup>2</sup> [http://www.telcove.com/network/netmaps\\_Buffalo.htm](http://www.telcove.com/network/netmaps_Buffalo.htm)

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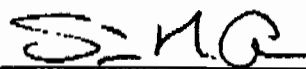
I declare under the penalty of perjury that the foregoing is true and correct.

Executed on March 16, 2005

  
Jonathan P. Powell

I declare under the penalty of perjury that the foregoing is true and correct.

Executed on March 9, 2005

A handwritten signature in black ink, appearing to read "S.M.O.", written over a horizontal line.

Stephen M. Owens