1	BEFORE THE PUBLIC UTILITY COMMISSION		
2	OF OREGON		
3	UM 1891		
4	In the Matter of		
5	QWEST CORPORATION, dba	STAFF'S OPENING BRIEF	
6	ČENTURYLINK QC,		
7 8	Petition for Approval of 2017 Additions to Non- Impaired Wire Center List	,	
9	I. INTRODUCTION		
10	"The Telecommunications Act of 1996 imposed a number of duties on incumbent		
11	providers of local telephone service in order to facilitate market entry by competitors." ¹ One of		
12	those duties is "[t]he duty to provide, to any requesting telecommunications carrier for the		
13	provision of a telecommunications service, nondiscriminatory access to network elements on an		
14	unbundled basis" in certain circumstances. ² This requirement to "unbundle" certain network		
15	elements-meaning lease on an à la carte basis at regulated cost-based rates-was designed to		
16	foster competitive entry by enabling new providers to offer services to the public "without		
17	having to construct, at high cost, every component necessary to operate a network." ³		
18	Congress charged the Federal Communications Commission ("FCC") with determining		
19	"what network elements should be made available" under Section 251, directing the agency to		
20	consider, among other things, whether "the failure to provide access to such network elements		
21	would impair the ability of the telecommunications carrier seeking access to provide the services		
22	that it seeks to offer." ⁴ This "impairment" standard underlies this dispute.		
23	¹ <i>Talk America, Inc v. Michigan Bell Telephone Company</i> , 564 US 50, 53, 131 S Ct 2254, 180 L Ed 2d 96 (2011).		
24			
25	² 47 USC § 251(c)(3).		

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 ²⁵ ³ Pacific Bell Telephone Company v. California Public Utilities Commission, 621 F3d 836, 840
 ²⁶ (9th Cir 2010), cert den, 564 US 1019 (2011).

⁴ 47 USC § 251(d)(2).

1 CenturyLink and Integra disagree about whether conditions warrant two of 2 CenturyLink's wire centers being reclassified as "non-impaired." CenturyLink would count a 3 particular carrier in those two wire centers as a "fiber-based collocator," while Integra would not. 4 Resolving this disagreement hinges on the proper interpretation of fiber-based collocator, an 5 issue that implicates a relatively complex administrative record at the FCC, but ultimately comes 6 down to a relatively straightforward rule. The text and structure of the rule and the express intent 7 of the FCC in adopting it support the reclassification that CenturyLink seeks.

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II. BACKGROUND

A. Legal Framework

Section 251 of the Telecommunications Act of 1996 requires incumbent local exchange 10 11 carriers ("ILECs") to lease to competitive local exchange carriers ("CLECs") certain network elements, referred to as "unbundled network elements" or "UNEs," at low regulated rates. When 12 13 determining which types of network elements an ILEC must provide on an unbundled basis, the 14 FCC must consider whether failure to provide such elements would "impair" the requesting carrier's ability to provide services.⁵ After several attempts at implementing the impairment 15 standard, the FCC issued the Triennial Review Remand Order,⁶ in which it set objective 16 measures for when conditions indicate sufficient competitive potential to relieve ILECs of the 17 18 duty to provide different types of UNEs.

For some types of UNEs, the objective measures set by the FCC depend on the number of "fiber-based collocators" at the wire center and/or the number of business lines served by a wire center. A wire center is "any [ILEC] switching office that terminates and aggregates loop facilities" serving a specific geographic region.⁷ "Collocation" occurs when CLECs lease space

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 5 Id. § 251(d)(2)(B).

⁶ Review of Unbundled Access to Network Elements, Review of Section 251 Unbundling
 Obligations of Incumbent Local Exchange Carriers, Order on Remand, CC Docket No. 01-338,

WC Docket No. 04-313, 20 FCC Rcd 2533 (2005) ("Triennial Review Remand Order" or "TRRO"), aff'd, Covad Communications Company v. FCC, 450 F3d 528 (DC Cir 2006).

⁷ TRRO ¶ 87 n.251; *id.* ¶ 155.

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in an ILEC wire center for "equipment necessary for interconnection or access to unbundled
network elements."⁸ Generally, once the number of fiber-based collocators located in and/or
business lines served by a wire center reaches a certain threshold, the FCC no longer considers
the wire center "impaired" and ILECs may stop offering UNEs.⁹

5 Two types of ILEC facilities that are required to be made available as UNEs in certain locations are "dedicated transport" and high capacity "loops." Dedicated transport carries traffic 6 7 from node to node on an operator's network, such as between a pair of ILEC wire centers or switches.¹⁰ Loops, by contrast, "are the transmission facilities between a central office and the 8 customer's premises, *i.e.*, 'the last mile' of a carrier's network that enables the end-user to 9 originate and receive communications."¹¹ CLECs often use unbundled dedicated transport "to 10 11 carry traffic from their end users' loops, which generally terminate at [ILEC] wire centers, to a 12 point of aggregation, permitting service to customers served via multiple [ILEC] offices without requiring the [CLEC] to deploy or otherwise obtain its own transport facilities to those offices."¹² 13 14 The relevant market that the FCC considers when determining whether competition is impaired without access to dedicated inter-office transport is the route connecting two end 15 points: ILEC wire center or switch A and ILEC wire center or switch Z.¹³ For the purposes of 16 17 determining whether an ILEC must provide unbundled access to transport on a particular route, the FCC classifies the wire centers at both ends of that route into three tiers based on their 18

19 number of fiber-based collocators, business lines served, or both.¹⁴ An ILEC's obligation to

20 unbundle a particular transport route depends on the classification of the wire centers at the ends

21 of the route, with the ILEC's obligations being eliminated once wire centers are promoted to

24 ¹⁰ Harry Newton, *Newton's Telecom Dictionary* 1291 (30th ed 2016); *TRRO* \P 67. ¹¹ *TRRO* \P 147.

25 12 Id. ¶ 69.

26 ¹³ *Id.* ¶¶ 78, 80.

¹⁴ See 47 CFR § 51.319(d) (unbundling requirements for transport); *TRRO* ¶¶ 66, 111-24.
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²² ⁸ 47 USC § 251(c)(6).

⁹ See 47 CFR § 51.319(a),(d) (unbundling requirements for local loops and transport).

higher tiers. For example, an ILEC must unbundle dedicated DS1 transport so long as a wire
center on either end of a route is classified as Tier 2 or 3.¹⁵ An ILEC must unbundle dedicated
DS3 transport so long as a wire center on either end of the route is classified as Tier 3.¹⁶

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For these dedicated transport purposes, Tier 1 wire centers are those ILEC wire centers that contain at least four fiber-based collocators, serve at least 38,000 business lines, or both.

6 Tier 2 wire centers are those ILEC wire centers that contain at least three fiber-based collocators,

serve at least 24,000 business lines, or both, but are not Tier 1 wire centers. Tier 3 wire centers
are any that do not meet the criteria for either Tier 1 or Tier 2.¹⁷

9 Tier reclassification is a one-way promotion process. That is, once a wire center has been 10 promoted from Tier 3 to Tier 2, or from Tier 2 to Tier 1, it is not subject to later reclassification 11 back to a lower tier.¹⁸

12 In 2007, the Oregon Public Utility Commission approved a multi-state settlement setting forth the procedures that would be followed to establish and update the list of non-impaired wire 13 centers as competitive circumstances change.¹⁹ Under these procedures, after conducting a field 14 visit and reviewing order and billing data, the ILEC gives notice to CLECs that it considers to 15 16 qualify as fiber-based collocators. Those CLECs have an opportunity to provide feedback before the ILEC files its petition seeking reclassification of wire centers. Once the ILEC's petition and 17 supporting data are filed with the Commission, CLECs and other parties have 30 days to object. 18 In the event of an objection, the parties agreed to ask the Commission to attempt to resolve 19

20 ¹⁵ 47 CFR § 51.319(d)(2)(ii)(A).

¹⁷ See 47 CFR § 51.319(d)(3). Unlike the FCC's approach for dedicated transport, when determining whether an ILEC must provide unbundled access to local loops that serve a building, the FCC considers both the number of fiber-based collocators in that wire center *and*

the number of business lines served by that wire center. See 47 CFR § 51.319(a) (detailing unbundling requirements for local loops). CenturyLink does not seek to establish any business

unbundling requirements for local loops). CenturyLink does not seek to establish any business line counts in this proceeding.

25 ¹⁸ 47 CFR § 51.319(d)(3)(i),(ii).

¹⁹ Docket No. UM 1251, Order No. 07-328, Attachment 1 (July 31, 2007) (Multi-State Settlement Agreement Regarding Wire Center Designations and Related Issues); *see also* Docket No. UM 1702, Order No. 14-286 (Aug. 12, 2014) (citing and following these procedures).

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^{21 &}lt;sup>16</sup> 47 CFR § 51.319(d)(2)(iii)(A).

disputed issues. If particular reclassifications receive no objections, the parties agreed to request
 an expedited order approving the undisputed reclassifications.

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B.

Procedural Background

Last August, CenturyLink petitioned to reclassify several Oregon wire centers on the
grounds that they each have a sufficient number of fiber-based collocators to qualify as Tier 1 or
Tier 2 wire centers. Specifically, CenturyLink sought to reclassify the Corvallis, Hermiston, and
Pendleton wire centers from Tier 3 to Tier 2; the Bend wire center from Tier 2 to Tier 1; and the
Oregon City wire center from Tier 3 to Tier 1.²⁰

Eschelon Telecom of Oregon, Inc., Integra Telecom of Oregon, Inc., Advanced TelCom, 9 Inc., and Electric Lightwave, LLC (collectively "Integra") intervened and objected to some of 10 CenturyLink's requests.²¹ CenturyLink responded.²² After the parties discussed the issues in 11 12 workshops and Staff gathered additional information, Integra withdrew some of its objections. 13 The parties entered into a Partial Stipulation, which has since been adopted by the Commission. The parties agreed that the Hermiston, Pendleton, and Oregon City wire centers 14 qualify for reclassification to Tier 2 on the basis of the number of fiber-based collocators in those 15 wire centers; they also agreed the Bend wire center qualifies for Tier 1, also based on its fiber-16 based-collocator count.²³ The Commission ordered these reclassifications on January 11, 2018.²⁴ 17 The remaining disputed issues are: (1) whether the Oregon City wire center should be 18 further reclassified from Tier 2 to Tier 1; and (2) whether the Corvallis wire center should be 19 reclassified as Tier 2. The parties filed Stipulated Facts reflecting their agreement on several 20 underlying facts that may be relevant to these issues.²⁵ 21

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- 23 ²⁰ CenturyLink 4 (filed Aug. 15, 2017).
- 24 ²¹ Integra Objections (filed Oct. 6, 2017).
- ²² CenturyLink Response (filed Oct. 17, 2017).
- ²⁵ ²³ Partial Stipulation ¶¶ 12-15 (filed Dec. 15, 2017).
- 26 ²⁴ Order No. 18-008, at 4 (Jan. 11, 2018).
 - ²⁵ Stipulated Facts (filed Dec. 15, 2017).

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C. Factual Background

The parties agree that CenturyLink has identified at least three fiber-based collocators in the Oregon City wire center and at least two in the Corvallis wire center.²⁶ In each of these two wire centers, CenturyLink asserts that it has also identified an additional carrier—referred to here as the "Disputed Carrier"—that meets the criteria to be a fiber-based collocator. Integra disagrees.

7 The factual characteristics of the Disputed Carrier are not contested.²⁷ The parties agree 8 that the Disputed Carrier: (1) is unaffiliated with CenturyLink; (2) maintains collocation 9 arrangements within CenturyLink's Oregon City and Corvallis wire centers, each of which has 10 an active electrical supply; and (3) operates a fiber-optic cable that terminates at collocation 11 arrangements within CenturyLink's Oregon City and Corvallis wire centers.²⁸

The cables owned and operated by the Disputed Carrier connect the Disputed Carrier's collocation spaces in CenturyLink's relevant central offices to end-user customer premises.²⁹ These customer premises are outside the Oregon City and Corvallis wire centers but within the CenturyLink wire center exchange boundary.³⁰ In other words, the relevant cables that are operated by the Disputed Carrier are not used by the Disputed Carrier for inter-office transport.

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III. ARGUMENT

Whether the Oregon City and Corvallis wire centers rightfully belong in Tiers 1 and 2, respectively, depends on whether the Disputed Carrier qualifies as a fiber-based collocator.³¹ To resolve this dispute, the Commission must interpret 47 C.F.R. § 51.5 and the FCC's discussion of that rule. The Disputed Carrier meets all of the criteria to qualify as a fiber-based collocator 22

24 27 Stipulated Facts ¶ 1.

 28 Id. ¶ 2.

- 25 29 Id. ¶ 3.
- $26 \frac{30}{10}$ Id.

³¹ See Partial Stipulation ¶¶ 18-19; Joint Explanatory Brief 5.
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^{23 &}lt;sup>26</sup> Partial Stipulation ¶ 17; Joint Explanatory Brief 5 (filed Dec. 15, 2017).

under the plain text and structure of the rule. This result is also consistent with the FCC's intent,
 as explained in the *Triennial Review Remand Order*, to use fiber-based collocators as a proxy by
 which it measures competitive potential, rather than as a direct measure of existing competition.

4 5

A. The Disputed Carrier meets all of the criteria to qualify as a fiber-based collocator under the plain text and structure of the rule.

In the Triennial Review Remand Order, the FCC defined fiber-based collocator "simply," 6 7 calling it "a competitive carrier collocation arrangement, with active power supply, that has a 8 non-incumbent LEC fiber-optic cable that both terminates at the collocation facility and leaves the wire center."³² The FCC's rule sets forth the full definition: "A fiber-based collocator is any 9 carrier, unaffiliated with the incumbent LEC, that maintains a collocation arrangement in an 10 11 incumbent LEC wire center, with active electrical power supply, and operates a fiber-optic cable 12 or comparable transmission facility that (1) [t]erminates at a collocation arrangement within the wire center; (2) [1]eaves the incumbent LEC wire center premises; and (3) [i]s owned by a party 13 other than the incumbent LEC or any affiliate of the incumbent LEC," although "[d]ark fiber 14 obtained from an incumbent LEC on an indefeasible right of use basis" is also treated as non-15 ILEC cable.³³ Affiliates are counted collectively as one fiber-based collocator.³⁴ 16 Under the plain meaning of this definition,³⁵ the Disputed Carrier meets the criteria to be 17

a fiber-based collocator. As the parties have stipulated, the Disputed Carrier meets the criteria to be CenturyLink; maintains collocation arrangements within CenturyLink's Oregon City and Corvallis wire centers, each of which has an active electrical supply; and operates a fiber-optic cable that terminates at collocation arrangements within CenturyLink's Oregon City and

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- 24 $\frac{}{^{32} TRRO \P 102.}$
- ²⁵ ³³ 47 CFR § 51.5.
- $26 \quad {}^{34}$ Id.

³⁵ Pacific Bell Telephone Company, 621 F3d at 848.Page 7 - UM 1891 - STAFF'S OPENING BRIEF

Corvallis wire centers.³⁶ The remaining question is whether the Disputed Carrier's fiber-optic
 cable "leaves the wire center." For the following reasons, the answer to this question is yes.

While the phrase "wire center premises" is not defined, both "wire center" and 3 "premises" are. "A wire center is the location of an [ILEC] local switching facility containing 4 one or more central offices * * *."³⁷ "Premises," in turn, "refers to an [ILEC's] central offices 5 and serving wire centers; all buildings or similar structures owned, leased, or otherwise 6 7 controlled by an [ILEC] that house its network facilities; all structures that house [ILEC] facilities on public rights-of-way, including but not limited to vaults containing loop 8 concentrators or similar structures; and all land owned, leased, or otherwise controlled by an 9 [ILEC] that is adjacent to these central offices, wire centers, buildings, and structures."³⁸ 10

11 Considered in light of these definitions, the Disputed Carrier's cable must be understood 12 to leave the ILEC wire center premises. The relevant "premises" are the building containing the central office equipment and its immediate environs. The Disputed Carrier owns cables that 13 14 connect the Disputed Carrier's collocation spaces in those central office buildings to end-user customer premises located outside them.³⁹ The cables therefore leave the wire center premises. 15 16 That the customer location that the cables reach are within CenturyLink's wire center boundaries, and thus are not inter-office transport, does not affect whether they "[l]eave[] the 17 [ILEC] wire center *premises*," as defined by federal regulations.⁴⁰ 18

The proper scope of "fiber-based collocator" is informed by the fact that the definition requires "transmission facilities," not a narrower category such as "transport facilities" or "interoffice facilities." It would not be consistent with this text to read into the rule an additional requirement that the CLEC cable be used for inter-office transport in order to qualify as fiber-

- 23
- 36 Stipulated Facts ¶ 2.
- ³⁷ 47 CFR § 51.5.
- ²⁵ ³⁸ *Id.*
- ³⁹ Stipulated Facts ¶ 3.
 ⁴⁰ 47 CFR § 51.5 (emphasis added).

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based collocation. The FCC explained that "facilities shall count toward the qualification of a wire center for a particular tier *irrespective of the services that the competing carrier offers*."⁴¹ The FCC ignores the type of service in this context for two reasons. First, factoring in the type of service "would exponentially complicate the process of counting such collocation arrangements."⁴² Second, any type of "fiber-based collocation indicates an ability to deploy facilities," no matter the service it provides, as discussed below in connection with the FCC's proxy approach.⁴³ Inter-office transport is not required to fall within the rule.

8 While the issue presented here is novel and appears not have been framed for another 9 commission in quite the same way as it is presented here, other state commissions have engaged in illustrative analysis. In a 2013 case, the CLEC Association of Northern New England 10 11 ("CANNE") argued that the New Hampshire Public Utilities Commission should adopt a broad 12 interpretation of "wire center premises" that would include the entire geographic area served by the wire center rather than just the wire center building.⁴⁴ This broad an interpretation would 13 require the CLEC facilities to leave the wire center exchange boundary or service area, not just 14 the premises of the wire center building, for that CLEC to qualify as a fiber-based collocator. 15 16 This echoes Integra's position, as a practical matter, as the definition would exclude facilities 17 that leave the wire center building and go to an end user within the wire center exchange 18 boundary.

19 The New Hampshire Public Utilities Commission rejected CANNE's argument,
20 reasoning that "a more limited and discrete reading" of "wire center premises" was the correct
21 interpretation.⁴⁵ CANNE's position prioritized policy arguments over the text of the actual

²² 41 *TRRO* ¶ 102 (emphasis added).

26 2013) ("Fairpoint Order"), *clarification denied*, 2014 WL 1826759, at *4 (Feb. 21, 2014).
 ⁴⁵ Id. at *15.

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²³ 42 Id.

 $^{^{43}}$ *Id.*

 ⁴⁴ Northern New England Telephone Operations, LLC d/b/a Fairpoint Communications - NNE,
 Order Reclassifying Certain Wire Centers and Extending Transition Period, Order No. 25,580,
 DT 12-337, 2013 WL 5674162, at *14 (New Hampshire Public Utilities Commission Oct. 7.

federal rules that set forth the impairment standard.⁴⁶ The agency noted that its decision resulted 1 in the "greater clarity and simpler application."⁴⁷ It also affirmatively explained that "wire 2 center premises" included "the ILEC central office(s) building itself, together with associated 3 vaults, structures, equipment and facilities, and adjacent land, all being owned, leased or 4 otherwise controlled by the ILEC."48 It directed that a CLEC "should be counted as a fiber-5 based collocator if it operates a fiber optic cable * * * extending from its collocation facility 6 7 within the wire center to a termination point located within the wire center area that is not owned or controlled by [the ILEC] (e.g., a fiber loop extending to a business), and meets all other 8 criteria under the FCC definition."⁴⁹ The Disputed Carrier here fits that description. 9

10 In a 2014 case in a neighboring state, CANNE again made the same argument, and the Vermont Public Service Board similarly rejected it.⁵⁰ The Vermont decisions acknowledged 11 12 some intuitive and logical appeal of CANNE's position, which is also true of the position that 13 Integra presses here, but explained that it is not the correct legal analysis. The Vermont Hearing 14 Officer observed that "there may be sound policy reasons for adopting [CANNE's] interpretation 15 of the FCC's rules * * *. Such an interpretation would advance competition by ensuring that 16 only those collocators that are actually capable of offering the types of services a competitor might demand are used to determine the state of competition."⁵¹ But the agency rightfully 17 18 concluded that under federal law, leaving the premises means leaving the "discrete facilities of an ILEC: buildings, structures, and realty."⁵² As the Hearing Officer explained, "[w]hile there is 19

 $20 \quad \frac{1}{46}$ Id.

21 47 Id.

22 48 Id.

⁴⁹ *Id.*

 ⁵⁰ Petition of CLEC Association of Northern New England, Inc and its Affected Members for Review of Proposed Wire Center Reclassifications, Order, Docket No. 7958, 2014 WL 2702702,
 at *16 *20 (Verment Public Service Recall Service Reclassification of CLEC Association of Northern New England, Inc and its Affected Members for

at *16-*20 (Vermont Public Service Board June 9, 2014) ("Vermont Order") ("The definition of
 'wire center premises' clearly applies only to the physical structure, not to the broader area in
 which service is provided.").

26 51 *Id.* at *10.

⁵² Id.

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some logic to the notion that such capability of providing transport, in economic terms, might be
 pegged to collocation arrangements involving facilities that themselves involve transport, there is

3 simply no basis to conclude this is what the FCC intended."⁵³

Not all state commissions or state commission staffs have necessarily taken this same
position, but statements to the contrary that Staff has encountered are drawn from cases
involving the issue of whether cross-connected carriers meet the criteria to qualify as fiber-based
collocators.⁵⁴ Such cases are poor comparators—cross-connects do not leave the wire center
building or structure and therefore do not present the same analytical issues that we see here.
The Commission should follow the more recent, reasoned, and analogous lead of the New
Hampshire and Vermont decisions, which are consistent with the text and structure of the rules.

11 12 B. Classifying the Disputed Carrier as a fiber-based collocator is consistent with the FCC's intent to develop a proxy that measures competitive potential, rather than a direct measure of actual competition for inter-office transport.

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14 Staff's interpretation of "fiber-based collocator" is consistent with the FCC's intent,

15 expressed in its rulemaking orders, to develop a proxy to measure competitive potential.⁵⁵ The

16 FCC determined that the "best and most readily administrated indicator of the *potential* for

17 competitive deployment is the presence of fiber-based collocators in a wire center."⁵⁶ Requiring

18 fiber-based collocators to actually have deployed alternative inter-office transport facilities,

¹⁹ $\frac{1}{53}$ *Id.*

 ⁵⁴ See, e.g., Indiana Bell Telephone Company, Inc for Expedited Resolution of Dispute with Nuvox Communications Inc Regarding Non-Impaired Wire Centers, Final Order, Docket No.
 42986, 2007 WL 3333686, at *37-*38 (Indiana Utility Regulatory Commission Aug. 15, 2007)

 ⁽mentioning that a "CLEC must operate an inter-office fiber network" to qualify as a fiber-based collocator in a decision holding that cross-connects do not qualify); *In re SBC Michigan and*

Verizon, Order, Docket No. U-14447, 2005 WL 2291954 (Mich. Public Service Commission

Sept. 20, 2005) (noting Commission Staff's view that "each counted fiber-based collocator must have entrance and exit facilities" in a decision holding that cross-connects do not qualify).

²⁴⁵⁵ See Pacific Bell Telephone Company, 621 F3d at 848 ("In general, the plain meaning of an

²⁵ administrative regulation controls. * * * The plain language of a regulation does not control if 'clearly expressed administrative intent is to the contrary or if such plain meaning would lead to

absurd results."").

⁵⁶ *TRRO* at ¶ 93 (emphasis added).

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while perhaps intuitively appealing, is not consistent with the FCC's proxy approach for
 estimating potential for deployment. Doing so would convert the proxy into an actual measure.

When it adopted the current impairment test, the FCC chose not to require direct 3 measurement of deployment of competitive inter-office transport alternatives. Rather, the FCC 4 5 looked for where it could infer that CLECs have the ability to overcome barriers to entry and deploy new networks. It recognized a correlation between the number of fiber-based 6 collocations in a wire center and revenue opportunities sufficient to support building competitive 7 facilities in the area served by that wire center.⁵⁷ The three-tier classification of ILEC wire 8 centers reflects their relative level of these indicia of the potential revenues and suitability for 9 competitive transport deployment.⁵⁸ The FCC explicitly discusses the tiers in terms of showing 10 11 likelihood for competition, not a description of current competition: "Tier 1 wire centers are those with the highest likelihood for actual and potential competitive deployment, including 12 wholesale opportunities. Tier 2 wire centers also show a very significant but lesser likelihood of 13 actual and potential competitive deployment. Finally, Tier 3 wire centers are those that show 14 a generally low likelihood of supporting actual or potential competitive transport deployment."59 15 The FCC had several justifications for taking this proxy approach. Such an approach is 16 easy to administer because it relies on objective criteria and data to which ILECs have ready 17 access.⁶⁰ The FCC justified relying on inference by citing the record, explaining that it chose 18 "thresholds * * * where deployment is possible * * * because significant actual deployment is 19 evident at wire centers, or similar wire centers, where [the FCC found] no impairment."⁶¹ 20

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- ²⁵ ⁵⁹ *Id.*
- 26 60 *Id.* ¶ 99.

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 ⁵⁷ See TRRO ¶ 59; id. ¶ 96 (noting that "a sufficient degree of such collocation indicates the duplicability of these network elements and, thus, a lack of impairment")

⁵⁸ See id. ¶ 111.

⁶¹ *Id.* ¶¶ 43-44, 92.

1 At bottom, the FCC's fiber-based collocator test is designed to be "a reasonable 2 approximation of the state of competition."⁶² Requiring every fiber-based collocator to have 3 alternative inter-office transport would not be an approximation; it would be an actual measure. 4 However desirable that may seem, it is not the system that the FCC designed.

5 The FCC chose fiber-based collocation as the proxy not because it directly measures a particular transmission facility, but because it represents potential revenue opportunities. In the 6 FCC's view, "fiber-based collocation provides a reasonable proxy for where significant revenue 7 opportunities exist for competitive LECs, regardless of the size, density, or geographic attributes 8 of the wire center, because it identifies competition in both large and small incumbent LEC wire 9 centers."⁶³ The FCC used a disjunctive approach to classifying wire centers into tiers (based on 10 either fiber-based-collocator or business-line counts) in order to "capture * * * relatively smaller 11 offices that, through fiber-based collocation, display signs of significant potential revenues."64 12

The interpretation that Staff advocates is consistent with another context in which the 13 FCC used collocation as a metric to measure competitive circumstances. In 1999, the FCC 14 15 established a framework for granting pricing flexibility to price cap ILECs for special access and dedicated transport services.⁶⁵ That framework allowed the Commission to grant pricing 16 flexibility based on whether and to what extent CLECs had collocated in ILEC wire centers. But 17 unlike in the UNE context, where collocation is used to measure competitive potential, in the 18 19 pricing flexibility context, collocation is used to show that irreversible, sunk investments have 20 been made in the facilities needed to provide the services at issue. Accordingly, to obtain pricing 21 flexibility, a price cap ILEC had to meet an additional requirement. It also needed to show, for each wire center, that at least one also collocator relied on transport facilities provided by an 22

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- ⁶² Vermont Order, 2014 WL 2702702, at *16-*17.
- ²⁴ ⁶³ *TRRO* ¶ 101.
- $25 \quad {}^{64}$ Id.

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^{26 &}lt;sup>65</sup> See Access Charge Reform, CC Docket No. 96-262, Fifth Report and Order, 14 FCC Rcd 14,221 (1999) ("Pricing Flexibility Order"), aff'd, WorldCom, Inc v. FCC, 238 F3d 449 (DC Cir 2001). The pricing flexibility rules were later suspended by the FCC.

1	entity other than the ILEC. ⁶⁶ This alternative transport requirement added to the required	
2	collocation counts in the pricing flexibility context—but the FCC included no such additional	
3	requirement in the UNE context, despite citing the Pricing Flexibility Order in the Triennial	
4	Review Remand Order. This contrast underscores why, in this proceeding, the Commission	
5	should not interpret fiber-based collocation to include an extra-textual alternative inter-office	
6	transport requirement.	
7	IV. CONCLUSION	
8	For the foregoing reasons, the Disputed Carrier meets the criteria to be counted as a fibe	
9	based collocator. The Commission should therefore grant CenturyLink's petition and reclassify	
10	the Oregon City wire center as Tier 1 and reclassify the Corvallis wire center as Tier 2.	
11		
12	DATED this 17th day of January, 2018.	
13	Respectfully submitted,	
14	ELLEN F. ROSENBLUM	
15	Attorney General	
16	REIN	

Elizabeth B. Uzelac, OSB # 170507 Assistant Attorney General Of Attorneys for Staff of the Public Utility Commission of Oregon

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⁶⁶ See WorldCom, Inc, 238 F3d at 456-47 ("In addition, at least one competitor must rely on transport facilities provided by a non-incumbent LEC in each wire center relied on in the applicant LEC's petition.").

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