

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Investigation by the Department of  
Telecommunications and Energy on its own  
Motion pursuant to G.L. c. 159, §§ 12 and 16,  
into the collocation security policies of Verizon  
New England Inc. d/b/a Verizon Massachusetts

DTE 02-8

**COMMENTS OF AT&T REGARDING XO AND ALLEGIANCE MOTIONS TO  
COMPEL VERIZON RESPONSES TO DISCOVERY SEEKING COST  
INFORMATION**

On May 8, 2002, XO Communications filed with the Department a Motion to Compel Verizon responses to discovery seeking information on the costs of implementing Verizon's proposed security plan. On May 9, 2002, Allegiance Telecom of Massachusetts filed with the Department a Motion to Compel responses to discovery seeking a floor plan of each central office and cost information for real-time monitoring of collocated central offices. On May 13, the hearing officer in this docket issued a notice by e-mail establishing May 20, 2002, as the deadline for filing comments on the two motions to compel, and May 24, 2002, as the deadline for filing reply comments. AT&T hereby files its comments pursuant to the hearing officer's notice.

The motions to compel of XO and Allegiance are necessitated by Verizon's refusal to provide any cost information relating to the implementation of its proposed changes to collocation rules (XO motion) or to alternative security measures for addressing the same risk, such as security cameras (Allegiance motion).<sup>1</sup> In its response

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<sup>1</sup> The Allegiance motion also seeks to compel information relating to Verizon's "present network architecture and configuration of equipment and facilities in Verizon MA's COs and RTs," on the ground  
(continued...)

to the information requests, Verizon objected in part on grounds that they seek “information that is irrelevant, immaterial and beyond the scope of this proceeding, as established by the Hearing Officer at the Department’s February 25<sup>th</sup> Procedural Conference (Tr. 1:14-15).” Verizon Response to XO-VZ-1-6. As demonstrated below, Verizon’s reliance on the Hearing Officer’s statement is misplaced.

At the February 25<sup>th</sup> Procedural Conference, there was a discussion between the hearing officer and counsel for Sprint relating to whether Verizon would be filing cost studies to implement its proposed collocation changes. The hearing officer noted that such cost studies would only be required if specific changes to the tariff were ordered, which – of course – would necessitate specific rate elements to be determined. Indeed, the understanding that was summed up by counsel for Sprint and agreed to by the hearing officer was only that the rate design for new rate elements in a tariff would require a cost study. Tr. 15:12-17. Nowhere in the colloquy between the hearing officer and counsel for Sprint was it suggested that it is not relevant to consider the relative cost-effectiveness, for both Verizon and CLECs, of different methods to achieve an appropriate level of central office and collocation security. Clearly, the Hearing Officer was simply articulating the important distinction between the process needed to determine cost recovery (involving the litigation of cost studies), and the current investigation concerning the appropriateness of various security policies options.

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that Verizon specifically relies on its network architecture and equipment/facilities configuration in COs and RTs to justify its proposal. Allegiance Motion, at 5. While AT&T agrees completely with Allegiance’s argument relating to that issue and supports its motion to compel the requested information, AT&T’s comments in this pleading relate only to the cost issue.

Verizon is now using the Hearing Officer's statement to argue that the general costs of particular policy options should not be considered by the Department in this proceeding. This position violates the cornerstone of effective and sound policy-making, which is that decision-makers consider costs, in addition to potential outcomes, of their decisions. Moreover, the exclusion of costs from this proceeding would effectively restrict and constrain the opinions that security experts can offer on the questions that the Department has raised for investigation in this proceeding. The Department has opened this investigation to consider whether current collocation arrangements present acceptable security risks and, if not, what changes should be made. If – in answering those questions – security experts consider the cost of security measures relative to the benefits they achieve, and the relative costs of alternative measures for achieving an appropriate level of security, then the Department cannot exclude such information without undermining its own investigation. If security experts believe that cost is relevant, excluding cost as a consideration presumes to tell security experts that they may not consider factors that they believe are important in evaluating the security risks of current collocation arrangements.

Moreover, the above-cited problem with excluding cost from this case is not a theoretical concern. AT&T's pre-filed testimony in this case is sponsored in part by AT&T's highest-ranking security professional, Mr. Michael Paszynsky, the Director of Corporate Security & Claims. In determining whether Verizon's current collocation arrangements constitute an appropriate security risk, the AT&T testimony states:

Any security plan must recognize the expense and inconvenience associated with certain measures. After analyzing the risks facing telecommunications facilities in Massachusetts, it is necessary to determine how much inconvenience is warranted and what level of

cost is appropriate. It is necessary, therefore, to determine the point at which increasingly costly security measures provide such a small improvement to actual security, that it is no longer worth the cost. It is simply not possible to decide whether there is sufficient “security” in the abstract, because we can never achieve complete and perfect security.

Any determination of the appropriate type of collocation arrangements for achieving “adequate” security must necessarily balance the cost of changing the existing collocation arrangements (which were determined to be optimal prior to concerns raised by the September 11th terrorist attacks) against the benefits such increased security measures produce. Moreover, where increased security can be achieved through measures that do not involve significant changes to previously determined collocation arrangements and that do not interfere with important policy goals -- such as the development of competition -- those measures should be used instead of costly, anti-competitive alternatives.

AT&T Panel Rebuttal Testimony, at 5. In addition, the AT&T testimony sponsored by Mr. Paszynsky and others considers the relative expense of achieving an appropriate level of security. For example:

The claim that cameras do not capture every angle and are not “real time” is not a reason to implement alternative, draconian measures. Cameras fitted with motion sensors, can, in fact, be set-up for real-time operation and viewing. Moreover, the ability of cameras to capture “every angle” is very much a function of how the cameras are positioned and how many cameras are deployed. The choice between adding a few more cameras, on the one hand, and implementing costly and impractical collocation rules on the other should be driven by an evaluation of costs and benefits.

*Id.*, at 13-14.

Verizon’s attempt to stretch the hearing officer’s statements to apply to any cost information whatsoever would have the Department exclude the very factors considered important by the experts from whom the Department seeks advice. No such meaning can reasonably be given to the hearing officer’s statement in the procedural conference. As noted above, her statements were directed to the issue of whether cost information

sufficient to set rates is required. Verizon must provide a general level of cost information sufficient to judge whether the adverse impacts (including costs) of its proposed changes to current collocation arrangements are warranted (a) by the additional level of security, if any, achieved, and (b) by the demonstrated absence of less expensive and disruptive means of achieving the security. While detailed cost information necessary to establish individual rate elements may not be within the current scope of this proceeding, the general level of costs and impacts of Verizon's proposal surely are.

Respectfully submitted,

**AT&T COMMUNICATIONS OF  
NEW ENGLAND, INC.**

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