

1 **Testimony of David A. Kunde**  
2 **Docket No. UT-990390**  
3

4 **Q: Please state your name, position, employer, and business address for the record.**

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6 A: My name is David Kunde. I am employed by Advanced Telecommunications, Inc.  
7 ("ATI") as Vice President of Technical Planning, Operations, and Administration. My  
8 business address is 720 Second Avenue South, Suite 1220, Minneapolis, MN 55402.  
9

10 **Q: What is the business relationship between ATI and American Telephone**  
11 **Technology, Inc. ("ATTI")?**  
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13 A: ATTI is a fully owned operating subsidiary of ATI. ATTI has been certified by the  
14 Washington Utilities and Transportation Commission ("WUTC") as a facilities-based  
15 competitive local exchange carrier ("CLEC").  
16

17 **Q: Please review your work experience and present responsibilities for ATI and ATTI.**  
18

19 A: I have 15 years of telecommunications engineering and technical expertise. I have been  
20 employed by Frontier Communications as Manager of Customer Equipment Services in  
21 Rochester, New York and as Director of Network Engineering for Frontier  
22 Communications in Minneapolis, Minnesota. Prior to joining ATI, I was Vice President  
23 and Director of Network Engineering/Operations with Citizens Communications in  
24 Dallas, Texas. My current responsibilities include day to day operations of the ATI  
25 network and planning technical deployment. Additionally, I am responsible for the costs  
26 incurred by ATI for collocation and interconnection.  
27

28 **Q: Have you previously testified before regulatory commissions?**  
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30 A: No.  
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32 **Q: What is the purpose of your testimony today?**  
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34 A: I am addressing collocation issues that are in dispute between ATTI and GTE Northwest,  
35 Inc. ("GTE") and explaining why ATTI's proposed collocation contract language should  
36 be adopted by the WUTC, rather than GTE's proposed language. The disputed issues  
37 include: (1) minor changes to ATTI's collocation cage; (2) reasonable background  
38 investigations of ATTI's employees, agents, and vendors; and (3) allocation of shared  
39 collocation costs.  
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1 **ISSUE # 1: Minor changes to collocation cage**

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3 **Q: Why should ATTI be permitted to make minor changes to its collocation facility**  
4 **without cost or delay after it is built out?**

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6 A: There will, in any collocation project, inevitably be a host of minor augments and  
7 additions or modifications of equipment after the initial physical collocation build out is  
8 complete. Many such changes should not involve the incumbent LEC at all, such as, for  
9 example, adding a card to our equipment. These kinds of changes would be consistent  
10 with, and would not require any alteration to, the already in-place facilities for power,  
11 HVAC, and floor space. In these situations, there is no reason why ATTI should have to  
12 pay the incumbent LEC a fee or suffer any delay in order to promptly implement these  
13 modifications.

14  
15 **Q: What is wrong with paying the ILEC a small fee and going through a 30-day**  
16 **approval process for these minor changes?**

17  
18 A: The problem is that we need to run our business and implement our network facilities,  
19 and we can't do so efficiently if we are constantly interacting with the ILEC every time a  
20 minor augment is required. Assuming the best of intentions and good faith on the part of  
21 the ILEC, this simply adds an untenable layer of delay and expense which is otherwise  
22 wholly unnecessary. Moreover, to the extent the ILEC has any desire to slow down or  
23 impede the expeditious collocation of its competitor (an experience which we have  
24 already had in another state), requiring such approval of minor changes adds another  
25 potential point of delay and interference with the prompt completion of our facilities.

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27 **ISSUE #2: Reasonable background investigation**

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29 **Q: Does ATTI require any background investigation of those individuals to whom it**  
30 **would provide access to the collocation facility?**

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32 A: Yes. ATTI does not hire or retain any individuals to whom it would provide access to its  
33 expensive and sensitive equipment and collocation facilities without first carefully  
34 checking references and otherwise utilizing internal processes to assure ourselves that  
35 they are qualified to safely and properly do their jobs and will not pose any undue security  
36 risk. With respect to organizations, we are dealing with only the most reputable  
37 equipment vendors in the industry. For example, we are purchasing our DMS-500  
38 switches from Nortel. We only work with vendors who we know have an impeccable  
39 industry reputation for safety and reliability and who can assure us that all of their  
40 employees have undergone rigorous and appropriate training and qualifications. ATTI  
41 has a huge financial investment in its collocation facility and the equipment therein, and  
42 moreover fully recognizes the importance of security in the wire centers and the integrity

1 of the public switched telephone network. ATTI is highly incented to be sure that any  
2 employees or vendors with access to such facilities recognize the importance of these  
3 concerns.  
4

5 **Q: What is wrong with requiring ATTI to comply with GTE's "Background**  
6 **Investigation Form?"**  
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8 A: GTE's Background Investigation Form appears to have been developed over a period of  
9 years based upon issues directly relating to GTE. It contains specific requirements, such  
10 as a mandatory drug screen, which are different than those required by ATTI's  
11 background investigation processes. Consequently, to comply with GTE's Background  
12 Investigation Form would require us to alter our own background investigation practices  
13 and to attempt to alter those of our vendors. Even if these modifications could be  
14 imposed, they would implicate substantial human resources issues with respect to ATTI  
15 and its vendors. While GTE may have developed and reviewed its specific policies over  
16 a period of years, ATTI would be forced in the context of trying to rapidly deploy its  
17 rollout to scramble to comply with GTE's detailed background policies. The result could  
18 be delay, legal ramification, and potential loss of human or vendor resources to ATTI.  
19 This result is simply not necessary.  
20

21 **Q: Have other incumbent LECs been satisfied with ATTI's own reasonable**  
22 **background investigation policies?**  
23

24 A: Yes. US West has not required ATTI to impose any additional or specific background  
25 investigation obligations beyond those already in place at ATTI.  
26

27 **ISSUE #3: Allocation of shared collocation costs**  
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29 Q: Why is ATTI concerned with GTE's proposed allocation of shared collocation costs?  
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31 A: We believe that GTE's formula will likely lead to imposing a disproportionate percentage  
32 of such costs on ATTI, even given the best of good faith and intentions on GTE's part.  
33 For example, suppose ATTI requests for 20 amps of power for its collocated equipment.  
34 GTE could respond that the request necessitates replacing its current generator and  
35 installing a new generator capable of producing 1000 Kw of power. Setting aside the  
36 issue of whether GTE is correct in determining that the facility's generator must be  
37 replaced, assume for the purposes of this example that there are four collocators in the  
38 facility and that ATTI occupies 5 percent of the floor space in the facility and will  
39 consume 1 percent of the capacity of the generator. Assume further that GTE occupies 70  
40 percent of the floor space in the facility and will consume 90 percent of the power output  
41 of the new generator, (a not unreasonable assumption because GTE will be powering the  
42 HVAC equipment in addition to its telecommunications equipment). ATTI will be using

1 only a tiny fraction of the capacity of the new generator but, according to GTE's algorithm  
2 for assigning costs, ATTI will have to pay for 20 percent of the generator's costs. ATTI's  
3 share of the cost not only grossly exceeds its use of the generator, it greatly exceeds the  
4 percentage of the entire facility that ATTI uses.  
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6 In the preceeding example, I put aside the issue of whether GTE would make appropriate  
7 decisions with respect to shared collocation costs. But there is a very real danger to ATTI  
8 and other CLECs that the formula provides a very strong incentive for GTE to make  
9 inappropriate decisions. For example, the formula gives GTE a compelling reason to  
10 delay facility upgrades for power or HVAC which it itself requires until a CLEC requests  
11 collocation. The formula gives GTE the incentive to time its facility upgrades and attempt  
12 to relate them to CLEC collocation requests so as to reduce GTE's costs from 100 percent  
13 of the upgrade to 20 percent. Although a CLEC may benefit from the upgrade, its  
14 percentage utilization of that resource will be far less than its share of the costs.  
15

16 Finally, in addition to the incentive the formula gives GTE to foist its costs upon  
17 collocated parties, determining what costs are subject to allocation under the formula is  
18 entirely within GTE's discretion. Because GTE makes these decisions, it can not only  
19 force others to bear disproportionate costs, GTE also controls the timing and amount of  
20 the costs. GTE decides what size generator a replacement generator should be as well as  
21 when it should be installed. ATTI has no control of the costs GTE may require it to bear.  
22

23 **Q: What is the potential ramification of GTE's proposed allocation formula?**  
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25 A: GTE could impose on ATTI and other GTE competitors charges for hundreds of  
26 thousands, or even millions, of dollars or equipment upgrades to wire centers. The  
27 financial impact of these charges, multiplied as it would be by the number of wire centers  
28 in which we are collocated, could be staggering. Such costs could truly be a barrier to  
29 competition by CLECs.  
30

31 **Q: Mr. Kunde, does this conclude your testimony?**  
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33 A: Yes, it does.  
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**CERTIFICATE OF SERVICE**

I hereby certify that on October 15, 1999, a copy of the Testimony of David A. Kunde in Docket No. UT-990390 was sent to the following individual by facsimile and federal express:

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