



November 19, 2001

ORIGINAL

Ms. Blanca Bayo, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Fl. 32399-0850

RECEIVED-FPSC
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COMMISSION CLERK

RE: Docket No. 011477-TX

Dear Ms. Bayo:

Attached is the information you requested for compliance with Rule 25-4.043, Florida Administrative Code.

Prior to receiving Docket No. 011477-TX, faxed to Gainesville Regional Utilities on this date, we were unaware that the 2001 ALEC Data Request had not been received by the Florida Public Service Commission. Upon investigation, we found that the original data request had been completed and filed with it's copy, and apparently not mailed to the Public Service Commission by the August deadline. We are taking steps to strengthen our records request procedures to insure that this will not happen in the future. This is the first time we've experienced this type of problem. We are genuinely concerned that our oversight has caused you to take this action and caused additional work.

Please be assured that this is an isolated incident and one that will be prevented in the future. In light of the circumstances and the fact that this is our first incidence of this type, we ask that you waive any penalties. If this is not possible, I would request that you accept a penalty fee of \$2,500.00 to compensate for our error. Your understanding and assistance in this matter is greatly appreciated.

Sincerely,

APP [Signature]
CAMP Ed Hoffman
COMM GRUCOM Director
CGRR
EGRR
LEEG Attachment
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FPSC-COMMISSION CLERK

2001 ALEC Data Request

Florida Statute 364.02(2) defines basic local service as:

"Basic local telecommunications service" means voice-grade, flat-rate residential and flat-rate single line business local exchange services which provide dial tone, local usage necessary to place unlimited calls within a local exchange area, dual tone multi-frequency dialing, and access to the following: emergency services such as "911," all locally available interexchange companies, directory assistance, operator services, relay services, and an alphabetical directory listing. For a local exchange company, such terms shall include any extended service routes, and extended calling service in existence or ordered by the commission on or before July, 1 1995.

1.
 - a. Are you providing service to residential customers in Florida that complies with the above definition of **basic local service**? *NO*
 - b. To how many residential customers are you providing **basic local service** in Florida? *N/A*
 - c. What are your current rates for providing residential **basic local service**? *N/A*
 - d. Are you providing service to business customers in Florida that complies with the above definition of **basic local service**? *NO*
 - e. To how many business customers are you providing **basic local service** in Florida? *N/A*
 - f. What are your current rates for providing business **basic local service** in Florida? *N/A*

2. Are you currently providing other forms of local service (business or residential) in Florida that may not meet Florida's statutory definition of **basic local service**? (Examples could include: multi-line business users; services with toll or usage restrictions; mandatory 900 blocking; limited amount of local calling included in the monthly charge; bundled service offerings; etc.) *NO*
(If yes, continue with question #2; if no, skip to Question #3)
 - a. Are you currently providing other forms of local service to residential customers in Florida?
 - b. If the response to a. is affirmative, please describe each of the forms of local service you are providing to residential customers in Florida. (If available, please provide marketing brochures or comparable materials.)

- c. If the response to a. is affirmative, please indicate your current rates for each of the services indicated in response to b.
 - d. Are you currently providing other forms of local service to business customers in Florida?
 - e. If the response to d. is affirmative, please describe each of the forms of local service you are providing to business customers in Florida. (If available, please provide marketing brochures or comparable materials.)
 - f. If the response to d. is affirmative, please indicate your current standard rates for each of the services indicated in response to e.
3. Please describe the method(s) you are using to provide telephone services (e.g., resale, interconnection, unbundled network elements, facility-based, etc.).
- SEE ATTACHED*
- a. Please indicate, by exchange, the number of LEC access lines you are reselling to residential customers. *N/A*
 - b. Please indicate, by exchange, the number of LEC access lines you are reselling to business customers. *SEE ATTACHED*
 - c. Please indicate, by exchange, the types of unbundled network elements, if any, you are obtaining from the incumbent LEC. *SEE ATTACHED*
 - d. Please indicate, by exchange, the number of unbundled local loops, if any, you are obtaining from the incumbent LEC. *SEE ATTACHED*
 - e. Please indicate the types of facilities deployed by your company in Florida to provide local telephone services, and indicate where these facilities are deployed. *N/A*
 - f. If known, please indicate the number of access lines, separately for residential and business customers, provisioned solely over company-owned facilities. *N/A*
 - g. Please indicate, by exchange, the number of business access lines you serve that are provided to Internet service providers. *SEE ATTACHED*
 - h. Please indicate, by exchange, the number of business access lines you serve that are provided to voicemail service providers. *N/A*
4. Please indicate the number and location of switches you have located in Florida, if any, used to provide services to customers in Florida. *NONE*

5. For each exchange where you are providing any form of residential local telephone service, please identify by exchange (a list of exchanges is attached), the number of residential access lines served as of June 30, 2000. (See example below) *N/A*
6. For each exchange where you are providing any form of business local telephone services, please identify by exchange, the number of business access lines served as of June 30, 2000. (See example below) *N/A*

Examples

*Miami Exchange: Residential Access Lines - 154
Business Access Lines - 255
Yulee Exchange: Residential Access Lines - 161
Business Access Lines - 202*

7. For billing and accounting purposes, do you differentiate between residential and business customers? *YES*
 - a. Are you currently offering any enhanced services? If yes, what are they? *NO*
 - b. Have you experienced any significant barriers in entering Florida's local exchange markets? Please list and describe any obstacles or barriers encountered. *SEE ATTACHED*
 - c. Have you experienced any difficulties involving any agreements you may have with incumbent LECs? If so, please describe any significant problems encountered. *SEE ATTACHED*
 - d. Do you anticipate that your long-term manner of providing service will differ from your current practice? If so, do you expect becoming a full scale facilities-based provider? *SEE ATTACHED*
 - e. Have you been assigned your own NXX codes? If yes, how many codes have you been assigned and for each code, as of January 31, 2000, how many numbers have been assigned from the code? *NO*
8. Please list your primary line of business (for example, entertainment, cable television, private line/special access service, interexchange service, local service, cellular service, paging service, electric service, municipality, etc.). *SEE ATTACHED*
9. At any time during the last 12 months have you provided local telephone services in Florida and then withdrawn a service? If yes, please discuss the reasons for this decision. *NO*
10. If you or an affiliate provides cable television in Florida, do you offer any package plans combining cable television and local telephone services? If so, please indicate where such packages are being offered. *NO*

11. If you or an affiliate provides long distance telephone service in Florida, do you offer any package plans combining long distance and local telephone services? If so, please describe any such plans and their terms and conditions. Is subscribing to both local telephone and long distance a condition of providing service? N/A
12. Please provide any additional comments or information you believe will assist staff in evaluating and reporting on the development of local exchange competition in Florida. In particular, we are seeking comment on obstacles that you believe may be impeding the growth of local competition in the state and any suggestions you may have on how to remove such obstacles. SEE ATTACHED
13. If your company filed a Form 477 with the Federal Communications Commission in March 2001, please enclose a copy of the completed Form 477 with your response to this data request.
14. Does your company offer xDSL exclusively? NO - SEE ATTACHED ALSO
15. If the answer to question 15 is "yes," how many xDSL lines in aggregate does your company provide? N/A
16. If the answer to question 15 is "yes," in what exchanges in Florida are your services available? N/A
17. If the answer to question 15 is "yes," how are your company's various service offerings priced. N/A

Attachment

GRUCom Responses to Florida Public Service Commission 2001 ALEC Data Request

3. Although GRUCom does not provide local telephone service, we do have an Interconnection Agreement with BellSouth and a Virtual Co-location of equipment at the BellSouth Gainesville Main Central Office. Under the terms of the Interconnection Agreement, we buy high bandwidth resale circuits and unbundled network elements to supplement our private line and special access services.
- 3b. We do not offer any dial tone service at this time. We do resell a limited number of BellSouth access lines from Bell's switch to ISP's (see # 3g).
- 3c. The only type of unbundled network element (UNE) we buy from the LEC is the DS-1 data circuit.
- 3d. We buy one channel of the local loop to cross-connect at the LEC central office to our fiber network. Currently we have 50 DS-1 UNE channels from BellSouth.
- 3g. We serve 2 channelized T-1's and 29 PRI's in the Gainesville exchange area. These all originate on the Bell switch at the BellSouth Gainesville Main Central Office.
- 7b. The reasons that GRUCom does not provide local telephone service currently are several. There are two ways in which we have considered providing local telephone service: 1) on a resale basis or 2) by installing our own switch and using our network and/or BellSouth unbundled network elements for local the loop.

Problems associated with providing local telephone service on a resale basis include:

- Low profit margins. The BellSouth discounts are not sufficient.
- Ordering is labor intensive using a complex maze of forms. Personnel require substantial training.
- Resellers must do their own customer service and billing. Billing systems and billing services are costly.

Similarly, GRUCom has not installed a switch for the following reasons:

- High capital cost.
- Heavy manpower commitment and lack of expertise in provisioning and delivery of more complex local telephone service.
- Must still utilize Bell local loop in some cases so we would have to deal with the inherent ordering/coordination issues. Even BellSouth 2 wire unbundled local loop is expensive (\$140 non-recurring charge and \$17 monthly recurring charge).

Given size of local market, it is not clear that this approach would be profitable.

- 7c. GRUCom has an Interconnection Agreement with BellSouth through which we buy high bandwidth resale circuits and unbundled network elements. Difficulties encountered include:
- The contract negotiation was framed by BellSouth as a negotiation but was really a take-it-or-leave-it situation.
 - Once the contract was executed, we were no longer allowed to place orders through the local BellSouth office. We must submit highly technical forms through their Interconnection Services Group in Atlanta and Birmingham. These forms are often kicked back for correction (even where submitted form is essentially identical to an accepted form from a prior order), thus delaying delivery in service. The process of obtaining quotes for service and placing orders has been made overly difficult.
 - The BellSouth Account Team we were assigned to assist in ordering is inexperienced. Even they don't know how to complete many of the orders and forms. In addition, the Account Team members assigned to us have changed frequently.
 - Numerous billing problems are encountered. In addition, we are billed under 5 different billing account numbers and each account number bill has a different bill format, increasing reconciliation and processing time on our part
 - Although the Interconnection Agreement indicates that BellSouth last mile infrastructure such as sub-loops and building entry conduit are unbundled, we have had no success in obtaining information from Bell on how to order such infrastructure. Through our Account Team we arranged conference calls with so called BellSouth experts only to be told, in effect, that we could not get information regarding the customers served out of a specific SLC hut and that we would need to read the endless manuals to determine how to order the connections.
 - The tariff components, rather than the physical attributes of the connection, dictate what can and can't be done in interconnecting to and using the Bell network. We investigated resale DSL and since we have equipment at the Bell Central Office we wanted to order a simple cross-connect to the Bell DSLAM to connect our Internet access via our own fiber. We were told since there is no tariff component we would have to get the connection and loop from Bell increasing our cost.
- 7d. It is anticipated that GRUCom will continue to add products and services, however no decision has been made regarding the offering of local exchange services.
8. GRUCom is a utility division in Gainesville Regional Utilities (GRU). GRU is a municipal utility (City of Gainesville) offering Electric, Gas, Water, Wastewater and Telecommunications services. GRUCom primarily offers private line/special access services.
12. To foster local exchange competitive market entry, the FPSC should increase their scrutiny of the incumbent local exchange carriers in several areas.

- To compete effectively we need access to BellSouth copper from a SLC hut to the customer premises and their building entry conduit. Although this is covered in the Interconnection Agreement and technically feasible, BellSouth guards information about SLC hut services, conduit location and availability and ordering, making the access impossible for all practical purposes.
- The resale service and unbundled element ordering process is form driven and complex. The ordering process needs simplification. The FPSC staff should review the ordering process and the support software made available by the local exchange carriers.
- The resale service discounts are too minimal to encourage entry into local exchange service. The 2 wire unbundled network element is also too costly to promote competition.
- Wholesale DSL service rates and connection charges are too high resulting in unacceptable margins (see #14).

An area that the FPSC staff should also review relates to the practices of interexchange carriers (IXC's) in working with AAV's and ALEC's. After significant effort over a two to three year period GRUCom has been able to co-locate in the local POP's of most of the national IXC's serving Gainesville. Certain IXC's make co-location extremely difficult and costly. The requirements and contracts are horrendous. They also initiate restrictions such that only the IXC's customers can be dropped at the co-location, not the AAV or ALEC customers. Transport rates are forced arbitrarily low in conjunction with the co-location.

14. We evaluated offering DSL through BellSouth by buying DSLAM and ATM access from BellSouth at wholesale. Ultimately we determined that the BellSouth volume requirements and connection costs were too high resulting in minimal margins and substantial risk. National DSL providers that utilized BellSouth in our area have failed and/or exited the business. Bell keeps the wholesale cost high while offering special discounts for its customers such as reduced DSL rates with Complete Choice phone service. We heard from customers that tried DSL that installation took too long and that the service was not reliable. Where problems with the service purchased from the third party provider arose, BellSouth would not readily accept responsibility and delayed correcting the problem.