

ORIGINAL

LAW OFFICES
MESSER, CAPARELLO & SELF
A PROFESSIONAL ASSOCIATION

215 SOUTH MONROE STREET, SUITE 701
POST OFFICE BOX 1876
TALLAHASSEE, FLORIDA 32302-1876
TELEPHONE: (850) 222-0720
TELECOPIERS: (850) 224-4359; (850) 425-1942

RECEIVED-FPSC

29 JUL 29 PM 4:12

RECORDS AND
REPORTING

July 29, 1998

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 980000B-SP

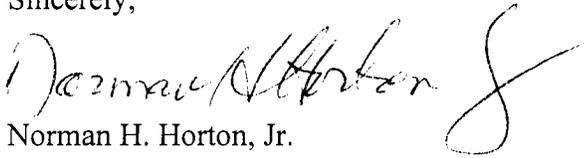
Dear Ms. Bayo:

Enclosed for filing in the captioned docket are an original and fifteen copies of the Comments and Responses of WorldCom Technologies, Inc. Also enclosed is a 3 1/2" diskette with the document on it in WordPerfect 6.0/6.1 format.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

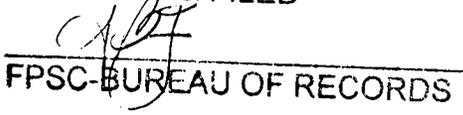
Thank you for your assistance with this filing.

Sincerely,



Norman H. Horton, Jr.

RECEIVED & FILED



FPSC-BUREAU OF RECORDS

- ACK _____
- AFA 5
- APP _____
- CAF _____
- CMU 5
- CTR _____
- EAG _____
- LEG 2
- LIN _____
- JPC _____
- RCH 2
- SEC 1
- NAS _____
- DIH _____

NHH/amb
Enclosures
cc: Mr. Brian Sulmonetti
Florida House Committee on Utilities and Communications

DOCUMENT NUMBER-DATE

67574 JUL 29 88

FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Undocketed Special Project Access)
by Telecommunications Companies)
to Customers in Multi-Tenant)
Environments)
_____)

Docket No. 980000B-SP

**COMMENTS AND RESPONSES OF
WORLDCOM TECHNOLOGIES, INC.**

July 29, 1998

DOCUMENT NUMBER-DATE

07970 JUL 29 88

FPSC RECORDS/REPORTING

INTRODUCTION

WorldCom Technologies, Inc. (“WorldCom”) is certificated to provide services in Florida and welcomes the opportunity to participate in the development of the report to be presented to the Legislature by the Florida Public Service Commission (“the Commission”). Both the Commission and the Legislature have expressed their support of competition in the telecommunications markets and this report and study provide another opportunity to advance that goal. The Legislature has found competition to be in the public interest and the Commission now has the opportunity to influence the further development of competition in the multi-tenant unit environment. Only with increased opportunities to compete will consumers benefit from advances in technology. WorldCom would urge the Commission to adopt an aggressive stance in this report in favor of competition. With these general comments in mind, WorldCom would offer the following comments and responses to the issues published by the Commission Staff.

COMMENTS AND RESPONSES

Issue I. In general, should telecommunications companies have direct access to customers in multi-tenant environments? Please explain. (Please address what need there may be for access and include discussion of broad policy considerations).

RESPONSE: Telecommunications companies should absolutely have direct access to customers in multi-tenant environments. Without direct access consumers would not have the opportunity to select state of the art dedicated telecommunications services at minimum cost as non multi-tenant unit consumers can. The intent of state and federal legislation is to increase competition and to afford the end-user with options, better services and access to advanced technology.

An alternative to direct access to the customer usually comes in the form of a Minimum Point of Entry (“MPOE”) or a Central Distribution System (“CDS”). In this case, all telecommunication services in the building are brought to a single point in the building and then are distributed by the Building Owner (or the Owner’s vendor) from that point to the customer premise. Frequently, supporters of the MPOE suggest that there are advantages associated to space, costs and related benefits. However, these are not the advantages contemplated by legislation and efforts at competition in the market. For example, lack of building riser space is rare. In each market, although there are an abundance of resellers, there are usually only 3-4 facilities-based Alternative Local Exchange Carriers (“ALECs”) in any given market. Provision of 1-2 six inch vertical risers for each ALEC is not an undue burden on any normal building riser system. Further, the MPOE approach raises issues of liability, technology, quality of service and costs.

Over the past several years ALECs have found that building owners are demanding profit for ALEC entrance into their buildings while continuing to provide timely access to Incumbent Local Exchange Carriers (“ILECs”) on a “no cost/no delay” basis. The building owners created a barrier to competition while choices existed. Often, the high fees demanded of the ALEC by the building owner precluded service to the building. If the goal is to create competition in the marketplace, resulting in lower cost, higher quality telecommunication services for the tenant, the ALEC cannot be required to absorb these additional fees and hope to remain competitive to the ILECs.

Issue II. What must be considered in determining whether telecommunications companies should have direct access to customers in multi-tenant environments?

RESPONSE: There are a number of factors to consider, some of which are of concern to providers, owners, and tenants. In general it is the needs of the tenant that should be the starting point. The tenant is the common customer of the building owner and the telecommunications service providers. It is in the best interest of the owner and provider that the tenant be able to receive state of the art telecommunications services at competitive prices. Competition (i.e., lower prices and greater services) is a direct result of ALEC ability to have direct access to tenants in multi-tenant environments. For example, the ability of a tenant to have internet access at his office and his residence is now of increasing importance. The price and quality of that service is greatly affected by competition for the tenants business by ALECs in the building.

Issue IIA. How should “multi-tenant environment” be defined? That is, should it include residential, commercial, transient, call aggregators, condominiums, office buildings, new facilities, existing facilities, shared tenant services, other?

RESPONSE: “Multi-tenant environment” should be defined as any new or existing facility that has a number of tenants who have separate telecommunications requirements.

Issue IIB. What telecommunications services should be included in “direct access”, i.e., basic local service (Section 364.02.(2), Florida Statutes), Internet access, video, data, satellite, other?

RESPONSE: All services should be included.

Issue IIC. In promoting a competitive market, what, if any, restrictions to direct access to customers in multi-tenant environments should be considered? In what instances, if any, would exclusionary contracts be appropriate and why?

RESPONSE: Reasonable restrictions to direct access to customers in multi-tenant environments should be considered as in cases where there is a lack of physical space or structural compatibility, and in some cases, building aesthetics. It is also reasonable that the cost be at the full expense of the ILEC or ALEC (i.e., no charge to the building owners). Distribution of services in the building should only occur as tenants request that service.

Issue IID. How should “demarcation point” be defined, i.e., current PSC definition (Rule 25-4.0345, F.A.C.) or federal MPOE?

RESPONSE: The demarcation point should be located at a point that permits competitive choice and ensures nondiscriminatory access. The location of the demarcation point should not be dictated by the ILEC but should be established in consultation with the property owner. It may be necessary to redefine the existing definition of demarcation point but any definition should afford some flexibility and should be incorporated in a rule rather than legislation.

Issue IIE. With respect to actual, physical access to property, what are the rights, privileges, responsibilities or obligations of:

- 1) landlords, owners, building managers, condominium associations

- 2) tenants, customers, end users
- 3) telecommunications companies

In answering the questions in Issue II.E., please address issues related to easements, cable in a building, cable to a building, space, equipment, lightning protections, service quality, maintenance, repair, liability, personnel, (price) discrimination, and other issues related to access.

RESPONSE: Landlords, owners, and building managers have a right to review and approve access construction plans. Tenants, customers, and end-users should have the right to access public utility services, including access to ALECs. Telecommunications companies should have a right to compete with the ILEC on a level playing field. It should be noted that the ILEC does not typically pay rent for their equipment space, giving the ILEC an unfair advantage over the ALEC.

The telecommunications companies also have the obligation to adhere to all applicable codes and regulations; restore easements and property to their original or better condition after utilization; ensure that all work is done by qualified personnel; and build according to established guidelines and standards and with the prior approval of the building owners.

Issue IIF. Based on your answer to Issue II.E. above, are there instances in which compensation should be required? If yes, by whom, to whom, for what and how is cost to be determined?

RESPONSE: In the event that building owner provides space for telecommunications equipment and distribution right to the other tenants in the building, then the telecommunications provider should make the owner whole. It is intended that the access requirement be revenue neutral to the building owner. That is, if 150 square feet of space is provided by the building owner in the basement area, then the ILEC and ALEC should pay the reasonable compensation for space utilized.

Several factors need to be considered with regard to “reasonable compensation” for these types of space.

- a. Only a small amount of space is really required. Only 150-200 square feet per ALEC as stated above. With average building size ranging from 400,000-500,000 square feet, the ALEC space requirement is insignificant.
- b. Only 2-3 facility based ALECs will desire space in a particular building. Remember a ALEC’s desire to be in a building is directly related to tenant demand. In every case the ALEC will analyze the cost to construct facilities vs. the expected revenue. In any event, the number of ALECs a building’s total revenue can support is limited.
- c. The best space for use as a point of presence (“POP”) is space in the building which normally yields no rent or, at best, low rental income to the building owner — for example, building core space or basement space.

- d. Build out of the POP space, conduit facilities and distribution is at the expense of the ALEC. It is intended to be revenue neutral to the building owner.
- e. In virtually all cases, the ILEC serves the building in rent free space and riser space provided by the building owner at no charge. Historically, the provision of this space to the ILEC, like all utility space in the building, was considered a cost of doing business to the building owner. No prospective tenant would consider leasing space in a building in which public utility services were not available. Today, tenants require availability of ALEC services for purposes of disaster recovery and to acquire the best telecommunication services at the most competitive prices.

Considering items a-e above, the building owner should provide 150-200 square feet of space to 2-3 facility based ALECs at no cost.

We do not believe that payment based on the number of tenants served or revenue sharing with the building owner is acceptable under any circumstances. Such a mechanism would unreasonably increase the cost of market entry to the ALEC. The intent of both the federal and state telecommunications legislation is to provide higher quality and lower cost telecommunications services to the end user (i.e., the tenant) in a non-discriminatory manner. It was never intended as a new revenue source for building owners.

In the past, building owners could achieve revenue sharing agreements with telecommunications resellers (i.e., Shared Tenant Service providers), as the landlord considered them a vendor with no capital investment who derived profits from the building constructed at a high cost to the owner. Nether the ILEC or the ALEC should be treated as a reseller, as they are facility based providers and bear a high capital investment to construct their network.

Such arrangements will unreasonably inhibit market entry by new telecommunications competitors. Even though the building owner will derive substantial benefits from allowing ALEC entrance in the building in the form of attraction or retention of high tech tenants, the ALEC already bears a high cost just for the privilege to compete with the ILEC, in terms of equipment and construction cost.

In any event, the ALEC should be treated the same as the ILEC with regard to access and ability to provide services to tenants in the building. To do otherwise is discriminatory.

Issue IIG. What is necessary to preserve the integrity of E911?

RESPONSE: Before being allowed to provide service to end-users that supersedes existing 911 capabilities the ALEC must provide proof of 911 compliance to the proper jurisdictional authorities.

Issue III. Other issues not covered in I and II.

RESPONSE: WorldCom does not have any additional issues to address at this time.

Dated this 29th day of July, 1998.

Respectfully submitted,

A handwritten signature in cursive script, reading "Norman H. Horton, Jr.", written over a horizontal line.

NORMAN H. HORTON, JR.

FLOYD R. SELF

Messer, Caparello & Self, P.A.

Post Office Box 1876

Tallahassee, FL 32302-1876

(850) 222-0720

ATTORNEYS FOR WORLDCOM

TECHNOLOGIES, INC.