

WORLDCOM'S RESPONSE TO THE
1998 COMPETITION REPORT
ALEC DATA REQUEST
JULY 1998

980000

(Please mail or fax your response no later than August 7, 1998. If you respond by facsimile, please send your fax to either 850 413-6589 (Laura King) or to 850 413-6541 (Sue Ollila).

1. Are you currently providing basic local service in Florida?

RESPONSE: Yes.

2. If you are **not** currently providing basic local service in Florida:

RESPONSE: Not applicable (NA).

A) Please explain why you are not yet providing basic local service. For example, are you experiencing marketing or billing difficulties? Lack of capital? Customers are not willing to try something new? Lack of expertise in telecommunications? Difficulties dealing with the incumbent telecommunications company. Insufficient profit margin? Etc.

B) Please explain under what conditions you believe your company would consider providing basic local service.

C) Do you anticipate providing basic local service at some future date? If so, please indicate the date or time-frame (e.g., fall of 1998, first quarter 1999).

D) Please identify the three most important factors that are inhibiting your ability to provide basic local service, and describe how these factors have adversely affected your entry.

E) Are you currently providing any other telecommunications services? If so, please list the telecommunications services you provide.

3. If you are currently providing basic local service in Florida:

ACK _____

A) Is service being offered solely to residential customers, business customers, or both?

AFA _____

RESPONSE: WorldCom currently has only business customers.

APP _____

CAF _____

B) Please describe the method(s) you are using to provide basic local service, e.g., resale, interconnection, unbundled network elements.

CMU _____

CTR _____

RESPONSE: WorldCom uses all three methods of providing local service, e.g. service resale, unbundled network elements (via loops and T-1s), and our own facilities.

EAG _____

LEG _____

C) For each exchange where you are providing basic local service, please identify, by exchange, (an exchange list and map are attached), the number **business** access lines served.

LIN _____

RESPONSE: Estimated total in Florida, [redacted] customers with [redacted] lines.

OPC _____

RCH _____

SEC 1

WAS _____

Exhibit "B"

OTH _____

DOCUMENT NUMBER-DATE

08445 AUG 10 88

FPC-REGULATORY/PLANNING

D) For each exchange where you are providing basic local service, please identify, by exchange (an exchange list and map are attached), the number of **residential** access lines served
RESPONSE: None.

4. A) Do you provide basic local service in any other states? If so, please identify in which states and in which areas you provide basic local service. (e.g., in Illinois but only in the Chicago area)

RESPONSE: Yes. See attachment A.

- B) If you provide basic local service in other states, for each state please indicate whether you provide service to residential customers, business customers, or both?

RESPONSE: Primarily business customers.

- C) For each state in which you are providing basic local service, please describe the method(s) you use to provide service -- e.g., own facilities with only interconnection, resale of incumbent's services, unbundled network elements, etc.

RESPONSE: See attachment A.

- D) For each state and geographic area in which you are providing basic local service, please indicate when you began to provide service.

RESPONSE: Not available at this time.

- E) For each state and geographic area in which you are providing basic local service, please describe the prevailing conditions which hastened your entry into that market, as opposed to the Florida market.

RESPONSE: Every local market has been difficult to enter for a variety of reasons. A cooperative ILEC that focuses on opening the local market and treating ALECs as customers would hasten entry into the local market. For specific recommendations on efforts that would help open the local market, see WorldCom's response to Questions 5(A) and 6 below.

5. A) Please describe any actions available to the Florida Public Service Commission which you believe should be taken to foster local exchange competitive market entry.

RESPONSE: The Commission should advocate the following actions in order to facilitate competition in the local market:

- Support efficient recombination of UNEs at economic cost (including the "recent change" proposal);
- Develop expedited complaint procedures;
- Order geographically deaveraged pricing for local loops and other UNEs;
- Develop wholesale pricing that allows all carriers the opportunity to economically compete with the ILEC's ECS plans (e.g., \$0.25 per call vs. intrastate access charges);
- Enforce operational parity with the ILECs (i.e., able to switch customers the same way the ILEC does);
- Adopt and enforce the performance standards outlined by LCUG;
- Ensure that ILEC treats their own ALEC operations in the same manner as other competitors and does not provide special treatment to those affiliated ALEC operations (i.e., BellSouth BSE and GTE)

Communications).

- B) Please describe any actions which you believe should be taken by the Florida legislature that would foster local exchange competitive market entry.

RESPONSE: The legislature has been working on fostering competition since 1995. The first step was to legally authorize competition in the local exchange market and eliminate rate of return regulation for the ILECs. The 1995 statute also changed the jurisdiction of intrastate access charge regulation from the PSC to the legislature. The second step in the long process of opening up the local exchange market was HB 4785. This bill moved access charges a small step closer to economic cost and provided for further study of universal service, access to buildings and local service rates. WorldCom believes the legislature should continue this process of breaking down economic and operational barriers to local competition. For example WorldCom would advocate the following legislative actions:

- Reduce terminating intrastate access charges to interconnection rates
- Ensure non-discriminatory access to buildings
- Establish a "flat tax" for all telecommunication services
- Support policies that prevent anti-competitive behavior and discriminatory pricing
- Develop expedited complaint procedures involving interconnection agreements for the PSC

6. 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 comments on any 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.

RESPONSE: The PSC should adopt a proactive stance for the elimination of obstacles to local competition. The PSC should use its existing statutory authority and its position in the enforcement and 271 processes to make the ILECs open up the local market and treat ALECs as customers. The PSC should reject any further 271 applications until such time as the ILECs develop efficient OSS mechanisms and provide UNE combinations with cost based pricing that will truly allow customers choice. The PSC should look at the collaborative effort in Texas and develop an expedited complaint resolution process as possible ways to further help opening the local market.