

US LEC of Florida Inc.

1999 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 area 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? Both residential and business customers can order service from US LEC. Currently US LEC's customer base is comprised of multi-line business customers.

b. To how many residential customers are you providing basic local service in Florida? None

c. What are your current rates for providing residential basic local service? Current tariffed rates attached.

d. Are you providing service to business customers in Florida that complies with the above definition of basic local service? Both residential and business customers can order service from US LEC. Currently US LEC's customer base is comprised of multi-line business customers.

e. To how many business customers are you providing basic local service in Florida. None

f. What are your current rates for providing business local service in Florida?

Current Tariffed Rates Attached.

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: multiline business users; services with toll restrictions or usage; mandatory 900 blocking; limited amount of local calling included in the monthly charge; bundled service offerings; etc.) (if yes, continue with Question #2; if no, skip to Question #3) Yes

- AFA
APP
CAF
CMU
CTR
EAG
LEG
MAS
OPC
PAI
SEC
WAW
OTH

a. Are you currently providing other forms of local service to residential customers in Florida? No

b. If the response to a. is affirmative, please describe the forms of local service you are providing to residential customers in Florida. (If available, please provide brochures or comparable materials.) NA

c. If the response to a. is affirmative, please indicate your current rates for the services indicated in response to b. NA

d. Are you currently providing other forms of local service to business customers in Florida? Yes

- e. If the response to d. is affirmative, please describe the forms of local service you are providing to business customers in Florida (If available, please provide brochures or comparable materials.)

US LEC provides multiline business users with business line/trunk service, DID and digital trunk service and digital data service. A package of marketing material describing US LEC's service offerings is attached.

- f. If the response to d. is affirmative, please indicate your current standard rates for the services indicated in response to e.

Current Tariffed Rates Attached.

3. a. Please describe the method(s) you are using to provide telephone services (e.g., resale, interconnection, unbundled network elements, facility based, etc.)

US LEC purchases and deploys switching equipment and leases fiber optic transmission capacity and DS-1 local loops from competitive access providers ("CAPs"), other CLECs and incumbent local exchange carriers ("ILECs"). Management believes that this switch-based, leased-transport strategy provides the Company with significant competitive advantages. By owning its switches, the Company is able to better configure its network to provide cost-effective and customized solutions for its customers' telecommunications needs. By leasing transmission capacity, the Company is able to (i) reduce the up-front capital expenditures required to enter new markets, (ii) avoid the risk of "stranded" investment in under-utilized fiber networks and (iii) enter markets and generate revenue and positive cash flow more rapidly than if the Company first constructed its own transmission facilities. Management believes that the availability of several suppliers of fiber optic transmission facilities in each of the Company's markets provides US LEC with negotiating leverage, vendor diversity and the ability to offer customers enhanced reliability at a competitive price.

- b. 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. (see example below) NA
- c. For each exchange where you are providing any form of business local telephone service, please identify by exchange (a list of exchanges is attached), the number of business access lines served. (see example below)

Examples

<i>Miami Exchange</i>	<i>Residential Access Lines - 154</i>	<i>Business Access Lines - 255</i>
<i>Yulee Exchange:</i>	<i>Residential Access Lines - 161</i>	<i>Business Access Lines - 202</i>

REDACTED

- d. For billing and accounting purposes, do you differentiate between residential and business customers. **While US LEC's billing and accounting processes do have the ability to differentiate between residential and business customers, currently all of US LEC customers are multi-line business customers.**
- e. Are you currently offering any enhanced services? **Yes. Custom Calling Features.**
- f. Have you experienced significant barriers in entering Florida's local exchange markets? Please list and describe any significant problems encountered? **Some delays in provisioning of services and loading our NXX's into ILEC facilities. Some problems with number porting (delays, not working appropriately, etc.)**
- g. Have you experienced any difficulties involving any agreements you may have with the incumbent LEC's? If so, please describe any significant problems encountered. **Refusal to pay reciprocal compensation on significant portion of local traffic.**
- h. 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? **We will continue to provide service as we do today. We would like to utilize UNE's for other services, but current prices are generally prohibitive.**
- i. Have you been assigned your own NXX codes? If yes, how many codes have you been assigned and for each code, as of June 30, 1999, how many numbers have been assigned from the code. **Yes**

REDACTED

4. If you are not currently providing local telephone service in Florida: We are currently active in Florida.
 - a. Please explain why you are not providing local telephone service. For example, have you experienced marketing or billing difficulties? Lack of capital? Customers not willing to try something new? Lack of expertise in telecommunication? Difficulties dealing with the LECs? Insufficient profit margin? NA
 - b. Do you anticipate providing local telephone service at some future date? If yes, please indicate when. (e.g., first quarter 2000) NA
 - c. Please describe the most important factors that you believe are inhibiting your ability to provide local telephone service, and describe how these factors have adversely affected your entry. NA
 - d. Are you currently providing any other telecommunications services in Florida (i.e., other than local service)? If yes, please list the services provided. NA
5. 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.). Local Service
6. At any time during the last 12 months have you provided local telephone services in Florida and then withdrawn the service? If yes, please discuss the reason for the decision. No
7. 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. NA
8. 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? US LEC provides Option 1 (1+ Domestic Toll Rates) including Metro Calling Plan long distance discounts and Option 3 (Toll Free Service) to customers who subscribe to Local Service with US LEC. Option 1 and 3 require a minimum usage of \$100/month and a minimum term of 1 year. US LEC's Metro Calling Plan provides for special pricing for calls between selected cities served by US LEC. The current Metro Plan city availability in Florida includes Orlando, Tampa, Ft. Lauderdale, Miami and Jacksonville. Subscribing to both local telephone and long distance is not a condition to receiving US LEC service.
9. If you or an affiliate's primary business is unrelated to the provision of telecommunications, please indicate the nature of such primary business(es). Examples of such businesses could include, but are not limited to: pawn shops, title loan companies, alternative automobile financing, internet service providers, or check cashing services. NA
10. 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?
 1. If possible, the Florida PSC should try to expedite the process for complaint resolution between ALECs and the ILECs. The delays that are associated with resolving complaints with the ILECs adversely impact the ALECs. Prospective customers "give up" on the ALEC and simply "stay with" the ILEC. We even had an ILEC blocking our traffic until the problem was eventually resolved. The delay negatively impacted us.

2. If possible, limit "traditional" reports and reporting obligations until ALEC has more than a 5% market share. Some S. Eastern Public Service Commissions are adding additional reporting requirements. Many of these requirements in the final analysis are simply data gathering and not "actionable". (Note: Florida has been the best of all the PSC's in its report requirements.)
 - b. Please describe any actions which you believe should be taken by the Florida legislature that would foster local exchange competitive market entry.
11. 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.
12. Please provide a copy of your (or your parent company's) most recent annual report to shareholders and Form 10-K. Attached
13. a. Please indicate your gross Florida intrastate operating revenues for the year ending 12/31/98. If available, please separate between residential and business. **REDACTED**
 - b. Please indicate your company's 1998 assessable revenues, as reported for Florida revenue assessment fees? **REDACTED**