



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: September 17, 2001
TO: Blanca Bayó, Director, Division of Commission Clerk and Administrative Services
FROM: Stephanie Cater, Regulatory Analyst, Division of Competitive Service
RE: Filing in Docket No. 011075-TL

Please place the attached e-mail from KMC Telecom, Inc. into the docket file for Docket No. 011075-TL, Investigation into Allegations of Anti-Competitive Behaviors and Practices of Sprint-Florida, Incorporated.

SAC/sac
Attachment

- cc. Cheryl Bulecza-Banks
Bob Casey
Rick Moses
Rick Wright
Mary Anne Helton

- APP
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DOCUMENT NUMBER-DATE
11507 SEP 17 01
FPSC-COMMISSION CLERK

Stephanie Cater

From: Wood, Frank [Frank.Wood@KMCTELECOM.COM]
Sent: Monday, September 17, 2001 8:41 AM
To: Stephanie Cater (E-mail)
Subject: FW: KMC Contract

Stephanie -

There are a series of e-mails that I'd like for you to read thru from a customer.

It is a classic example of what we believe is anti-competitive behavior..

Please add this to the list....

Regards,

Frank W. Wood, City Director
KMC Telecom/Tallahassee
850-205-4911 office
850-422-1861 FAX
850-509-4919 cell

-----Original Message-----

From: Paul Peeples [mailto:ppeeples@faia.com]
Sent: Friday, September 07, 2001 4:37 PM
To: Wood, Frank; Paul Peeples; McDaniel, Randy
Cc: Jeff Grady; Brian Leibow
Subject: RE: KMC Contract

Frank,

I thank you for your personal attention this entire situation, and I am aware that there is a deteriorated infrastructure in place here. I too look forward to meeting face to face, and if we can solve the voice problem with the analog lines, we can continue to work with the data T1 until the problem is solved which will probably be the same time the voice problem is solved. The main issue with the T1 data is, it provides email and web services for over 45 businesses. Sissy asked us for the external IP for our router that your technical staff were supposed to write a program to communicate with by pinging or such to our router, and as soon as it failed, they would be aware there was a down T1 data, and could immediately notify Sprint and myself or Brian. Was this done? Luckily, we have not had many issues with that service since June, but it still did go down 4 times since we installed it. The long outage in June was due to the fact that KMC had no knowledge it was down on a Saturday, and the call wasn't placed until Monday and fixed on Tuesday am.

A question I would also ask; what if anything can we do to assist KMC in solving this issue with Sprint, who we are aware is ultimately causing this dilemma? What legislation or rules are in place that would protect us as a business and give us recourse against Sprint? Where do we file complaints? I know you deal with this all of the time, and would know right where to point us. If we have Federal or Florida Statutes on our side, we have the horsepower to assist us in enforcing such issues especially since it is seriously impeding our ability to do

business. In fact, it is hurting us in certain areas, namely our Internet Services. We have been riding on pins and needles worrying if our T1 data is going to go down. It is inevitable that at some point, it will, and we risk an E&O exposure because someone loses business because they couldn't get an email (that we host) that would ultimately have closed a business deal, and they lose the deal, and we get sued.

Let me know.

I look forward to hearing from you Monday. Have a great weekend.

Regards,

Paul R. Peeples
Director of Technology
Florida Association of Insurance Agents
850.893.4155, x356
850.668.2852 - fax
www.faia.com
ppeeples@faia.com
Read the Tech Trends at www.faia.com/tech/techtrends/TT.html

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-----Original Message-----

From: Wood, Frank [mailto:Frank.Wood@KMCTELECOM.COM]
Sent: Friday, September 07, 2001 4:47 PM
To: 'Paul Peeples'; McDaniel, Randy; Wood, Frank
Cc: Jeff Grady; Brian Leibow
Subject: RE: KMC Contract

Paul,

Thank you for your e-mail. Please be assured that you were not to blunt - you told the truth, and we do appreciate this.

Here is what we are doing. I'm afraid that we could be several months away from a technical resolution so we have ordered analog Sprint Resale lines to replace the T1 until such time that FAIA, and KMC are satisfied the problem is resolved. These lines were scheduled for delivery on 9/4..... still waiting. I would imagine they can be delivered early next week.

I have not responded to the Root Cause Analysis from Sprint because they still haven't provided it to me. We had a meeting with Sprint in Tallahassee just last week with the Director of the Carrier Division and pressed her for an answer. Hopefully that is forthcoming....

We are quite confident that we know EXACTLY what the problem is. Your office is fed by copper facilities that are deteriorated to such a level they can't maintain the signal necessary to hold a T1 circuit up. Analog service will work, but in the area you are located I can only serve you at the T1 level, thus the need to put Sprint analog service back in. This will help your Voice service immediately, but the

9/17/01

DATA T1 will still have the same risk factor until the facilities are improved. Paul, regardless of who handles your Internet, including Sprint, the same poor quality will appear until the fundamental problem is solved - new facilities.

We know this because there is a customer across the street from you that has the exact same application as you do from KMC, and they have NEVER missed a beat. Why? Better network facilities at that location.

On June 28th, we had a meeting with Staff personnel from the Florida Public Service Commission, which was at the PSC's request. They wanted to know about the anti-competitive practices of Sprint. Obviously we used your problems as a perfect example. Just a few weeks ago the PSC announced that they were formally looking into the anti-competitive practices of Sprint, Verizon, and BellSouth.

I am forwarding your e-mail to the Commission as fuel for the fire, and will discuss with my regulatory staff a more aggressive approach to resolving this problem.

We did let you down in the area of not providing you with a status of what was occurring. I'd like for you, Randy and I to discuss this next week so we can come with an acceptable communication plan.

Paul, we do appreciate your business. I look forward to meeting with you face to face in the next few days.

Regards,

Frank W. Wood, City Director
KMC Telecom/Tallahassee
850-205-4911 office
850-422-1861 FAX
850-509-4919 cell

-----Original Message-----

From: Paul Peeples [mailto:ppeeples@faia.com]
Sent: Thursday, September 06, 2001 4:50 PM
To: rmcdan@KMCTELECOM.com; fwood@KMCTELECOM.com
Cc: Jeff Grady; Brian Leibow
Subject: KMC Contract

Dear Randy and Frank,

It is unfortunate that I was out of the office when all of these events started happening, but I have seen the volleys of emails, voicemails, and discussions, and am starting to acclimate myself back into this issue. As I am sure you are aware Randy, I had had the unfortunate need to have surgery, but am now on the road to recovery.

Both of you are aware that we have had constant problems with our T1 lines; both voice and data that are now documented well. Frank, I am still awaiting the report you said you would have from Sprint to me in 72 hours when we lost our data lines for over two days in June 2001. The date you promised on was

7/2/2001 (attached is that correspondence).

I am fully aware of the problems sprint has in our area and have learned a great deal about your service verses theirs. If you wish to intend to keep FAIA as customers, you must do something to remedy this situation **NOW**, and periodic reports or emails as to the situation are not at all unreasonable to ask. Please be aware that I document everything we speak of. So the promises made, I keep on file as well as task back to myself to follow up on. I find it increasingly difficult to believe businesses larger than us cannot do this as well.

The bottom line is, **we have a problem with our service. KMC has a problem with Sprint.** The reason we went with KMC was on the basis of service. We expect you to go toe-to-toe with Sprint or whatever LEC for us when the need arises. If you say you're going to do something, we expect it to be done. We are a large association and expect the utmost attention to detail. I must tell you your company is perilously close to loosing FAIA as a customer for a multitude of reasons. It is not that I am un-sympathetic to the issues with Sprint, **but they're your problems, not ours.** We have been very patient because we know the problems surrounding this entire issue, but we are growing weary of the constant problems that seem to come at the most inopportune time. We spend close to \$2500.00 a month with KMC and for this expect service. That's around \$30,000.00 a year we are spending in phone service and data services. At this point, our members, our customers and our staff as well as board of directors is questioning our decision to stay in this situation. Our phone lines cut off at any point in time with no apparent reason and worse yet, with no explanation from KMC or Sprint. This never happened on an Enterprise level before and the savings do not outweigh problems we are having. As Brian Leibow has pointed out to you Randy (also attached) they were supposed to switch us back to analog lines in within 15 days at no charge to FAIA, but no one has called or even showed up at FAIA to complete this task. This issue is not going away by not talking about it, and I expect a call in the morning as well as responses to this email, the report as to why this keeps happening, and the remedy that not only KMC is going to implement, but Sprint as well. I will start tomorrow looking for another service provider as I said I would in July and will be exploring the options for FAIA. FAIA as well as myself has a fiduciary responsibility to our members to make sure we are functioning at 100% peak proficiency and making proper financial decisions. I know there are no other LECs in Tallahassee but may entertain going directly with Sprint for our services since I will have only one entity to get upset with, and if this is a large issue you are having with Sprint then you'll have a recourse with them because KMC is like I said above, perilously close to losing FAIA as a customer.

I look forward to speaking with you tomorrow. I will be in the office from 8 till around 1. Have a great evening.

Regards,

Paul R. Peeples

Director of Technology

Florida Association of Insurance Agents

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