

State of Florida



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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**-M-E-M-O-R-A-N-D-U-M-** COMMISSION CLERK

**DATE:** 01/22/04

**TO:** DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

**FROM:** DIVISION OF COMPETITIVE MARKETS & ENFORCEMENT (C. LEWIS) *ckc*  
OFFICE OF THE GENERAL COUNSEL (L. FORDHAM) *LF*

**RE:** DOCKET NO. 031114-TL - REQUEST FOR PERMISSION TO CHANGE DEMARCATION POINT SPECIFIED IN RULE 25-4.0345(1)(B), F.A.C., BY BELLSOUTH TELECOMMUNICATIONS, INC.

**AGENDA:** 02/03/04 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\CAF\WP\031114.RCM

## CASE BACKGROUND

On July 31, 2002, the Department of the Navy (Navy) made a request to BellSouth Telecommunications, Inc. (BellSouth) to relinquish ownership of the outside cable plant servicing Naval Station Mayport (Mayport) in Jacksonville, Florida. Upon obtaining ownership, the Navy intends to solicit competitive offers for maintenance and operation of the telecommunication facilities. Naval Computer and Telecommunications Station(NCTS) Jacksonville requests BellSouth abandon the outside plant to the Navy with copies of the outside plant records and cross connect data. (Attachment 1, page 5)

On December 18, 2003, BellSouth filed a request for a waiver of Rule 25-4.0345(1)(b), Florida Administrative Code, for non-residential customers at Mayport. Since the Department of Defense (DOD) owns and operates the Naval Station, BellSouth wishes to establish a single point of demarcation for services to

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nonresidential customers. Thereafter, the Navy may solicit competitive offers to install and maintain the outside plant facilities to nonresidential areas and customers located within the base.

On January 7, 2004, BellSouth informed Commission staff that on October 28, 2003, the Navy notified BellSouth's subscribers it would "assume ownership of all outside plant cable previously operated by BellSouth" as of November 1, 2003. BellSouth informed the Navy that a rule waiver must be granted by the Commission. BellSouth reports the Navy has expressed its desire to operate under the Federal demarcation rule for a negotiated demarcation point.

#### **DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission grant BellSouth's request for a waiver of Rule 25-4.0345(1)(b), Florida Administrative Code for nonresidential service at Naval Station Mayport?

**RECOMMENDATION:** Yes, the Commission should approve the waiver for BellSouth to provide a single demarcation point for the nonresidential subscribers located within the boundaries of Mayport. (Lewis)

#### **STAFF ANALYSIS:**

Naval Station Mayport is owned and operated by the DOD which has instituted procedures and practices to secure, upgrade and maintain the telecommunications infrastructure of the base. The Navy and BellSouth determined these goals can be best met by obtaining a single demarcation point of the telecommunications facilities used to provide services to the nonresidential areas of the base. Commercial entities within the base have signed contracts with the DOD and are under the supervision of the Navy. The proposed demarcation point will be located at Building #50 at the Naval Station.

The establishment of a single demarcation point for the entire facility requires a waiver of Rule 25-4.035(1)(b), which normally requires BellSouth to control outside plant up to each individual's premises. Rule 25-4.0345(1)(b), Florida Administrative Code, states:

(b) "Demarcation Point." The point of physical interconnection (connecting block, terminal strip, jack, protector, optical network interface, or remote isolation device) between the telephone network and the customer's premises wiring. Unless otherwise ordered by the Commission for good cause shown, the location of this point is:

1. Single Line/Single Customer Building -- Either at the point of physical entry to the building or a junction point as close as practicable to the point of entry.
2. Single Line/Multi Customer Building -- Within the customer's premises at a point easily accessed by the customer.
3. Multi Line Systems/Single or Multi Customer Building -- At a point within the same room and within 25 feet of the FCC registered terminal equipment or cross connect field.
4. Temporary Accommodations Subscriber Premises with Inadequate Grounding (e.g., some mobile homes, trailers, houseboats, construction modules) -- On a permanent stake, pole, or structure with a suitable safety ground. (see Attachment 2)

Since the Navy is the controlling entity, a degradation of service availability or quality provided to the commercial entities should not be a concern. The inherent nature of the Department of Defense and Navy's day-to-day business requires a high degree of reliability of the communications facilities providing service to Mayport. The residential sections will still receive service directly from the Jacksonville Beach Central Office and will not be affected by this arrangement. Therefore, BellSouth will still be subject to Commission rules concerning service to these subscribers.

Staff believes BellSouth and the Navy have met the burden "for good cause shown" as established by the rule. Though the facilities are owned by the Federal Government, BellSouth retains

responsibility for the residential customers of the base. Accordingly, staff recommends the Commission approve the request of BellSouth and the Navy for a waiver of Rule 25-4.035(1)(b), Florida Administrative Code, for the nonresidential area of the Naval Station.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes, if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this order will become final upon issuance of a consummating order. Staff recommends that this docket should be administratively closed upon issuance of a consummating order. (Fordham)

**STAFF ANALYSIS:** If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this order will become final upon issuance of a consummating order. Staff recommends that this docket should be administratively closed upon issuance of a consummating order.



**DEPARTMENT OF THE NAVY**  
NAVAL COMPUTER AND TELECOMMUNICATIONS AREA MASTER STATION ATLANTIC  
9625 MOFFETT AVENUE  
NORFOLK VA 23511-2784

IN REPLY REFER TO:

2000  
Ser NS/5050  
July 31, 2002

Mr. Rod Odom  
President-Network Services  
BellSouth Corporation  
Suite 4500  
675 West Peachtree St.  
Atlanta, GA 30375-0002

Mr. Odom:

As you may be aware, Naval bases throughout the United States are assuming ownership of base outside cable plant by way of Local Exchange Carrier (LEC) abandonment. Full outside plant ownership has afforded the Navy the ability to solicit competitive offers to maintain outside cable plants, saving the Navy critical operations and maintenance dollars.

Naval Computer and Telecommunications Station (NCTS), Jacksonville, FL, provides base communications services for Naval Station Mayport. Naval Station Mayport is one of the few bases at which outside plant is still owned and maintained by the LEC (Bell South). NCTS Jacksonville desires ownership of the outside plant at Naval Station Mayport. NCTS Jacksonville is not authorized to spend Department of Defense money to procure the outside plant, and, therefore, respectfully requests Bell South abandon the outside plant to the Navy. Additionally the Navy requests copies of the outside plant records and cross connect data.

The Navy understands that a Rate Demarcation Point will need to be defined on the base at which point Bell South's responsibility ends and beyond which the Navy's responsibility begins. Furthermore, the Navy may be required to assume costs for segregation of air pressurization systems supporting air-core buried cable at Naval Station Mayport from those like facilities retained by Bell South.

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July 31, 2002

NCTS Jacksonville is very much interested in pursuing outside cable plant ownership and solicits a dialog with Bell South to discuss. My point of contact for this issue is Ms. Linda Shearl, (757) 322-2050. Please have one of your representatives contact Ms. Shearl so that we can begin discussions.

  
J.S. BONNER

Head, Regional Plans and Requirements  
Department

By direction of the  
Commanding officer

Copy to:  
Mr. Dave Page  
NCTS Jacksonville

**Rule 25-4.0345, Customer Premises Equipment and Inside Wire.  
Florida Administrative Code.**

(1) Definitions: For purposes of this chapter, the definition to the following terms apply:

(a) "Customer Premises Equipment (CPE)." Includes terminal equipment intended for use on the customer's premises such as pay telephones, telephone sets, teletypewriters, data terminal equipment, mobile telephone terminal equipment, private branch exchange equipment, key system equipment, dialers and other supplemental equipment. CPE does not include "911" public safety answering point equipment (ALI, ANI, ACD equipment) or telecommunications devices required by hearing or speech impaired subscribers.

(b) "Demarcation Point." The point of physical interconnection (connecting block, terminal strip, jack, protector, optical network interface, or remote isolation device) between the telephone network and the customer's premises wiring. Unless otherwise ordered by the Commission for good cause shown, the location of this point is:

1. Single Line/Single Customer Building -- Either at the point of physical entry to the building or a junction point as close as practicable to the point of entry.

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4. Temporary Accommodations Subscriber Premises with Inadequate Grounding (e.g., some mobile homes, trailers, houseboats, construction modules) -- On a permanent stake, pole, or structure with a suitable safety ground.

(c) "Complex Equipment Wire" The premises wiring owned by the local exchange company which may be used as station wiring and to connect off-premises extensions and is beyond the normal demarcation points.

(d) "Inside Wire" All wire or cable other than complex equipment wire located on the customer's side of the demarcation point.

(e) "Customer Premises" The discrete real property owned, leased, or controlled by a customer for the customer's

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own business or residential purposes.

(2) The provision and maintenance of CPE and inside wire, but not complex equipment wire, is deregulated for intrastate purposes.

(3) Network facilities up to and including the demarcation point are part of the telephone network, provided and maintained by the telecommunications company under tariff.

(4) CPE Network Responsibility. No CPE may harm the network by introducing signals that interfere or affect other subscribers or network operations.

**Specific Authority: 350.127(2), F.S.**

**Law Implemented: 364.01(4), 364.03, F.S.**

**History--New 12/13/82, Amended 9/30/85, Formerly 25-4.345, Amended 4/16/90, 3/10/96, 02/01/99.**

**25-4.035 Rate Area Boundaries.**

**Specific Authority: 364.20, F.S.**

**Law Implemented: 364.05, 364.17, F.S.**

**History: Revised 12/1/68, Formerly 25-4.35, Repealed 3/10/96.**