

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: 1998 Competition Data Request) Undocketed
)
) Filed: 8-14-98

INTERMEDIA COMMUNICATIONS INC.'S
RESPONSE TO STAFF'S DATA REQUEST

Intermedia Communications Inc. (Intermedia) hereby files its responses to Staff's July 10, 1998 Data Request.

RESPONSES :

1. Are you currently providing basic local service in Florida

RESPONSE: Yes.

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

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.

RESPONSE: Not applicable.

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

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

ACK _____
AFA _____
APP _____
CAF _____
CMU 1
CTR _____
EAG _____
LEG J
LIN 3
OPC _____
RCH _____
SEC 1
WAS _____
OTH _____

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FFSC REGISTRATION REPORTING

RESPONSE: Intermedia provides basic local service primarily to business customers; however, Intermedia provides basic local service to residential customers on an incidental basis.

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

RESPONSE: Intermedia is currently providing basic local service primarily by resale of the incumbent local exchange companies' services.

- c) For each exchange where you are providing basic local service, please identify, by exchange (an exchange list and map are attached), the number of business access lines served. (see example below).

RESPONSE: This response is confidential and proprietary business information and is provided under confidential cover as Attachment 1. The number of access line for facilities-based local services consists of non-basic services only. The number of access lines for resold services may include basic as well as non-basic local services.

- 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. (see example below).

EXAMPLES

Miami Exchange:	Business Access Lines - 25
	Residential Access Lines - 0
Tampa Exchange:	Business Access lines - 60
	Residential Access Lines - 2

RESPONSE: This response is confidential and proprietary business information and is provided under confidential cover as Attachment 1. The number of access lines for facilities-based local services consists of non-basic services only. The number of access lines for resold services may include basic as well as non-basic local services.

- 4) a) Do you provide basic local service in any other state? 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. Intermedia Communications Inc. provides basic local service in Alabama, Georgia, Kentucky, Louisiana, Missouri, Mississippi, North Carolina, New York, Ohio, Pennsylvania, South Carolina, Tennessee, and Texas.

Intermedia provides this service primarily in and around the major metropolitan areas in each state.

- 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: Intermedia provides basic local service primarily to business customers; however, Intermedia provides basic local service to residential customers on an incidental basis.

- 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: Intermedia is currently providing basic local service to its customers primarily by resale of the incumbents local exchange companies' services.

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

RESPONSE:

- Alabama (December, 1996)
- Florida (October, 1996)
- Georgia (December, 1996)
- Kentucky (February, 1997)
- Louisiana (January, 1998)
- Mississippi (December, 1996)
- Missouri (December, 1997)
- North Carolina (February, 1997)
- New York (July, 1997)
- Ohio (July, 1998)
- Pennsylvania (June, 1998)
- South Carolina (December, 1996)
- Tennessee (January, 1997)
- Texas (June, 1997)

- 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: Not applicable because Intermedia began providing basic local service in Florida prior to providing it in the states enumerated in response to Item 4(d).

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:

1. 271

It is essential that the Commission ensures that BellSouth has met each of the requirements of Section 271 of the Telecommunications Act of 1996, including nondiscriminatory access to OSS and adequate performance measures, so that local competition is irreversible prior to BellSouth's entry into the long distance market.

2. COLLOCATION

A. Since implementation of its negotiated contract, approximately one and one-half years, Intermedia has asked for the exact type of physical collocation BellSouth now claims is offered in its revised SGAT in other states in the BellSouth region, specifically, that ALECs may physically collocate with BellSouth through the use of non-enclosed space (cageless collocation) rather than a traditional enclosure arrangement. BellSouth should be required to provide "cageless" collocation to requesting carriers.

B. Although BellSouth generally contends that ALECs must physically collocate wherever UNEs are combined, it recently proposed to afford a form of virtual collocation. But its proposal requires ALECs to collocate a "prewired" equipment frame for connections between line side and trunk side circuits. BellSouth then plugs unbundled local loops and interoffice trunks into preselected ports. This approach is so cumbersome that it almost forces the ALEC to use physical collocation for UNE combinations. An ALEC can only justify the high cost of physical collocation for UNE combinations in end offices where the customer base generates substantial revenues. Easing the cost of physical collocation in end offices will better enable ALECS to develop more efficient network architectures and to serve smaller customers in less densely populated areas.

C. BellSouth has recently filed petitions to waive the physical collocation requirement of the Telecommunications Act of 1996 and the FCC's First Report and Order, CC Docket No. 96-98, Released August 8, 1996, Paragraphs 602-607, for five central offices: Daytona Beach/Port Orange; Boca Raton/Boca Teeca; Palmetto; West Palm Beach Gardens; and North Dade Golden Glades. The Commission has established dockets to consider these petitions. In its review, the Commission must consider the significant consequences of BellSouth's request on local exchange competitive market entry.

3. FUNCTIONAL UNBUNDLED NETWORK ELEMENTS

A. The Act requires ILECs to provide ALECs with functional UNEs, which can be defined as an element that provides a "feature, function, or capabilities of an ILEC's network. For example, a "functional loop" could be defined as the connection between an ALEC's point of presence and the end-user. It does not matter how the ILEC provisions this "functional loop." This functional loop would be a new UNE that provides the functionality of the traditional local loop, multiplexing in an ILEC end office, and interoffice transport that delivers traffic to an ALEC's point of presence. A functional loop eliminates the need for an ALEC to collocate in every end office, thus greatly expanding the ALEC's addressable customer base.

B. BellSouth seems to be backing away from providing xDSL functionalities to ALECs. In a recent Tennessee hearing, BellSouth stated that it will not provide any xDSL electronics with its xDSL unbundled loops but rather conditioned copper wire stripped of such electronics. While such "conditioned copper" loops will allow some applications, other services require the xDSL electronics with the loop. Therefore the Commission should require that upon request BellSouth provide ALECs direct access to xDSL technology. Also, the Commission should define the functional loop as requiring ALEC access to the xDSL electronics in the ILEC's end office. In sum, by denying ALECs access to xDSL electronics in all cases, BellSouth effectively prevents ALECs from providing xDSL service over many unbundled loops even if the ALEC has its own electronics. Therefore, the Commission should require that upon request all ILECs provide ALECs direct access to xDSL technology.

C. A recent Eighth Circuit Court of Appeals decision supports providing a combination of UNEs as a functional element. More specifically, the Court recently affirmed the FCC's position that shared transport constitutes a network element and its determination that ILECs must make shared transport available to new entrants on an unbundled basis. Given our interpretation of the recent order, the Commission could order combination of UNEs and xDSL with associated electronics.

4. RECIPROCAL COMPENSATION

A. Under the express provisions of the 1996 Act, ILECs are obligated to compensate the ALECs for transporting and terminating ILEC-originated traffic destined to ALEC ISP customers. BellSouth's and GTEFL's interconnection agreements with Intermedia similarly define "local traffic" subject to reciprocal compensation to include ISP traffic.

Notwithstanding the requirements of the 1996 Act and the provisions of these interconnection agreements, BellSouth and GTEFL have refused to compensate Intermedia for ISP traffic.

BellSouth's refusal has forced WorldCom, TCG, MCI, and Intermedia to file complaints with the Commission. On August 4, 1998, the Commission determined that traffic terminated on a local dialed basis to the ISP or ESP customers of these ALECs should not be treated differently from other local dialed traffic. Moreover, the Commission required that BellSouth pay reciprocal compensation to Intermedia, WorldCom, TCG, and MCI according to their interconnection agreements, including interest. A final order is pending in these dockets (Docket No. 971478, etc.)

B. On August 3, 1998, Intermedia filed a similar complaint with the Florida Public Service Commission against GTEFL (Docket No. 980986-TP).

5. ADVANCED TELECOMMUNICATIONS SERVICES

Section 706 of the Telecommunications Act of 1996 (Act) is a Congressional mandate that directs the FCC to examine the availability of advanced telecommunications services. Section 706(a) directs the FCC and each state commission to "encourage the deployment on a reasonable timely basis of advanced telecommunications capability to all Americans.

Recently, several Regional Bell Operating Companies (RBOCs) filed petitions citing Section 706 of the Act arguing that the best way for the FCC to promote the deployment of advanced telecommunications services would be to deregulate new broadband technologies such as digital subscriber line (xDSL) facilities provisioned by the RBOCs and the services provided over these facilities. If deregulated, the obligations the RBOCs have under the Act to provide interconnection, collocation, unbundling, and resale of these advanced services and facilities would no longer apply. This deregulation would also eliminate the current restriction on the in-region interLATA services.

In response to the RBOC filings, ALTS, the ALEC trade association of which Intermedia is a member, filed its own petition arguing that the best way for the FCC to promote advanced telecommunications services would be to make collocation cheaper and easier to obtain, to establish digital unbundled network elements, and to ensure that ILECs had to interconnect to ALEC advanced facilities, and resell advanced services.

On August 7, 1998, the FCC released an Order, a Notice of Inquiry, and a Notice of Proposed Rulemaking (NPRM) regarding

the deployment of advanced telecommunications services pursuant to Section 706 of the Act. The written Order, NOI and NPRM have not been issued as of this date. In these, the FCC reached specific conclusions concerning some issues and proposed conclusions for others. For the proposed conclusions, it seeks comments from interested parties and will adopt final rules based on the comments.

Intermedia urges the Florida Public Service Commission to focus on the broad issue of data interconnection and unbundling of ILEC data (packet/cell network interconnection) and unbundling of associated ILEC UNEs. The Commission should closely work with the FCC to ensure that the Act applies to advanced telecommunications services. Also, the Commission should ensure that the separate affiliate rule is not allowed to shield RBOCs from the interconnection and wholesale requirements of the Act. Further, a possible interstate versus intrastate jurisdictional issue may arise since the deployment and use of these broadband facilities will be within Florida.

The Act is "technology" neutral and does not distinguish between voice and data services. Because digital technology fully supports both voice and data services and is used in the provision of both types of traffic/services, no differentiation of this type can be made as it relates to Sections 251 and 252 of the Act. By making the Act "technology" neutral, Congress envisioned that future technology would be made available to competitors to ensure markets are irreversibly opened to competition. Intermedia has also strongly asserted that as technology progresses (e.g. ATM switching, xDSL services) the ability to differentiate voice from data will disappear.

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

RESPONSE: If the Legislature makes any changes to Chapter 364, Florida Statutes, Section 261 of the Act does not preclude it from imposing requirements on telecommunications carriers for intrastate purposes that are necessary to further competition as long as its requirements are not inconsistent with the Act or the FCC's rules implementing the Act. Moreover, the changes should foster irreversible local exchange competitive market entry.

With respect to multi-tenant environments, companies should have access to customers/tenants in multi-tenant environments on a competitively neutral basis that preserves tenant choice of carriers and that does not violate the owner's property rights. Access should not cause any

permanent changes to the property, create safety problems, interfere with management functions, or otherwise compromise the owners property interests. Where access requires a more obtrusive presence, the terms and conditions of that access should be negotiated among the interested persons.

The Legislature should also be aware of the issues discussed by Intermedia in its response to Item 5 a).

- 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: See Intermedia's response to Item 5.