

Redacted Version

1999 ALEC Data Request

Hyperion Communications of Jacksonville, Inc.

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 July1, 1995.

- 1. a. Are you providing services to service to residential customers in Florida that complies with the above definition of **basic local service**? **No. Hyperion is not offering residential services at this time.**
- 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**? **N/A, Hyperion is not offering residential services at this time.**
- d. Are you providing service to business customers in Florida that complies with the above definition of **basic local service**? **Yes.**
- e. To how many business customers are you providing **basic local service** in Florida? **█**
- f. What are your current rates for providing business **basic local service** in Florida? **Please see attached Tariff.**

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

- 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)
- a. Are you currently providing other forms of local service to residential customers in Florida? **No. Hyperion is not currently offering residential services.**

- 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.) **N/A.**
 - c. If the response to a. is affirmative, please indicate your current rates for the services indicated in response to b. **N/A.**
 - 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.) **Multi-line business, toll restrictions, call blocking, bundled service offering, private line service, Centrex, PBX service.**
 - f. If the response to d. is affirmative, please indicate your current standard rates for services indicated in response to e. **Please see attached Tariff.**
3. a. Please describe the method(s) you are using to provide telephone services (e.g., resale, interconnection, unbundled network elements, facility-based, etc.). **Hyperion is currently providing services primarily over its own facilities, however, some customers are still provided services via resale and UNEs.**
- 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. **N/A**
 - c. For each exchange where you are providing any form of business local telephone services, please identify by exchange (a list of exchanges is attached), the number of business access lines served.
- | <u>Exchange</u> | <u># of business lines/trunks</u> |
|-----------------|-----------------------------------|
| | |
- d. For billing and accounting purposes, do you differentiate between residential and business customers? **Hyperion is not offering residential services at this time.**
 - e. Are you currently offering any enhanced services? If yes, what are they? **Yes. Voicemail.**
 - f. Have you experienced any significant barriers in entering Florida's local exchange markets? Please list and describe any obstacles or barriers encountered.
 - **Hyperion has experienced several instances where the LEC has not met the scheduled installation dates within the time frames outlined in the parties' Interconnection Agreement.**

- **Hyperion’s ability to provide service to potential customers is often hampered by building owners requiring excessive building entry fees and/or require a share of Hyperion’s gross revenue gained from services provided within the building. Moreover, Hyperion has found that ALECs are often discriminated against in that building owners often charge ALECs for building entry while the LECs pay nothing.**
 - **With respect to Hyperion gaining pole attachment access from BellSouth, Hyperion has found that BellSouth is very slow and difficult in this process. For example, Hyperion has experienced instances where Bell will request detailed information, Hyperion provide such information, then Bell will continue to ask for more information – the pole attachment process could move much faster if Bell would ask for all required information in its first request.**
 - **Hyperion has found that in some instances pole attachment fees within the State of Florida are over \$30.00 per pole. Hyperion believes that pole attachment fees need to be regulated so that ALECs will not encounter such egregious fees. High pole attachment fees essentially create a barrier, keeping an ALEC from becoming a facilities based provider.**
- g. Have you experienced any difficulties involving any agreements you may have with incumbent LECs? If so, please describe any significant problems encountered.
- **Hyperion has experienced several instances where the LEC has not met the scheduled installation dates within the time frames as outlined in the parties’ Interconnection Agreement. Furthermore, there have been repeated instances where it has taken twice the time to turn up service to a Hyperion customer than it would otherwise take if the customer were receiving the same service directly from the LEC. One could only conclude that the LECs are discriminating against the ALECs’ customers in favor of their own customers.**
 - **BellSouth has failed to respond to Hyperion’s requests for collocation within the time frames set forth in BellSouth’s published tariffs.**
- h. Do you anticipate that your long-term manner of providing service will differ from your current practice? **Yes.** If so, do you expect becoming a full scale facilities-based provider? **Yes.**
- 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 for the code?

NPA-NXX	Rate Center

If you are not currently providing local telephone service in Florida: N/A.

- a. Please explain why you are not providing local telephone service. For example, have you experienced marketing or billing difficulties? Lack of capital? Customers are not willing to try something new? Lack of expertise in telecommunications? Difficulties dealing with the LECs? Insufficient profit margin?
- b. Do you anticipate providing local telephone service at some future date? If yes, please indicate when. (e.g., first quarter 2000)
- 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.
- d. Are you currently providing any other telecommunications services in Florida (i.e., other than local service)? If yes, please list the services provided.
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, interexchange service and private line 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 reasons for this 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? **No.** If yes, please discuss the reasons for this decision.
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? **No.** 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?
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. **N/A.**
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.

- b. Please describe any actions which you may 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.

(collective response to questions 10 a & b, and 11)

- **Hyperion staunchly supports and praises the PSC's efforts to take action toward a "fresh look" policy that will allow open competition in Florida. Fresh look must be without condition and pertain to "all" existing contracts. Hyperion's experience has demonstrated that 8 of every 10 potential customers that show interest in leaving BellSouth for Hyperion are under a term contract with Bell and locked into such contract with no avenue of escape to take advantage of Hyperion's competitive prices. Bell's termination charges are equal to the remaining payments outstanding under the agreement. Often times these charges range in the ballpark of a couple hundred thousand dollars, although there have been a few occasions where such charges have exceeded a million dollars! Hyperion suggests that the PSC review the fresh look policies that have been enacted in states such as Ohio, New Hampshire and Texas, as these states have produced fresh look policies that are fair and promote competition.**
- **BellSouth, more often than not, provides a better turnaround time to their own customers than they do to customers who are the customer of an ALEC. BellSouth should improve the level of support to ALECS and make a customer's transition from BellSouth to any competitor virtually seamless. BellSouth's inability to provide a seamless cutover, is most likely due to two factors: (1) BellSouth's unwillingness to level the playing field so that ALECs can gain market entry; and (2) the fact that all of the provisioning for ALECs in all of Bell's nine states comes out of one BellSouth provisioning center in Birmingham, Alabama.**
- **Hyperion requests that the Florida PSC give high priority to reconsideration of the wholesale discounts that the LECs are providing to ALECs. The PSC should mandate that the LECs open up its networks with wholesale prices that do not deter ALECs from effectively competing in the local market place.**
- **Immediately, the Florida PSC needs to reallocate NXX's to those CLECS who have invested significant, often scarce, financial resources in the State of Florida to build their own networks. Networks take upwards of twelve to fifteen months to construct. In that timeframe, if the available NPA/NXX number pool is exhausted, companies like Hyperion will be forced to maintain resell status, thereby delaying the ability of the ALEC to recoup the costs that have been expended in constructing its network. Hyperion requests that the PSC develop a more equitable distribution**

of NXXs and continue to monitor this issue on a regular basis so that ALECs will assured to have NXXs for their future customers.

- As has already been stated in 3(f) above, the Florida PSC and/or the Florida Legislature needs to remedy the problems ALECs are experiencing with respect to building entry. ALECs, such as Hyperion, are finding increased difficulty in gaining entry into the buildings of its customers. There has been an increasing demand by building owners for ALECs to pay them egregious sums (\$1,000 - \$2,500 per month and sometimes a percentage of the ALECs gross revenue generated in the building) to bring fiber optics and equipment into the buildings to provision service to the building owner's tenants. Such demands force Hyperion to turn away potential customers, thereby leaving the customer without a true choice for its telecommunications services. What the tenant ends up with is a provider that is willing to pay the building owners "ransom" or conversely, the LEC's service because, more often than not, the building owners do not require the LECs to pay for building entry.

If the Florida PSC delays on issues such as these, ALECs trying to become competitors with the LECS will be forced to revisit their business plans such that they may be compelled to leave the State of Florida or face the possibility of being driven out of business. The end result of such inaction on the part of the PSC would quash the competitive purpose behind the 1996 Telecommunications Act.

12. Please provide a copy of your (or your parent company's) most recent annual report to shareholders and Form 10-K. See attached annual report and 10K.

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.



b. Please indicate your company's 1998 assessable revenues, as reported for Florida revenue assessment fees. See the response to a above.