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## GLOBAL NAPS

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August 5, 1999

Walter D'Haeseleer, Director Division of Telecommunications Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

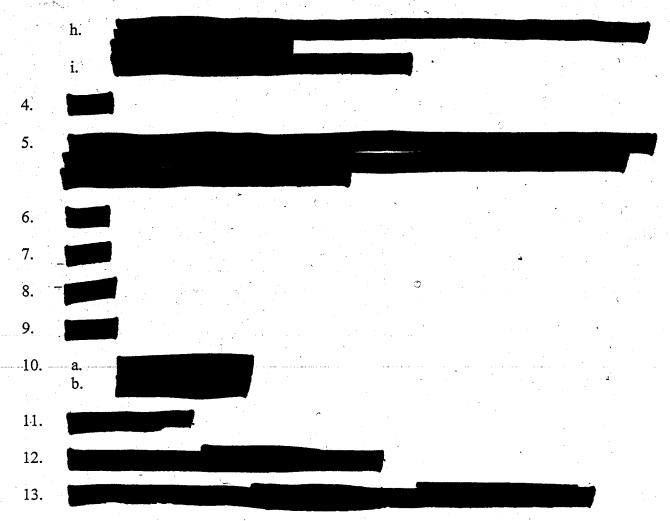
Re: \_ 1999 ALEC Data Request

Dear Mr. D'Haeseleer:

Kindly consider this correspondence to be the response of Global NAPs, Inc. to the 1999 ALEC Data Request. Global NAPs' responses are as follows:

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Walter D'Haeseleer, Director Division of Telecommunications Florida Public Service Commission August 5, 1999



If you need any additional information, kindly contact the undersigned.

John O. Postl

Very truly yours,

Assistant General Counsel

JOP:mtf

## ATTACHMENT A TO RESPONSE OF GLOBAL NAPS, INC. TO 1999 ALEC DATA REQUEST

## Barriers to Entry and Difficulty With ILECs.

To facilitate its entry into the Florida local market, Global NAPs chose to opt into an existing agreement rather than go through the arduous process of negotiating an agreement with Bell South. After reviewing all the agreements on file with the Commission, Global NAPs chose the DeltaCom agreement and adopted the agreement on January 18, 1999. The agreement has a two year term and, as between DeltaCom and BellSouth, terminated on July 19, 1999. Global NAPs and BellSouth disagreed as to whether the Global NAPs agreement was co-terminus with the DeltaCom agreement. I expect that this issue will be before the Commission in the near future. By taking this position, BellSouth frustrates the intent of the Telecommunications Act, which created the opt in provision specifically to facilitate ease of entry into the market.

The most recent and disturbing development in the relationship between BellSouth and Global NAPs is the refusal of BellSouth to pay Global NAPs on its invoice. Global NAPs has a number of customers who are Internet Service Providers. Included in Global NAPs' bill to BellSouth for reciprocal compensation are calls placed by BellSouth customers to their ISPs for access to the Internet. BellSouth has taken the position that it will only pay 10% of Global NAPs invoice. Clearly, this action is in violation of the Interconnection Agreement, which provides for the payment of reciprocal compensation for local traffic; in violation of the FCC's Declaratory Ruling issued on February 26, 1999 which empowered the states to determine whether the parties intended to include Internet traffic in the definition of "local traffic" which is subject to reciprocal compensation payments; and is in violation of the decision of this Commission in *In re*: Request for Arbitration Concerning Complaint of American Communication Service of Jacksonville, Inc. d/b/a e.spire Communications, Inc., Docket No. 981008-TP, Order No. PSC-99—658 (April 6, 1999). In the e.spire decision, the Commission held that the definition of local traffic in the e.spire Interconnection Agreement with BellSouth included calls to ISPs. The definition of local traffic in the DeltaCom agreement is almost identical to the e.spire definition. Therefore, Global NAPs maintains that BellSouth has violated the agreement in failing to pay Global NAPs all of the reciprocal compensation for termination of ISP bound calls. This issue will also be before the Commission in the near future.

## Supplemental Response to Question 10.

Congress recognized the inherent power of the monopolist to deter competition in the local market when it enacted the Telecommunications Act. The large and powerful ILECs have unequal bargaining power with the smaller ALECs. Global NAPs maintains that the opt in and reciprocal compensation provisions of the Act were designed to level the playing field. As stated above, Global NAPs has had difficulty with BellSouth over Interconnection issues. The ILECs understand that any delay they can impose on the

process will cause financial hardship to ALECs. Since time works in favor of the ILECs, Global NAPs believes that the Commission should formulate an expedited review process for ALEC complaints to deprive the ILECs of any benefit they might get from delays in the normal complaint process.

Global NAPs believes that the actions of BellSouth with respect to the rights of the parties opting into existing agreements hinder entry into the market. Global NAPs also believes that as Interconnection Agreements expire, ALECs will have difficulty negotiating new agreement. Global NAPs believes that the Florida legislature should consider enacting statutes which will address these issues.

Global NAPs also believes that the Florida legislature should consider legislating reciprocal compensation for ISP traffic. It is clear that BellSouth has ignored its contractual obligation to pay, and has ignored the clear language of the FCC and this Commission requiring BellSouth to pay. By enacting legislation, the Florida legislature can send a clear message to BellSouth and give the ALEC's yet another avenue to seek relief.