990649B-TP

Attachment PD15 (Unredacted)

This confidentiality request was filed by or for a
"telco" for DN 15871-0 No ruling is required
unless the material is subject to a request per
119.07, FS, or is admitted in the record per Rule
25-22.006(8)(b), FAC.

All filers must complete this section.   File data as of: ¡December 31, 1999¡

1.   Company | Sprint Corporation |

2.   Indicate the category that best describes the operations covered by this filing.
     | Wireline Local Exchange Carrier |

3.   Filers must report separate data for ILEC and non-ILEC operations.
     Use the following drop-down box to indicate whether this worksheet contains data
     for ILEC or for non-ILEC operations.
     | ILEC operations |

4.   Use the following drop-down box to select your company, parent or controlling
     entity name. Select "not shown" if it is not in the list.   Incorporate this name into
     the file name for each data file that you and all affiliates submit.   See instructions,
     Section IV-B-1 for information on preparing file names.
     | Sprint Corporation |

     If you selected "not shown" above, then provide the following:
                    Name of company, parent or controlling entity.
                    | |

5.   State. | Florida |

6.   Contact person (person who prepared the data contained below).
     | Linda Bennett |

7.   Contact person telephone number and e-mail address.
          phone | (913) 762-1931 |

          e-mail | Linda.K.Bennett@mail.Sprint.com |

8.   Indicate whether this is an original or revised filing.
     | Revised Filing |

9.   Indicate whether you request non-disclosure of some or all of the information in this file
     because you believe that this information is privileged and confidential and public disclosure
     of such information would likely cause substantial harm to the competitive position of the filer.
     | Filer certifies that some data in this report is privileged and confidential |

10. If you requested non-disclosure in line 9, indicate whether this is your complete or redacted filing.
     | Complete version of file |

Please review instructions before completing form.

Reminders:

1) Virus check your diskettes before you mail them.
   Virus check your files before you e-mail them.

2) Use the correct version of the form. If you are not
   filing data for December 31, 1999, then obtain the
   correct version from www.fcc.gov/broadband/data/forms.

3) You may not insert or delete columns or rows, move
   cells, or edit text or numbers outside the cells provided
   for data entries. Files that cannot be opened in
   EXCEL97, files whose structure has been altered,
   and files with improper names will be returned for
   refiling.

4) If you have questions about the form, contact the
   Common Carrier Bureau, Industry Analysis Division
   at (202) 418-0940; via e-mail at 477INFO@fcc.gov;
   or via TTY at (202) 418-0484.

5) You must include a Certification statement signed by
   an officer of your company. A single statement will
   cover all files included on the diskette.

6) If you request non-disclosure of some data, you must
   file a public version of the form with such information
   redacted. See Sections IV-B and IV-C of the instructions
   for information on preparing a redacted file.

7) In addition to filing data on diskette, please submit
   data files via e-mail to: FCC477@fcc.gov

OMB NO: 3060-0816
EXPIRATION DATE: 10/31/2000

Sprint Corporation   ILEC operations for Florida December 31, 1999

CONFIDENTIAL

Complete Part I if you and all affiliates (including commonly controlled entities) provide 250 or more broadband lines or wireless channels in the state over your own facilities or over lines you provisioned as broadband. See instructions for definitions of "own facilities", "broadband", "end user", and "residential and small business".

If you provide data in Part I, you must provide in Part V a list containing the 5-digit zip codes of the end-user locations in which you provide the broadband services reported herein. See instructions.

Data as of December 31, 1999:

A.   Lines and wireless channels of broadband service that you provided over your own facilities, or over UNE loops or other lines and wireless channels that you obtained from other service providers and equipped as broadband, categorized by technology at the end-user location.

	(a)	Percentages of lines and wireless channels reported in (a)				
	Total one-way and two-way (full) broadband lines and wireless channels	(b) % of (a) used by residential & small business customers	(c) % of (a) provided over your own facilities	(d) % of (a) provided (i.e. billed directly) to end users	(e) % of (a) providing customers greater than 200 kbps in both directions	(f) % of (a) providing customers greater than 2 mbps in both directions
I - 1. Asymmetric xDSL.	510	87%	100%	100%	17%	0%
I - 2. Other traditional wireline including symmetric xDSL.	9,049	0%	100%	39%	100%	2%
I - 3. Coaxial carrier systems including hybrid fiber-coaxial systems.	0	0%	0%	0%	0%	0%
I - 4. Optical carrier (fiber to the end user).	17	0%	100%	0%	100%	100%
I - 5. Satellite.	0	0%		0%	0%	0%
I - 6. Terrestrial wireless fixed.	0	0%	0%	0%	0%	0%
I - 7. Terrestrial wireless mobile.	0	0%		0%	0%	0%
I - 8. All other technologies, such as distribution over electric power lines.	0	0%	0%	0%	0%	0%

OMB NO: 3060-0816
EXPIRATION DATE: 10/31/2000

Sprint Corporation ILEC operations for Florida December 31, 1999

Complete Part II if you and all affiliates (including commonly controlled entities) provide 10,000 or more voice-grade equivalent lines or wireless voice-grade equivalent channels used for local exchange or exchange access service in the state. See instructions for definitions of "voice telephone service", "voice-grade equivalent lines", "residential and small business", "owned facilities", "COLO switching centers", and "end users".

CONFIDENTIAL

If you provide data in Part II, you must provide in Part V a list containing the 5-digit zip codes of the end-user locations in which you provide the wireline or fixed wireless voice grade services reported herein. See instructions.

	(a)	Percentages of lines and wireless channels reported in (a)			
Data as of December 31, 1999:	Total voice-grade equivalent lines and voice-grade equivalent wireless channels in service	(b) % of (a) used for residential & small business service	(c) % of (a) provided over your own facilities	(d) % of (a) provided over UNE loops	(e) % of (a) in ILEC COLO switching centers
A. Voice telephone service provided to end users.					
II - 1. Total lines and channels you provided to end users.	2,143,223	78%	100%	0%	32%
II - 2. Lines and channels that you provided under a Total Service Resale arrangement. See instructions.	29,229	78%	100%		37%
II - 3. Lines and channels you provided under other resale arrangements, such as resold centrex.	0	0%	0%	0%	0%

	(a) Total lines and				
C. UNE loops, special access lines, and those private lines that					
		78%			84%
		0%			0%
arrangement, where you also provided switching for the line.					
II - 6. Special access lines not provided as broadband.	1,584	0%	100%	0%	33%
II - 7. Private lines that connect an end-user premises to a telecommunications common carrier and not provided as broadband.	0	0%	0%	0%	0%

		Percentage of channels reported in (a), carried over the following types of facilities categorized by the technology used in the part of the line or wireless channel at the end-user location		
D. Total wireline voice-grade equivalent lines & fixed wireless voice-grade equivalent channels in service.		(f) cable coaxial	(g) wireless	(h) all other
II - 8. Total lines and channels provided. [line II-1+line II-2 + line II-3]	2,172,452	0%	0%	100%

Sprint Corporation ILEC operations for Florida December 31, 1999

Complete Part III if you and all affiliates (including commonly controlled entities) serve 10,000 or more mobile voice telephony subscribers in the state over your own facilities. See instructions for definitions of "mobile voice telephony subscribers" and "owned facilities".

Data as of December 31, 1999:

(a) Network telephone service: subscribers	(b) Percentage of (a) provided (i.e. billed directly) to end users

A.   Mobile voice telephony subscribers in service and served
      over your own facilities.

   III - 1. Cellular, PCS & other mobile telephony. | 0 | | 0% |

Sprint Corporation ILEC operations for Florida December 31, 1999

Space for comments or explanatory notes.

Part	Line	Comment
II	II - 2	Sprint cannot determine the percentage of residential and small business resale lines and has used the same percentage as for residential and small business lines in II - 1.
II	II - 4	Sprint cannot determine the percentage of residential and small business unbundled loops and has used the same percentage as for residential and small business lines in II - 1.

Sprint Corporation   ILEC operations for Florida   December 31, 1999

Filers completing Part I or Part II must supply a list of 5 digit Zip Codes corresponding to filer's service territory.
Do not provide customer counts by Zip Code.

CONFIDENTIAL

Data as of December 31, 1999:

V - 1.   5 digit zip codes in the state in which you provide to end-user locations:

	(a) Broadband Service	(b) Wireline & Fixed Wireless Exchange Telephone
1	32058	00045
2	32091	00097
3	32102	00098
4	32134	32044
5	32159	32058
6	32301	32059
7	32302	32091
8	32303	32102
9	32304	32111
10	32308	32133
11	32311	32134
12	32312	32158
13	32327	32159
14	32331	32168
15	32340	32179
16	32344	32183
17	32345	32192
18	32346	32195
19	32355	32301
20	32399	32303
21	32401	32304
22	32425	32306
23	32431	32307
24	32433	32308
25	32439	32309
26	32442	32310
27	32443	32311
28	32445	32312
29	32446	32313
30	32448	32314
31	32455	32316
32	32458	32326
33	32459	32327
34	32460	32331

OMB NO: 3060-0816
EXPIRATION DATE: 10/31/2000

All filers must complete this section.   File data as of: June 30, 2000

Filing Status   Meet broadband, local competition and wireless thresholds

1.   Company   Sprint Corporation

2.   Indicate the category that best describes the operations covered by this filing.
Wireline Local Exchange Carrier

3.   Filers must report separate data for ILEC and non-ILEC operations.
Use the following drop-down box to indicate whether this worksheet contains data
for ILEC or for non-ILEC operations.
ILEC operations

4.   Use the following drop-down box to select your company, parent or controlling
entity name. Select "not shown" if it is not in the list. Incorporate this name into
the file name for each data file that you and all affiliates submit. See instructions,
Section IV-B-1 for information on preparing file names.
Sprint Corporation

If you selected "not shown" above, then provide the following:
Name of company, parent or controlling entity.

5.   State.   Florida

6.   Contact person (person who prepared the data contained below).
Rikke Davis

7.   Contact person telephone number and e-mail address.
phone   202-585-1919

e-mail   rikke.davis@mail.sprint.com

8.   Indicate whether this is an original or revised filing.
Original Filing

9.   Indicate whether you request non-disclosure of some or all of the information in this file
because you believe that this information is privileged and confidential and public disclosure
of such information would likely cause substantial harm to the competitive position of the filer.
Filer certifies that some data in this report is privileged and confidential

10. If you requested non-disclosure in line 9, indicate whether this is your complete or redacted filin
Complete version of file

Please review instructions before completing form.

Reminders:

1) Virus check your diskettes before you mail them.
Virus check your files before you e-mail them.

2) Use the correct version of the form. If you are not
filing data for June 30, 2000, then obtain the
correct version from www.fcc.gov/broadband/data/forms.

3) You may not insert or delete columns or rows, move
cells, or edit text or numbers outside the cells provided
for data entries. Files that cannot be opened in
EXCEL97, files whose structure has been altered,
and files with improper names will be returned for
refiling.

4) If you have questions about the form, contact the
Common Carrier Bureau, Industry Analysis Division
at (202) 418-0940; via e-mail at 477INFO@fcc.gov;
or via TTY at (202) 418-0484.

5) You must include a Certification statement signed by
an officer of your company. A single statement will
cover all files included on the diskette.

6) If you request non-disclosure of some data, you must
file a public version of the form with such information
redacted. See Sections IV-B and IV-C of the instructions
for information on preparing a redacted file.

7) In addition to filing data on diskette, please submit
data files via e-mail to: FCC477@fcc.gov

8) See instructions for the file naming convention. Fill out p
and then check the following file name replacing "#1" with
a sequence number. This number is "#1" unless you
submit more than one file for a type of operation in a stat

example   FLT#1J00Sprint Corporation .XLS

Sprint Corporation   ILEC operations for Florida June 30, 2000

CONFIDENTIAL

Complete Part I if you and all affiliates (including commonly controlled entities) provide 250 or more broadband lines or wireless channels in the state over your own facilities or over lines you provisioned as broadband. See instructions for definitions of "own facilities", "broadband", "end user", and "residential and small business".

If you provide data in Part I, you must provide in Part V a list containing the 5-digit zip codes of the end-user locations in which you provide the broadband services reported herein. See instructions.

Data as of June 30, 2000

A. Lines and wireless channels of broadband service that you provided over your own facilities, or over UNE loops or other lines and wireless channels that you obtained from other service providers and equipped as broadband, categorized by technology at the end-user location.

	(a)	Percentages of lines and wireless channels reported in (a)				
	Total one-way and two-way (full) broadband lines and wireless channels	(b) % of (a) used by residential & small business customers	(c) % of (a) provided over your own facilities	(d) % of (a) provided (i.e. billed directly) to end users	(e) % of (a) providing customers greater than 200 kbps in both directions	(f) % of (a) providing customers greater than 2 mbps in both directions
I - 1. Asymmetric xDSL.	3,192	99%	100%	100%	20%	0%
I - 2. Other traditional wireline including symmetric xDSL.	8,933	0%	100%	27%	100%	2%
I - 3. Coaxial carrier systems including hybrid fiber-coaxial systems.						
I - 4. Optical carrier (fiber to the end user).	19	0%	100%	0%	100%	100%
I - 5. Satellite.						
I - 6. Terrestrial wireless fixed.						
I - 7. Terrestrial wireless mobile.						
I - 8. All other technologies, such as distribution over electric power lines.						

OMB NO: 3060-0816
EXPIRATION DATE: 10/31/2000

Sprint Corporation ILEC operations for Florida June 30, 2000

Complete Part II if you and all affiliates (including commonly controlled entities) provide 10,000 or more voice-grade equivalent lines or wireless voice-grade equivalent channels used for local exchange or exchange access service in the state. See instructions for definitions of "voice telephone service", "voice-grade equivalent lines", "residential and small business", "owned facilities", "COLO switching centers", and "end users".

CONFIDENTIAL

If you provide data in Part II, you must provide in Part V a list containing the 5-digit zip codes of the end-user locations in which you provide the wireline or fixed wireless voice grade services reported herein. See instructions.

Data as of June 30, 2000	(a) Total voice-grade equivalent lines and voice-grade equivalent wireless channels in service	Percentages of lines and wireless channels reported in (a)			
		(b) % of (a) used for residential & small business service	(c) % of (a) provided over your own facilities	(d) % of (a) provided over UNE loops	(e) % of (a) in ILEC COLO switching centers
A. Voice telephone service provided to end users.					
II - 1. Total lines and channels you provided to end users.	2,146,342	83%	100%	0%	36%
B. Voice telephone service provided to other communications carriers, categorized by:					
II - 2. Lines and channels that you provided under a Total Service Resale arrangement. See instructions.	34,177	83%	100%		47%
II - 3. Lines and channels you provided under other resale arrangements, such as resold centrex.					

C. UNE loops, special access lines, and those private lines that connect to carriers, categorized by:	(a) Total lines and wireless channels				
II - 4. Lines and channels that you provided under a UNE loop arrangement, where you do not provide switching for the line.	2,211	83%			41%
II - 5. Lines and channels that you provided under a UNE loop arrangement, where you also provided switching for the line.					
II - 6. Special access lines not provided as broadband and private lines that connect an end-user premises to a telecommunications common carrier and is not provided as broadband.	1,444	0%	100%	0%	34%

	Percentage of channels reported in (a), carried over the following types of facilities categorized by the technology used in the part of the line or wireless channel at the end-user location		
	(f) cable coaxial	(g) wireless	(h) all other including traditional wirelin
D. Total wireline voice-grade equivalent lines & fixed wireless voice-grade equivalent channels in service.			
II - 7. Total lines and channels provided. [line II-1+line II-2 + line II-3] 2,180,519			100%

OMB NO: 3060-0816
EXPIRATION DATE: 10/31/2000

Sprint Corporation   ILEC operations for Florida June 30, 2000

Complete Part III if you and all affiliates (including commonly controlled entities) serve 10,000 or more mobile voice telephony subscribers in the state over your own facilities. See instructions for definitions of "mobile voice telephony subscribers" and "owned facilities".

Data as of June 30, 2000

A.   Mobile voice telephony subscribers in service and served over your own facilities.

(a) Network telephone service: subscribers	(b) Percentage of (a) provided (i.e. billed directly) to end users

III - 1. Cellular, PCS & other mobile telephony.

1	100%

OMB NO: 3060-0816
EXPIRATION DATE: 10/31/2000

Sprint Corporation   ILEC operations for Florida June 30, 2000

Space for comments or explanatory notes.

Part	Line	Comment
II	II-2	Sprint cannot determine the percentage of residential and small business resale lines and has used the same percentage as for residential and small business lines in II-1.
II	II-4	Sprint cannot determine the percentage of residential and small business unbundled loops and has used the same percentage as for residential and small business lines in II-1.

OMB NO: 3060-0816
EXPIRATION DATE: 10/31/2000

Sprint Corporation   ILEC operations for Florida June 30, 2000

Filers completing Part I or Part II must supply a list of 5 digit Zip Codes corresponding to filer's service territory.
Do not provide customer counts by Zip Code.

Data as of December 31, 1999:

V - 1.   5 digit zip codes in the state in which you provide to end-user locations:

	(a) Broadband Service	(b) Wireline & Fixed Wireless Exchange Telephone
1	32058	00045
2	32059	00097
3	32091	00098
4	32102	32044
5	32134	32058
6	32159	32059
7	32301	32091
8	32303	32102
9	32304	32111
10	32311	32133
11	32312	32134
12	32327	32158
13	32331	32159
14	32340	32168
15	32344	32179
16	32346	32183
17	32355	32192
18	32420	32195
19	32425	32301
20	32428	32303
21	32431	32304
22	32433	32306
23	32439	32307
24	32442	32308
25	32443	32309
26	32445	32310
27	32446	32311
28	32455	32312
29	32458	32313
30	32459	32314
31	32460	32316
32	32464	32326
33	32531	32327
34	32536	32331

OMB NO: 3060-0816
EXPIRATION DATE: 10/31/2000

All filers must complete this section.　　　　File data as of: December 31, 2000

1. Filing Status　　Meet broadband, local competition and wireless thresholds
2. Company　　Sprint Corporation

3. Indicate the category that best describes the operations covered by this filing.

    Wireline Local Exchange Carrier

4. Filers must report separate data for ILEC and non-ILEC operations.
    Use the following drop-down box to indicate whether this worksheet contains data
    for ILEC or for non-ILEC operations.

    ILEC operations

5. Use the following drop-down box to select your company, parent or controlling
    entity name. Select "not shown" if it is not in the list. See instructions
    Section IV-B-1 for information on preparing file names.

    Sprint Corporation

    If you selected "not shown" above, then provide the following:

    Name of company, parent or controlling entity.

6. State.　　Florida

7. Contact person (person who prepared the data contained below).

    Rikke Davis

8. Contact person telephone number and e-mail address.
    phone　　202-585-1919

    e-mail　　rikke.davis@mail.sprint.com

9. Indicate whether this is an original or revised filing.

    Original Filing

10. Indicate whether you request non-disclosure of some or all of the information in this file
    because you believe that this information is privileged and confidential and public disclosure
    of such information would likely cause substantial harm to the competitive position of the filer.

    Filer certifies that some data in this report is privileged and confidential

11. If you requested non-disclosure in line 10, indicate if this is your complete or redacted file.

    Complete version of file

Please review instructions before completing form.

Reminders:

1) Virus check your floppy diskettes or compact disk before
    you mail them.

2) Use the correct version of the form. If you are not
    filing data for December 31, 2000, then obtain the
    correct version from www.fcc.gov/broadband/data/forms.

3) You may not insert or delete columns or rows, move
    cells, or edit text or numbers outside the cells provided
    for data entries. Files that cannot be opened in
    EXCEL97, files whose structure has been altered,
    and files with improper names will be returned for
    refiling.

4) If you have questions about the form, contact the
    Common Carrier Bureau, Industry Analysis Division
    at (202) 418-0940; via e-mail at 477INFO@fcc.gov;
    or via TTY at (202) 418-0484.

5) You must include a Certification statement signed by
    an officer of your company. A single statement will
    cover all files included on the diskette.

6) If you request non-disclosure of some data, you must
    file a public version of the form with such information
    redacted. See Sections IV-B and IV-C of the instructions
    for information on preparing a redacted file.

7) Name your files as specified in section IV.B.1 of the
    instructions. To assist you, complete this Cover Page
    to generate an "example" name, below. Replace the
    character "#" in this example name with a sequence
    number as specified in the instructions. This number
    should be "1" unless using "1" would cause you to
    submit more than one file with the identical file name.

Example FLB#D00Sprint Corporation .XLS

OMB NO: 3060-0816
EXPIRATION DATE: 11/30/2003

Sprint Corporation ILEC operations for Florida December 31, 2000

CONFIDENTIAL

Complete Part I if you and all affiliates (including commonly controlled entities) provide 250 or more broadband lines or wireless channels in the state over your own facilities or over lines you provisioned as broadband. See instructions for definitions of "own facilities", "broadband", "end user", and "residential and small business".

If you provide data in Part I, you must provide in Part V a list containing the 5-digit zip codes of the end-user locations in which you provide the broadband services reported herein. See instructions.

Data as of December 31, 2000

A. Lines and wireless channels of broadband service that you provided over your own facilities, or over UNE loops or other lines and wireless channels that you obtained from other service providers and equipped as broadband, categorized by technology at the end-user location.

	(a)	Percentages of lines and wireless channels reported in (a)				
	Total one-way and two-way (full) broadband lines and wireless channels	(b) % of (a) used by residential & small business customers	(c) % of (a) provided over your own facilities	(d) % of (a) provided (i.e. billed directly) to end users	(e) % of (a) providing customers greater than 200 kbps in both directions	(f) % of (a) providing customers greater than 2 mbps in both directions
I - 1. Asymmetric xDSL.	10,105	92%	100%	100%	14%	0%
I - 2. Other traditional wireline including symmetric xDSL.	8,910	0%	100%	28%	100%	2%
I - 3. Coaxial carrier systems including hybrid fiber-coaxial systems.						
I - 4. Optical carrier (fiber to the end user).	6	0%	100%	0%	100%	100%
I - 5. Satellite.						
I - 6. Terrestrial wireless fixed.						
I - 7. Terrestrial wireless mobile.						
I - 8. All other technologies, such as distribution over electric power lines.						

OMB NO: 3060-0816
EXPIRATION DATE: 11/30/2003

Sprint Corporation ILEC operations for Florida December 31, 2000

Complete Part II if you and all affiliates (including commonly controlled entities) provide 10,000 or more voice-grade equivalent lines or wireless voice-grade equivalent channels used for local exchange or exchange access service in the state. See instructions for definitions of "voice telephone service", "voice-grade equivalent lines", "residential and small business", "owned facilities", "COLO switching centers", and "end users".

CONFIDENTIAL

If you provide data in Part II, you must provide in Part V a list containing the 5-digit zip codes of the end-user locations in which you provide the wireline or fixed wireless voice grade services reported herein. See instructions.

	(a)	Percentages of lines and wireless channels reported in (a)			
Data as of December 31, 2000	Total voice-grade equivalent lines and voice-grade equivalent wireless channels in service	(b) % of (a) used for residential & small business service	(c) % of (a) provided over your own facilities	(d) % of (a) provided over UNE loops	(e) % of (a) in ILEC COLO switching centers
A.　Voice telephone service provided to end users.					
II - 1.　Total lines and channels you provided to end users.	2,194,879	83%	100%	0%	64%
B.　Voice telephone service provided to other communications carriers, categorized by:					
II - 2.　Lines and channels that you provided under a Total Service Resale arrangement. See instructions.	43,953	83%	100%		66%
II - 3.　Lines and channels you provided under other resale arrangements, such as resold centrex.					

	(a) Total lines and wireless channels				
C.　UNE loops, special access lines, and those private lines that connect to carriers, categorized by:					
II - 4.　Lines and channels that you provided under a UNE loop arrangement, where you do not provide switching for the line.	4,925	83%			20%
II - 5.　Lines and channels that you provided under a UNE loop arrangement, where you also provided switching for the line.					
II - 6.　Special access lines not provided as broadband and private lines that connect an end-user premises to a telecommunications common carrier and is not provided as broadband.	2,206	0%	100%	0%	48%

	Percentage of channels reported in (a), carried over the following types of facilities categorized by the technology used in the part of the line or wireless channel at the end-user location		
	(f) cable coaxial	(g) wireless	(h) all other including traditional wirelin
D.　Total wireline voice-grade equivalent lines & fixed wireless voice-grade equivalent channels in service.			
II - 7.　Total lines and channels provided. [line II-1+line II-2 + line II-3]	2,238,832			100%

OMB NO: 3060-0816
EXPIRATION DATE: 11/30/2003

Sprint Corporation ILEC operations for Florida December 31, 2000

Complete Part III if you and all affiliates (including commonly controlled entities) serve 10,000 or more mobile voice telephony subscribers in the state over your own facilities. See instructions for definitions of "mobile voice telephony subscribers" and "owned facilities".

Data as of December 31, 2000

A. Mobile voice telephony subscribers in service and served over your own facilities.

(a) Network telephone service: subscribers	(b) Percentage of (a) provided (i.e. billed directly) to end users

III - 1. Cellular, PCS & other mobile telephony.

1		100%

OMB NO: 3060-0816
EXPIRATION DATE: 11/30/2003

Sprint Corporation   ILEC operations for Florida December 31, 2000

Space for comments or explanatory notes.

Part	Line	Comment
II	II-2	Sprint cannot determine the percentage of residential and small business resale lines and has used the same percentage as for residential and small business lines in II-1.
II	II-4	Sprint cannot determine the percentage of residential and small business unbundled loops and has used the same percentage as for residential and small business lines in II-1.

OMB NO: 3060-0816
EXPIRATION DATE: 11/30/2003

Sprint Corporation   ILEC operations for Florida December 31, 2000

Filers completing Part I or Part II must supply a list of 5-digit Zip Codes in which the filer has at least one customer.
Do not provide customer counts by Zip Code.

Data as of December 31, 2000

V - 1.   5-digit Zip Codes in the state in which you provide service to end-user locations:

	(a) Broadband Service	(b) Wireline & Fixed Wireless Exchange Telephone
1	32034	32034
2	32053	32053
3	32058	32058
4	32059	32059
5	32091	32091
6	32102	32102
7	32111	32111
8	32113	32113
9	32134	32134
10	32158	32158
11	32159	32159
12	32168	32168
13	32179	32179
14	32183	32183
15	32189	32189
16	32192	32192
17	32195	32195
18	32301	32272
19	32302	32301
20	32303	32302
21	32304	32303
22	32305	32304
23	32306	32305
24	32307	32306
25	32308	32307
26	32309	32308
27	32310	32309
28	32311	32310
29	32312	32311
30	32313	32312
31	32314	32313
32	32315	32314
33	32316	32315
34	32317	32316

OMB NO: 3060-0816
EXPIRATION DATE: 11/30/2003

All filers must complete this section.   File data as of: June 30, 2001

Please review instructions before completing form.

1. Filing Status   Meet broadband, local competition and wireless thresholds

2. Company   Sprint Corporation

Reminders:

3. Indicate the category that best describes the operations covered by this filing.

    Wireline Local Exchange Carrier

1) Virus check your floppy diskettes or compact disk before you mail them.

4. Filers must report separate data for ILEC and non-ILEC operations.
   Use the following drop-down box to indicate whether this worksheet contains data
   for ILEC or for non-ILEC operations.

    ILEC operations

2) If you are filing original or revised data for an earlier semi-annual reporting period, do not use this particular form (which is only for data as of June 30, 2001). See Reminder 4.

5. Use the following drop-down box to select your company, parent or controlling
   entity name. Select "not shown" if it is not in the list. See instructions
   Section IV-B-1 for information on preparing file names.

    Sprint Corporation

3) You may not insert or delete columns or rows, move cells, or edit text or numbers outside the cells provided for data entries. Files that cannot be opened in EXCEL97, files whose structure has been altered, and files with improper names will be returned for refiling.

   If you selected "not shown" above, then provide the following:

    Name of company, parent or controlling entity.

4) If you have questions about the form, contact the Common Carrier Bureau, Industry Analysis Division at (202) 418-0940; via e-mail at 477INFO@fcc.gov; or via TTY at (202) 418-0484.

6. State.   Florida

7. Contact person (person who prepared the data contained below).

    Rikke Davis

5) You must include a Certification statement signed by an officer of your company. A single statement will cover all files included on the diskette(s) or compact disk.

8. Contact person telephone number and e-mail address.
   phone   202-585-1919

   e-mail   rikke.davis@mail.sprint.com

6) If you request non-disclosure of some data, you must file a public version of the form with such information redacted. See Sections IV-B and IV-C of the instructions for information on preparing a redacted file.

9. Indicate whether this is an original or revised filing.

    Original Filing

10. Indicate whether you request non-disclosure of some or all of the information in this file
    because you believe that this information is privileged and confidential and public disclosure
    of such information would likely cause substantial harm to the competitive position of the filer.

    Filer certifies that some data in this report is privileged and confidential

7) Name your files as specified in section IV.B.1 of the instructions. To assist you, complete this Cover Page to generate an "example" name, below. Replace the character "#" in this example name with a sequence number as specified in the instructions. This number should be "1" unless using "1" would cause you to submit more than one file with the identical file name.

11. If you requested non-disclosure in line 10, indicate if this is your complete or redacted file.

    Complete version of file

Example FLB#J01Sprint Corporation .XLS

CONFIDENTIAL

Sprint Corporation   ILEC operations for Florida June 30, 2001

Complete Part I if you and all affiliates (including commonly controlled entities) provide 250 or more broadband lines or wireless channels in the state over your own facilities or over lines you provisioned as broadband. See instructions for definitions of "own facilities", "broadband", "end user", and "residential and small business".

If you provide data in Part I, you must provide in Part V a list containing the 5-digit zip codes of the end-user locations in which you provide the broadband services reported herein. See instructions.

Data as of June 30, 2001

A.   Lines and wireless channels of broadband service that you provided over your own facilities, or over UNE loops or other lines and wireless channels that you obtained from other service providers and equipped as broadband, categorized by technology at the end-user location.

	(a)	Percentages of lines and wireless channels reported in (a)				
	Total one-way and two-way (full) broadband lines and wireless channels	(b) % of (a) used by residential & small business customers	(c) % of (a) provided over your own facilities	(d) % of (a) provided (i.e. billed directly) to end users	(e) % of (a) providing customers greater than 200 kbps in both directions	(f) % of (a) providing customers greater than 2 mbps in both directions
I - 1. Asymmetric xDSL.	18,988	87%	100%	96%	12%	0%
I - 2. Other traditional wireline including symmetric xDSL.	11,154	0%	100%	24%	100%	2%
I - 3. Coaxial carrier systems including hybrid fiber-coaxial systems.						
I - 4. Optical carrier (fiber to the end user).	3	0%	100%	0%	100%	100%
I - 5. Satellite.						
I - 6. Terrestrial wireless fixed.						
I - 7. Terrestrial wireless mobile.						
I - 8. All other technologies, such as distribution over electric power lines.						

Note: In Part I, report actual counts. Do not report voice-grade equivalent measures.

OMB NO: 3060-0816
EXPIRATION DATE: 11/30/2003

Sprint Corporation ILEC operations for Florida June 30, 2001

Complete Part II if you and all affiliates (including commonly controlled entities) provide 10,000 or more voice-grade equivalent lines or wireless voice-grade equivalent channels used for local exchange or exchange access service in the state. See instructions for definitions of "voice telephone service", "voice-grade equivalent lines", "residential and small business", "owned facilities", "COLO switching centers", and "end users".

CONFIDENTIAL

If you provide data in Part II, you must provide in Part V a list containing the 5-digit zip codes of the end-user locations in which you provide the wireline or fixed wireless voice grade services reported herein. See instructions.

	(a)	Percentages of lines and wireless channels reported in (a)			
Data as of June 30, 2001	Total voice-grade equivalent lines and voice-grade equivalent wireless channels in service	(b) % of (a) used for residential & small business service	(c) % of (a) provided over your own facilities	(d) % of (a) provided over UNE loops	(e) % of (a) in ILEC COLO switching centers

A.   Voice telephone service provided to end users.

II - 1. Total lines and channels you provided to end users.	2,158,934	78%	100%	0%	66%

B.   Voice telephone service provided to other communications carriers, categorized by:

II - 2. Lines and channels that you provided under a Total Service Resale arrangement. See instructions.	48,128	78%	100%		68%
II - 3. Lines and channels you provided under other resale arrangements, such as resold centrex.					

C.   UNE loops, special access lines, and those private lines that connect to carriers, categorized by:

	(a) Total lines and wireless channels				
II - 4. Lines and channels that you provided under a UNE loop arrangement, where you do not provide switching for the line.	5,436	78%			100%
II - 5. Lines and channels that you provided under a UNE loop arrangement, where you also provided switching for the line.					
II - 6. Special access lines not provided as broadband and private lines that connect an end-user premises to a telecommunications common carrier and is not provided as broadband.	2,192	0%	100%		47%

Percentage of channels reported in (a), carried over the following types of facilities categorized by the technology used in the part of the line or wireless channel at the end-user location		
(f) cable coaxial	(g) wireless	(h) all other including traditional wirelin

D.   Total wireline voice-grade equivalent lines & fixed wireless voice-grade equivalent channels in service.

II - 7. Total lines and channels provided. [line II-1+line II-2 + line II-3]	2,207,062			100%

OMB NO: 3060-0816
EXPIRATION DATE: 11/30/2003

Sprint Corporation   ILEC operations for Florida June 30, 2001

Complete Part III if you and all affiliates (including commonly controlled entities) serve 10,000 or more mobile voice telephony subscribers in the state over your own facilities. See instructions for definitions of "mobile voice telephony subscribers" and "owned facilities".

Data as of June 30, 2001

	(a) Network telephone service: subscribers	(b) Percentage of (a) provided (i.e. billed directly) to end users
A. Mobile voice telephony subscribers in service and served over your own facilities.		

III - 1. Cellular, PCS & other mobile telephony. | 1 | | 100% |

Sprint Corporation   ILEC operations for Florida   June 30, 2001

Space for comments or explanatory notes.

Part	Line	Comment
II	II-2	Sprint cannot determine the percentage of residential and small business resale lines and has used the same percentage as for residential and small business lines in II-1.
II	II-4	Sprint cannot determine the percentage of residential and small business unbundled loops and has used the same percentage as for residential and small business lines in II-1.

Sprint Corporation   ILEC operations for Florida June 30, 2001

Filers completing Part I or Part II must supply a list of 5-digit Zip Codes in which the filer has at least one customer.
Do not provide customer counts by Zip Code.

Data as of June 30, 2001

V - 1. 5-digit Zip Codes in the state in which you provide service to end-user locations:

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26	32309	32308
27	32310	32309
28	32311	32310
29	32312	32311
30	32313	32312
31	32314	32313
32	32315	32314
33	32316	32315 OMB NO: 3060-0816
34	32317	32316 EXPIRATION DATE: 11/30/2003

Florida Competitive Review – 01/05/2000

Business Planning & Development, Florida Competitive Intelligence Team

Melanie Elliott — Manager-Competitive Analysis — 407.889.6399 voice
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407.884.7020 fax — FLAPKA0317

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Level 3 Offering Wholesale Long Distance Internet Telephony in Tampa

Level 3 has announced it is launching its long distance Internet telephony service called (3)Voice. The company will first offer its new service on a wholesale basis to resellers, other carriers, wireless service providers, and CLECs.

Level 3's (3)Voice service will be offered in 10 markets including Tampa. It has plans to expand the offering to 25 cities by the end of first quarter 2000. The new (3)Voice service will be priced at discounts of up to 20% less than similar service offerings. Level 3's VoIP network has the ability to transfer voice traffic over traditional switched circuits when its IP network becomes crowded or call quality falls below a certain level.

Level 3 is a well-managed company with financial resources enabling it to offer the latest technologies. It has placed a significant amount of fiber in Sprint's Winter Park district and throughout the Orlando area, which may make Orlando a likely candidate for VoIP later in the year. The company has the potential to become a significant competitor in Central Florida.

LTD Territories: Central and South Florida

Exchanges: Winter Park, Winter Garden, Naples and Fort Myers Districts

Impact: Business, Carrier

Competitive Threat: Medium

KMC Telecom Plans to Migrate Florida Customers to Packet Network

KMC Telecom has announced plans to begin overlaying its networks in many markets, including Tallahassee and Fort Myers, with packet switching technology. It has signed a three-year contract with Lucent for equipment that will enable the change. KMC plans to offer integrated voice and data over IP services when the deployment is completed.

KMC Telecom is a CLEC that targets businesses in medium size markets. Its strategy is to be the first CLEC to begin operations in these less competitive areas. KMC is the only significant competitor in Sprint's Tallahassee and Fort Myers markets. It has rolled out DSL in Fort Myers and plans to do so in Tallahassee as well.

KMC stated several reasons for its move to a packet-based network. It feels now is a good time to make the switch to newer technology, before its circuit network is fully deployed and entrenched. It also sees voice over IP as a more cost-effective technology in the long run. But a main driver is it thinks the small businesses in its target markets will be impressed at being

offered services usually reserved for larger businesses in bigger markets. This is a logical extension of KMC's basic strategy of serving Tier 3 markets that no other CLEC is interested in and taking full advantage of its first-to-market position.

LTD Territories: Florida

Exchanges: Tallahassee and Fort Myers Districts

Impact: Business

Competitive Threat: Medium

FPL Group Forming New Telecommunications Unit

FPL Group, parent company of Florida Power and Light, is forming a new telecommunications unit. Its principle subsidiary, Florida Power and Light, is the largest electric company in Florida. It currently serves 3.8 million customer accounts in Florida, operating primarily in BellSouth and GTE's franchised territories. Its fiber-optic cable network is located from Miami to Jacksonville and across to Orlando and Tampa. The new unit will acquire FPL Group's existing fiber optic network, which has been built up over the years. Florida Power and Light will continue to act as a customer and lease capacity from the new unit.

FPL Group began leasing Florida Power and Light's extra capacity several years ago. It plans to invest $100 million in network expansion, adding an additional 3,000 miles to its existing 16,000-mile fiber optic network. Florida Digital Network (FDN), a Florida certified CLEC, is one of its more recent customers. The new unit plans to target CLECs, Internet Service Providers, and cable companies. FPL Group has not revealed the name of the unit, which will be created in January with 40 employees. The company has not filed for CLEC certification.

The company does not intend to enter the retail market, but will continue to operate as a wholesaler. Its current business strategy has not been changed other than the relocation of its wholesale telecommunications operations from under its utility to its new unit. The organizational change may have been prompted by the possible future deregulation of the electric utility industry, but does not appear to signal a change in FPL Group's wholesale capacity operations.

LTD Territories: Central and South Florida

Impact: Carrier

Competitive Threat: Low

Worldwide Fiber Contracts for Dark Fiber in Florida

Worldwide Fiber, a facilities based CLEC headquartered in Canada, announced it has signed an agreement with Qwest for 12 dark fiber strands and conduit that will allow it to expand throughout Florida. Worldwide Fiber targets other carriers, offering dark fiber and wholesale bandwidth products including private line and data services. Worldwide Fiber's agreement with Qwest gives it fiber access in Jacksonville, Miami, Tampa, and Tallahassee. It also will receive conduit between Jacksonville and Pensacola. Worldwide Fiber is also working on expanding its network between Tampa and Orlando.

Worldwide Fiber is a subsidiary of Ledcor, a construction company that builds highways, mines, pipelines and fiber networks. Ledcor is privately owned and earns approximately $400 million in revenues annually. In 1998, Ledcor decided to separate out its division that placed fiber and created Worldwide Fiber to market fiber and bandwidth to telecommunication carriers. In addition to Qwest, Worldwide Fiber has also leased fiber from Williams Communications in order to complete a nationwide network. Worldwide Fiber recently applied for CLEC certification in Florida, but has not yet been approved.

It is not clear exactly how Worldwide Fiber intends to differentiate from other wholesale companies such as Qwest and Williams Communications, from which it is obtaining some of its infrastructure. Ledcor has experience at building fiber networks, and has had some success in selling fiber in Canada. It is venturing out of its realm of experience in trying to piece together a North American network and selling products such as ATM. Still, it has the ability to fund Worldwide Fiber from its well established construction business and it has hired executives from RBOCs and other telecommunication companies to acquire the knowledge it needs. It is already rumored to be considering a public offering in order to raise additional funds if needed. Worldwide Fiber is unlikely to be a significant competitor for wholesale services initially, but has the potential to gain strength as it becomes more experienced and well positioned over the next few years.

LTD Territories: Florida

Exchanges: Tallahassee and Winter Park Districts

Impact: Carrier

Competitive Threat: Low

Network Plus Activates Miami Switch

Network Plus, a Florida certified CLEC, has announced the activation of its Lucent 5ESS switch located in Miami. The company plans to place a DMS 250 switch or a DMS 100 Super Node local switch in Orlando in the future. It is planning to install POPs in the Tallahassee and Fort Myers areas. The company also has business offices located in Jacksonville, Orlando, and Fort Lauderdale.

Network Plus is a privately owned company based in Massachusetts. It began operating in 1990 as a reseller targeting small to medium sized businesses. In the past the majority of its revenues came from reselling Sprint's long distance service. It is currently offering its customers a bundled package of local, long distance, and data services. The company has a dark fiber lease agreement with Florida East Coast Industries, giving it accessibility to Sprint's markets including Orlando, Fort Myers, and Naples. It also has an agreement to resell NorthPoint's DSL service, which is currently available in the Central Florida area and has stated plans to offer DSL and voice over DSL throughout Florida.

Network Plus appears to have a sound strategy to migrate its operations as a reseller to becoming a facilities-based provider. However, the company does not have the brand name advantage that many Central Florida competitors have established. Voice over DSL, which offers businesses the ability to provide multiple lines over one DSL connection, may help it create a niche for itself if it can successfully launch the product before other larger and more established CLECs.

LTD Territories: Florida

Impact: Business

Competitive Threat: Low

Planned TCCF Merger Fails

Negotiations between Avana Communications d/b/a Grace Development and Telephone Company of Central Florida (TCCF) have been terminated. During late 1999, Avana signed a letter of intent with Phoenix International to purchase 100% of TCCF's issued and outstanding stock. In exchange Phoenix International was to have received an unknown percentage of Grace Development including cash. Avana terminated the negotiations, apparently concerned with TCCF's financial position.

After filing for bankruptcy in 1998, TCCF was purchased by Phoenix International in 1999 for $1.5 million and pulled TCCF out of bankruptcy. In its prime TCCF was one of Sprint's largest Florida resellers.

TCCF's ability to successfully reorganize and re-emerge as a competitor is becoming dimmer. Its 1999 purchase by Phoenix International, a company with little to no funding, was not very promising and now this recent announcement makes its future questionable.

LTD Territories: Central Florida

Impact: Consumer, Carrier

Competitive Threat: Low

BellSouth Small Business Promotions

BellSouth is offering a variety of discounts to business customers with 20 lines or less through the end of 2000. Discounts range from installation waivers to one month of free service for custom calling services, Complete Choice, and Caller ID.

Service connection charges are waived for customers adding features such as remote call forwarding and Caller ID service. The charges are waived for additional services installed after January 1, 2000 for up to ninety days after the installation date of the business lines. New customers will have one month's recurring charges waived from services such as Custom Calling services and message waiting indication. Both service connection charges and one months' recurring charges on Caller ID services are waived for customers ordering within 90 days of establishing a new service.

BellSouth seems to be taking a more aggressive approach to targeting small business customers; perhaps because of the large number of CLECs it faces in many of its markets such

as Miami and Orlando. It has a web site tailored toward small business customers and advertises its Internet services specifically to this market segment.

LTD Territories: Central Florida

Impact: Business

Competitive Threat: Low

BellSouth Offers Desktop Fax Service

BellSouth Desktop Fax gives its users the ability to send and receive faxes from their PC. Other capabilities of the service include the ability to receive faxes remotely, send broadcast faxes, custom coversheets, and send multiple documents created in different software applications in one fax.

BellSouth is offering three types of service packages: Basic, Plus, and Plus with a toll-free number. Incoming faxes are received free. Charges for the basic plan include $0.15 for outbound faxes while the Plus and Plus with a toll-free number charge $0.10. The basic plan also includes a $4.95 minimum charge for any month with an outbound fax. Users of the Plus Plan are charged $6.95 monthly. If customers choose the Plus Plan with a toll-free number they will be charged $0.10 for inbound and outbound pages as well as $6.95 monthly.

With Desktop Fax, BellSouth has another value added service that can be included in its bundle of services targeting small businesses. The company's intent is to become a one-stop shop as well as to retain and entice customers. Its goal is to offer its small business and home office customers convenience as well and as many services as it is able to market and sell.

LTD Territories: Central Florida

Impact: Business, Consumer

Competitive Threat: Low

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407.884.7020 fax — FLAPKA0317

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Adelphia Business Plans to Turn Up Network in Fort Myers in March

Adelphia Business plans to turn up its local network in Fort Myers FL in March. Adelphia Business is a facilities based CLEC that targets businesses. It operates a local network in Jacksonville, and is building networks in Tampa and Orlando with plans to expand into Tallahassee. It has agreements with Williams Communications and Qwest for backbone facilities to connect its city networks throughout the state. It also recently announced an agreement with Level 3 that will supply it with duct space in numerous locations throughout the United States, including Orlando.

Adelphia Cable owns Adelphia Business, which is the dominant cable provider in Fort Myers. Adelphia Cable obtained a fiber network when it purchased the Fort Myers cable system from Jones Intercable. Williams and Qwest have both placed fiber throughout southwest Florida. Adelphia also has an agreement with ICI allowing it to provide ICI's data services to its customers. ICI specializes in frame relay service.

Adelphia has been reselling local service to businesses in several Sprint markets over the past few months. Adelphia has said all along it was reselling to build a customer base until its networks were completed, then it would move its customers to its own facilities. Adelphia likely picked Fort Myers as one of the first locations to begin operations simply because Adelphia Cable already had fiber in the ground and it was easier to put a network in place. Adelphia has gained experience from it operations in Jacksonville and other cities across the United States. Its manager in Orlando is a former Sprint employee. Adelphia hasn't been much of a threat to date as a reseller, but has already proven it is an aggressive competitor. Its threat will definitely increase as a facilities-based provider. Fort Myers has already experienced competition from KMC Telecom over the past year. Expect things to heat up as Adelphia enters the picture.

LTD Territories: South Florida

Exchanges: Fort Myers

Impact: Business

Competitive Threat: High

Florida PSC's Report on Competition

The Florida Public Service Commission (FPSC) has released a report on the status of local competition throughout the state. According to the FPSC's findings, total market share by CLECs increased from 1.8% in 1998 to 5.0% in 1999. Business customers have the most choices for local service, resulting in a large increase in business lines served by CLECs, from 4.3% in 1998 to 12.2% in 1999. Residential competition, still mostly represented by CLECs offering prepaid services to customers with no credit or bad credit, inched up from .7% in 1998 to 1.3% in 1999. The FPSC's results included CLECs that resell service as well as those that offer local service over CLEC owned facilities.

Orlando remained one of the most competitive markets in Florida, second only to the Fort Lauderdale and Miami market areas in number of active CLECs and number of CLEC owned local switches.

Because of its high growth and strong economy, Florida is one of the most attractive markets for new CLECs. Over 300 CLECs are now certified in Florida, with more applications pending. The Orlando market, which includes Sprint's Winter Park and Winter Garden areas, will continue to experience intense business competition throughout 2000. Several facilities based CLECs are in the process of building networks throughout Orlando with plans to begin operations this year.

LTD Territories: Central Florida

Exchanges: Winter Park and Winter Garden Districts

Impact: Consumer, Business

Competitive Threat: Low

Intermedia Communications Receives $700 Million to Fund Data Network Expansion

Intermedia Communications (ICI), a facilities based CLEC based in Tampa, announced it has received $700 million in financing to fund expansion of its data network. Kohlberg Kravis Roberts (KKR), a well-known investment firm, gave Intermedia $200 million in exchange for stock and two seats on Intermedia's board of directors. KKR will own approximately 8% of the company. In addition, Microsoft and Compaq each contributed $50 million to Intermedia's Internet subsidiary, Digex. This money will be used to develop ways for businesses to use computer software applications over the Internet. The two companies combined will own less than 5% of Digex. Intermedia also obtained a $400 million line of credit from a group of banks, with an option for an additional $400 million.

Intermedia is one of the oldest and most established CLECs in Florida, with operations in many locations including Orlando, Tampa, and Miami. It has an extensive frame relay network.

KKR is well known for its buy-out strategy, and its investment in Intermedia is unique in that KKR is not attempting to take a controlling interest. Intermedia has repeatedly been mentioned as a take-over target in its 14-year history. While it has strong revenue growth, it posted a loss of

over $400 million in 1999. KKR's management experience may be the help Intermedia needs to become more financially stable. The interest Microsoft and Compaq now have in Digex can't hurt either.

LTD Territories: Central Florida

Exchanges: Winter Park and Winter Garden Districts

Impact: Business

Competitive Threat: Medium

KMC Telecom's New Ad Campaign

KMC Telecom, a facilities based CLEC, has launched an advertising campaign targeting business customers called "KMC The 1." Reportedly the campaign has been launched in several cities throughout its market areas including Fort Myers and Tallahassee, both located in Sprint's market. Advertisements for the new campaign have appeared in the local Fort Myers newspapers. KMC has listed a new 800 number for customers to call, 1-888-KMC-THE-1.

KMC, a small, privately owned CLEC, targets business customers in third tier markets where little to no competition exists. In the past, it has advertised itself as the hometown alternative. Its company motto is "creative solutions with a hometown touch." KMC is very active in communities where it offers its services. Recently, it announced it was donating computers to eight schools located in the City of Fort Myers. KMC recently rolled out its DSL service in Fort Myers and has plans to roll out DSL in Tallahassee in early 2000.

KMC has stated its new advertising campaign will advertise its ability to be the single provider of local and long distance services as well as data and Internet services. The company is trying to position itself as a one-stop shop, a popular strategy among most competitors of which it has few in its market areas.

LTD Territories: North and South Florida

Exchanges: Tallahassee, Fort Myers

Impact: Business

Competitive Threat: Low

BlueStar Communications Advertises DSL in Orlando

BlueStar Communications, a data CLEC based in Tennessee, is advertising DSL from billboards along heavily traveled Interstate 4 in Orlando. BlueStar launched service in Jacksonville towards the end of 1999. It previously announced plans to target Tallahassee and Fort Myers as well.

BlueStar Communications targets business customers, offering DSL and other data services. It offers DSL with speeds up to 768 Kbps for $500 per month and speeds up to 2.5 Mbps for $900 per month.

BlueStar's strategy is to stick to medium sized markets with populations of less than one million, hoping to be the first DSL provider. Orlando and Jacksonville, however, are highly competitive markets and have been targeted by multiple high-speed data providers, and BlueStar may find it harder to compete in these areas than anticipated.

LTD Territories: Central Florida

Exchanges: Winter Park District

Impact: Business

Competitive Threat: Low

AllTel Launching Residential Local Service in Jacksonville

Alltel is launching its facilities based local service, targeting residential customers in BellSouth's Jacksonville market. It has stated its service coverage will include 60 percent of Jacksonville with plans to extend its coverage to 85 percent by year-end. It is offering residential customers a $36 package of services that includes voice mail, caller ID and 100 minutes of long distance all on one bill. Other Alltel services such as wireless, paging, and Internet can also be included on the bill. Alltel also offers a $29.95 package that includes 14 calling features but does not include long distance. This package is similar to BellSouth's Complete Choice plan, which is offered at $29.70. Alltel offers higher priced plans that include long distance.

Alltel is the incumbent LEC in several rural counties located in North Florida. It has extensive wireless coverage reaching all of North Florida, which includes Tallahassee and Fort Walton, as well as parts of Central Florida down through Ocala and Wildwood. It also offers long distance services as well as directory publishing. The company has stated it plans to launch local service in Gainesville and Tallahassee sometime during 2000.

Local phone service is an area most CLECs have avoided due to high costs. In many of its markets Alltel may be the first CLEC to offer consumers a choice, giving it an edge over other competitors. However, it appears Alltel is targeting higher end residential customers. Alltel's basic package is actually priced higher than similar packages offered by BellSouth. But as customers add multiple services, Alltel becomes a better deal. Alltel also has an advantage in being able to offer long distance service, something BellSouth cannot yet legally do.

LTD Territories: Florida

Impact: Consumer

Competitive Threat: Low

Florida Digital Network Offering Service in West Palm Beach

Florida Digital Network, a Florida based CLEC, has announced it is launching service in West Palm Beach targeting small and medium sized businesses. It plans to offer local service, long distance, and DSL. FDN also offers facilities based services in Orlando, Tampa, Jacksonville, Miami, and West Palm Beach.

Florida Digital Network (FDN) is a small, privately owned company. It is headquartered in Orlando and it has an interconnection agreement with Sprint. FDN offers customers discounts averaging 25%, and has plans to expand its Orlando operations this year, adding up to 100 new employees.

FDN has experienced management as well as funding, giving it a good chance of accomplishing its goal of becoming a statewide provider. FDN is not well known, but it is trying to overcome that handicap with aggressive and creative advertising. FDN is targeting Sprint's Winter Park and Winter Garden market areas. Though it has not been a significant threat so far, it has the potential to become one over the next few years as it becomes more established and experienced.

LTD Territories: Florida

Impact: Business

Competitive Threat: Low

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UniversalCom Installs DSL Equipment and Completes First Part of IP Network

UniversalCom, a facilities-based CLEC headquartered in Destin FL, announced plans to install DSL equipment in Sprint's Destin market, as well as Panama City and Pensacola FL, New Orleans LA, and Mobile AL. The company expects to complete installation in 1Q00. UniversalCom's stated target market is small to medium-sized businesses, however, the company's choice of DSL technology from Elastic Networks, which provides speeds of up to 4 Mbps in both directions, may appeal to the many hotels in the Destin area as well. Today, UniversalCom offers local, long-distance, Internet access and high-speed data to businesses in Destin. The company is well known, has a solid reputation and many business ties in the Destin market. Sprint currently offers ISDN in the Destin market and DSL is planned for 2001.

In separate news, UniversalCom announced the first phase completion of its new IP and ATM-based network connecting Destin, New Orleans and Mobile. The network will serve as the backbone for its DSL service. The company also said it plans to offer VoIP services in the future, most likely not until 2001.

LTD Territories: North Florida

Exchanges: Fort Walton District

Impact: Business

Competitive Threat: Medium

Williams Communications Turns up Parts of Florida Network

Williams Communications announced it has completed several routes of its Florida network. The three legs that have been turned up are: Miami/Fort Myers/Tampa, Tampa to Tallahassee, and Tallahassee/Pensacola/Mobile AL. Williams has completed 26,000 miles of its planned 33,000-mile national network. It plans to offer dark fiber as well as wholesale voice and data products, including private line, frame relay, ATM and IP Internet service to CLECs and other carriers. Williams also plans to offer collocation space at many of its POPs. Its customer list includes many large CLECs that operate in Florida, including Winstar, Intermedia, and Adelphia Business.

Williams is one of a handful of backbone facility providers that plans to provide wholesale services to CLECs this year. Williams has been an aggressive competitor in the past, and can be expected to make an impact on both the wholesale and retail markets. CLECs will be able to purchase wholesale services from Williams and enter multiple Florida markets quicker and more cheaply than it would if it had to build the networks itself.

LTD Territories: North and South Florida

Exchanges: Tallahassee and Fort Myers Districts

Impact: Carrier Business

Competitive Threat: Medium

Alltel Acquires GTE Wireless Markets in Florida

Alltel and GTE announced an exchange of wireless systems throughout the nation, with Alltel acquiring GTE's Florida cellular markets. The exchange was prompted by issues resulting from GTE's merger with Bell Atlantic requiring GTE to eliminate some of its cellular holdings in markets where AirTouch also operates. AirTouch is also being acquired by Bell Atlantic.

Alltel's acquisition of GTE Wireless systems in Florida, in addition to the wireless systems it already owns, will give it wireless coverage over much of Sprint's Florida territory. Alltel appears to be choosing to launch CLEC operations where it already has a wireless customer base, which means it could target other Sprint markets in addition to Tallahassee. This CLEC/wireless strategy may explain why Alltel targets both business and residential customers unlike the typical CLEC focus on business customers.

GTE Wireless operates in Pensacola and along the West Coast of Florida from Crystal River to Naples. In addition to Crystal River, GTE has systems in Sprint markets such as Cape Coral, Fort Myers, Naples, and Port Charlotte. Alltel is the incumbent LEC in parts of North Florida, and in some locations is adjacent to Sprint's local franchised territory. It also offers wireless service through its own cellular and PCS licenses as well as those it acquired through its purchase of 360 Communications. Its wireless services reach all of North Florida, including Tallahassee and Fort Walton, and the majority of Central Florida down through Ocala. Alltel recently announced it would offer local service in BellSouth's Jacksonville market and plans to target Tallahassee later this year.

LTD Territories: Florida

Exchanges: Crystal River, Fort Myers, Naples

Impact: Consumer Carrier Business

Competitive Threat: Low

BellSouth Expanding its e-Business Solutions

BellSouth has made several announcements designed to emphasize and strengthen its e-business infrastructure. It has made an alliance with Predictive Systems, a network consulting firm, that will allow Predictive Systems to offer BellSouth customers its network consulting services. In a separate agreement, BellSouth will team up with Internet Security Systems, a security management provider, to develop managed security services. In addition to these alliances, BellSouth has announced new service level agreements for its business Internet service packages.

BellSouth engineers will work with Predictive System consultants to evaluate network requirements as well as develop cost analysis information. The Internet Security Systems alliance will offer services such as managed firewall, network traffic monitoring for security violation, anti-virus screening, web site blocking, and a security management system that will include online access to logs and reports. BellSouth's new service level agreements will give its dedicated Internet access customers a 99.9% network availability guarantee. It also guarantees on-time installations 100% of the time and four hours or less repair time. If the service level agreements are not met the customers will receive a credit.

BellSouth's new e-business solutions will be an attractive option to business customers that lack the resources to manage their own Internet infrastructure. These alliances are part of BellSouth's strategy to be a full service provider for data services, the fastest growing segment of the telecom business. Where it lacks skills in-house, BellSouth is seeking out alliances to fill those gaps.

LTD Territories: Florida

Impact: Business

Competitive Threat: Low

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Level 3 Launches Data Services in Orlando and Tampa

Level 3 announced it has begun operations of its IP-based network in both Orlando and Tampa, offering local businesses services such as private line and Internet access. Level 3 is building its network to support both current and future high bandwidth requirements, and has placed a significant amount of conduit and fiber in ring configurations throughout Sprint's Winter Park market area. Much of the fiber has been placed along US Highway 17-92, running through Sprint's Altamonte Springs and Casselberry exchanges. Level 3 is also targeting the Kissimmee area.

Level 3 began offering voice over IP (VoIP) long distance services to other carriers in the Tampa area last month and plans to expand to other markets by the end of first quarter, with Orlando a likely target. The company also offers wholesale services, including collocation and dark fiber, to other telecommunications providers. It operates in the Miami area as well.

LTD Territories: Central Florida

Exchanges: Winter Park and Kissimmee

Impact: Business

Competitive Threat: Medium

Adelphia Business May Be Planning to Build Network in Ocala

Adelphia Business, a facilities based CLEC owned by Adelphia Cable, may be planning to build a network in Sprint's Ocala market. It recently began reselling local service to businesses there, but publicly made no indications that it would offer facilities based services. However, Adelphia Business reportedly has approached the City of Ocala regarding franchise negotiations, an indication it is looking for right-of-ways for facilities. Ocala has experienced little facilities based competition to date, with the exception of ITC DeltaCom which recently begun targeting businesses in this market.

LTD Territories: Central Florida

Exchanges: Ocala

Impact: Business

Competitive Threat: Medium

AT&T Buys Wireless One in Fort Myers

AT&T announced the purchase of Wireless One, a cellular company based in Fort Myers. Wireless One provides cellular service in Sprint's Fort Myers and Fort Walton Beach markets, as well as BellSouth's Pensacola market, under the brand name Cellular One. This acquisition gives AT&T wireless coverage across most of Florida, except for the Tallahassee area.

This is the second cellular turnover in Fort Myers in the past month. Alltel announced earlier in the month that it was acquiring GTE Wireless' cellular systems. Sprint PCS and PrimeCo offer PCS service in Fort Myers as well.

LTD Territories: North and South Florida

Exchanges: Fort Walton Beach and Fort Myers Districts

Impact: Carrier

Competitive Threat: Low

TriVergent Rolls Out its DSL Bundled Service in Jacksonville and Miami

TriVergent has announced plans to roll out "Total DSL," a DSL bundle that includes local and long-distance service to business and residential customers in Jacksonville, Miami, and Ft. Lauderdale by the end of 2Q00. Tallahassee, Orlando, and Tampa are on its rollout schedule for 2001. TriVergent, formerly known as State Communications, is one of the first CLECs in Florida to bundle DSL with local and long-distance service. Reportedly, the company plans to add collocation equipment in other markets only after it receives approximately 500 requests for the service.

The basic Total DSL Residential Package, priced at $60, includes DSL at a speed of 160Kbps, local service plus calling features, and 100 minutes of any distance calling. The basic Total DSL Business Package is priced at $240 and includes the same features as the residential package, plus additional calling features. DSL speeds of 320 Kbps, 640 Kbps, and 1 Mbps are also available to both residential and business customers for an additional charge.

LTD Territories: Florida

Impact: Consumer Business

Competitive Threat: Low

SBC Communications Announces Plans to Open an Operations Center in Tampa

SBC Communications recently leased a large building in Tampa with plans to hire approximately 845 data services and call center employees, giving a strong indication that it is moving ahead with its strategy to offer local service in Florida. The hiring will be completed in two phases, with the last phase scheduled for 2001. SBC plans to roll out local services in Miami during mid-2000, then expand into Tampa, Orlando, and Jacksonville over the next two years as part of its 30 market initiative outside its local serving territory. The RBOC plans to initially target business customers.

SBC also announced an alliance with Network Access Solutions, a DSL provider, to assist in the introduction of high-speed data services to the same 30 markets it has targeted throughout the United States. Network Access Solutions is certified as a CLEC in Florida.

LTD Territories: Central Florida

Impact: Business

Competitive Threat: Low

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The City of Ocala Begins Six Months Countdown on Telecom Decision

The City of Ocala voted to monitor its telecommunications revenue for six months before deciding whether to move forward with its operations or shut down the venture. Ocala has spent $4 million on its telecommunications network since 1996, when it expanded its internal fiber system and began offering dedicated services to local businesses. The City lost $1 million in 1999 and its own projections indicate it will be at least 2012 before the network turns a profit. The City Council agreed to invest no more major amounts of money over the next six months, when it will once more check revenues against projections. If the numbers do not improve, the Council indicated it may vote at that time to shut down the operation.

The City of Ocala entered into the telecommunications venture as a hedge against utility deregulation. However, the venture proved to be politically divisive as some city leaders objected to using taxpayer's money in developing a new business. Ocala originally sought a partner to share part of the cost in building its fiber ring, but ended up building it itself. City leaders have in the past pointed to the value of the fiber ring as an asset that could be sold in the event the business failed to become profitable. It appears unlikely that the City of Ocala will emerge as a competitive threat to Sprint, but it is possible its network could eventually be sold or leased to a CLEC.

LTD Territories: Florida
Exchanges: Ocala District
Impact: Business Carrier
Competitive Threat: Low

KMC Telecom announces new calling services

KMC Telecom has announced plans to launch two new telephone services, EMMA and SmartAlex Business Line Service. EMMA is a telephone receptionist service, while SmartAlex is a "follow me" service similar to Sprint's Total Number or Single Number service. KMC plans to launch the new services in Florida during the next several months. KMC operates in Sprint's markets located in Tallahassee and Fort Myers FL.

EMMA actually consists of two services, Telephone Receptionist and Corporate Directory. Customers calling a business with Telephone Receptionist service hear a life-like voice that responds to their verbal requests and transfers them to the employee requested. Corporate Directory is a similar service for internal employees only. Employees dial one number, speak the name of the party or department they wish to speak to and are immediately connected. SmartAlex consolidates business lines, wireless paging and voicemail to a single number. SmartAlex can be bundled with other options that include voicemail/message service and calling card functions.

LTD Territories: North and South Florida
Exchanges: Tallahassee and Fort Myers Districts
Impact: Business
Competitive Threat: Medium

NewSouth plans to launch DSL service in Central Florida

NewSouth Communications is planning to launch its Symmetrical DSL (SDSL) service in mid-2000. The service will provide businesses with business-class Internet access and virtual private network capabilities. Launches are planned for Central Florida and Miami. The company also has future plans to offer voice-over-DSL service.

LTD Territories: Central Florida
Exchanges: Winter Park and Winter Garden Districts
Impact: Business, Carrier
Competitive Threat: Low

Covad may move its headquarters to Florida

Covad announced that it may move its headquarters and that Florida is one of the states it is considering. Company officials are looking at Jacksonville, Orlando, and Fort Lauderdale as possible sites. Covad's CEO, Robert Knowling, was recently in Tallahassee and met with representatives of the Governor's economic development office to discuss the possibilities of the move.

Covad is a national DSL provider offering business and residential DSL services through ISPs and CLECs. The company has also been testing voice over Internet. It has an interconnection agreement with Sprint and plans to launch DSL in Orlando by the end of 2000.

LTD Territories: Central Florida
Exchanges: Winter Park and Winter Garden Districts
Impact: Consumer Business
Competitive Threat: Low

BellSouth trialing self-install DSL in Boca Raton FL

BellSouth has announced its Boca Raton FL trial of self-install DSL. Residential customers participating in the trial will have the $150 installation charge waived as well as set-up fees and modem charges. The self-install kit consists of a modem, configuration software, phone line filters, and an installation guide. The software walks the customer through the steps needed to successfully begin using DSL. If a customer has difficulties with the self-install program they can contact BellSouth's service center through a special number specifically setup for their FastAccess Internet service. Sprint ran a similar self-install trial in Las Vegas and is planning a Central Florida trial sometime in the future.

BellSouth has also announced a residential DSL promotion through March 31 in all of its DSL markets. Residential customers will receive a $50 "e-cash" from BellSouth redeemable at BarnesandNobles.com upon completion of a successful self-install.

LTD Territories: North and South Florida

Exchanges: Winter Park and Winter Garden Exchanges

Impact: Consumer

Competitive Threat: Low

BellSouth announces launch of Internet Call Waiting in Jacksonville and Gainesville

BellSouth is launching its Internet call waiting notification service in Jacksonville and Gainesville FL. It plans a full deployment of the service by the end of April. The company began trialing the service late last year in Gainesville, Jacksonville and Pompano Beach.

The new service will give BellSouth's Internet customers the ability to manage their incoming calls while connected to the Internet. When the subscriber is online and receives a phone call, a pop-up screen will appear listing the name and phone number of the caller including four call-handling options. The options include accept the call and log off, place the caller on hold, forward the call, and ignore the call. The service costs $4.95 per month and customers will receive one month free if the service is ordered within 60 days of service availability. Sprint has a similar service in the development stages and plans to offer a trial in the near future.

LTD Territories: Central Florida

Exchanges: Ocala, Winter Park, and Winter Garden Districts

Impact: Consumer, Business

Competitive Threat: Low

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Time Warner plans to roll out Roadrunner in smaller Central Florida markets

Time Warner Cable has begun advertising its Roadrunner service in portions of Ocala FL, indicating it plans to roll out its cable modem service there possibly in the third quarter this year. Time Warner has a very small system of less than 1,000 cable subscribers in Sprint's Belleview exchange in the Ocala area. Time Warner has also announced plans to offer cable modem service to its cable subscribers in Sprint's Lake and Sumter counties. It has less than 2000 cable subscribers in Sumter County, mostly in Wildwood, as well as additional subscribers in the Clermont and Groveland portions of Lake County.

Time Warner's plans to offer cable modem service in these smaller markets are just another indicator of its intent to blanket the Central Florida area with cable and high speed data products. Time Warner is by far the largest cable provider in Central Florida, covering Sprint's Winter Park, Winter Garden, and Kissimmee markets as well as BellSouth's Orlando territory and GTE's Tampa market. Time Warner is also in the process of acquiring the Leesburg cable system from Comcast, which will strengthen its dominance of the Central Florida cable market. Time Warner's Roadrunner cable modem service is the strongest threat to date to Sprint's DSL roll-outs in Central Florida simply because Time Warner covers so much territory.

LTD Territories: Florida
Exchanges: Ocala and Leesburg Districts
Impact: Consumer

Competitive Threat: Mediuam

NewSouth Targets Fort Myers and Tallahassee

NewSouth Communications plans to begin operations in Sprint's Fort Myers and Tallahassee markets by the end of the year, with Fort Myers likely to be first. NewSouth targets medium to large businesses, offering a range of products including local service, long distance, and data. It has begun rolling out DSL in some of its markets throughout the southeast. NewSouth typically deploys 5ESS switches in its target markets, and purchases unbundled loops from the ILEC to connect its customers.

LTD Territories: Florida
Exchanges: Fort Myers and Tallahassee Districts
Impact: Business
Competitive Threat: Medium

Adelphia Business targets Sanford FL

Adelphia Business appears to be close to turning up its network in Sanford FL, which is part of BellSouth's Orlando market area. However, Sprint's Orlando CLEC also operates in this market. Adelphia has been reselling local service to small and medium sized businesses in Orlando for months, planning to migrate its customer base to its own facilities when its network is completed. Adelphia's interest in Sanford is likely due to the Lake Mary area, one of the fastest growing business sites in Central Florida. Adelphia has also been aggressively reselling services in Sprint's Maitland market, which contains one of the largest office parks within Sprint's Central Florida territory.

Adelphia is targeting multiple locations throughout Florida, several of which are in Sprint territory. It plans to turn up its Fort Myers network in March and is also targeting Ocala and Tallahassee. It also has networks in BellSouth's Jacksonville territory and GTE's Tampa market. Adelphia offers local service, long distance, data, and Internet services at discounts averaging 15%.

LTD Territories: Florida
Impact: Business
Competitive Threat: Medium

ITC DeltaCom considers Orlando as a potential Internet site

ITC DeltaCom plans to launch its new Internet operations in Atlanta by October, but is already considering expansion markets for the next eighteen months. Orlando, Raleigh-Greensboro, Dallas, Houston, and Nashville are all under consideration. ITC DeltaCom announced last month that is plans to create a new data and Internet services provider, which it will call eDeltaCom. The new company will offer collocation and Web service hosting services. ITC DeltaCom already offers local services and data products to business customers, and began building an IP network last year.

ITC DeltaCom also announced an agreement with IBM to jointly provide e-business solutions that will combine IBM products and servers with ITC DeltaCom's network and eDeltaCom's hosting capabilities. This is an important alliance for ITC DeltaCom, which is trying to enter the business market after years of concentrating on being a "carrier's carrier."

LTD Territories: Florida
Impact: Business
Competitive Threat: Low

TCCF stops resale of local service in Sprint's Florida markets

Telephone Company of Central Florida (TCCF), formerly one of Florida's largest resellers, has dropped its local service customers within Sprint's territory. The company reportedly notified its customers on February 23 of its plans to disconnect service, leaving many scrambling to make alternative arrangements for phone service. TCCF has experienced significant financial problems over the last two years, only recently emerging from bankruptcy. It was purchased by Phoenix International, a development company that has financial problems of its own.

TCCF is trying to turn itself into a data company, recently announcing an agreement with BellSouth to resell BellSouth's DSL services throughout BellSouth's territory. However, TCCF's severe financial difficulties makes it unlikely the company will be able to successfully deploy a new strategy and build a new customer base.

LTD Territories: Florida

Exchanges: Winter Garden and Winter Park Districts
Impact: Consumer Business
Competitive Threat: Low

BellSouth and Florida ISP association form alliance to provide DSL

BellSouth and The Florida Internet Service Providers Association (FISPA) have formed an alliance which will give FISPA members the ability to market BellSouth's DSL service throughout its Florida franchised territory. BellSouth has already deployed DSL in Orlando, Jacksonville, and Fort Lauderdale. Some of the FISPA central Florida members include NorthPoint, Verio, MPINet, K2 Internet Services, e.Spire, Florida Digital Network, Intellistar, Intermedia Communications and Internet Access Group. BellSouth is reportedly offering FISPA members a deep discount on its DSL services, which member ISPs will in turn resell to their Internet customers.

This announcement also coincides with BellSouth's new advertising campaign created in an effort to reposition itself as a high technology communications provider. The new campaign carries the tag line ">faster downloads>>>connect >>and create something." The ads have been running in Central Florida newspapers. The company also plans on reaching customers through magazine ads, television commercials, and advertising utilizing billboards.

LTD Territories: Florida
Impact: Consumer Business
Competitive Threat: Low

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Florida Digital Network plans statewide expansion

Florida Digital Network (FDN) announced plans to expand throughout the state of Florida over the next year. FDN already offers local service to small and medium-sized businesses in several non-Sprint markets — Orlando, Jacksonville, West Palm Beach, Fort Lauderdale, Miami and Tampa. Over the next year it plans to add 25 new markets throughout Florida including Sprint's Cape Coral, Fort Myers, Naples, Tallahassee, and Ocala markets. In addition to local service, long distance, and Internet, FDN also plans to add DSL to its list of services later this year.

FDN is privately owned, and has access to at least $65 million in capital and credit. Its expansion plans are very aggressive given its time line and the amount of capital it has available. However, one of its investors has experience with start-up CLECs, knowledge which may be crucial to FDN in successfully deploying its strategy.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee, Cape Coral, Fort Myers, Naples, Ocala, Tallahassee

Impact: Business

Competitive Threat: Medium

TALK.com buys Access One Communications

TALK.com announced plans to acquire Access One Communications and offer bundled long distance and local service throughout the southeast. TALK.com also announced it expects to receive $80 million in investment capital from Soros Private Equity Partners and plans to use that money to fund expansion. TALK.com officials called the deal "pro-Florida, and indicated the merger is expected to add 150 jobs in the Orlando and Fort Lauderdale areas.

TALK.com operates as a long distance provider and was formerly known as Tel-Save Holdings. It has an agreement with AOL to market its long distance service to AOL customers under AOL's brand name.

Access One is a CLEC targeting small to medium-sized businesses throughout BellSouth's nine-state territory. It announced plans to begin building its own network throughout BellSouth's territory last year, but operates solely as a reseller in Sprint territory. It offers businesses in Central Florida, Fort Myers and Tallahassee a 10% discount on business lines and features.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Leesburg, Fort Myers, Tallahassee

Impact: Business

Competitive Threat: Medium

NewSouth Communications signs agreement with Covad

NewSouth Communications announced it has signed a deal with Covad allowing it to offer Covad's DSL service to its business customers in the southern part of the United States, including those in Orlando, Miami, and Tampa. NewSouth already offers local services in the Orlando area and Covad is expected to complete its network in that market by the end of the year. NewSouth has an interconnection agreement with Sprint, but has not been very visible in the Winter Park area yet. NewSouth recently announced it also plans to offer local service in Sprint's Fort Myers and Tallahassee markets, but Covad has not publicly included those markets in its DSL build-out plans.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee, Fort Myers, Tallahassee

Impact: Business

Competitive Threat: Low

FEC Telecom changes name to EPIK Communications

FEC Telecom announced it has changed its name to EPIK Communications as part of its strategy to expand its dark fiber network beyond Florida. The company provides wholesale fiber capacity to CLECs and other telecommunication carriers. EPIK has already entered into agreements with other companies giving it access to dark fiber in Louisiana and Texas. It currently has fiber capacity available along routes between twelve major Florida cities, with plans to expand into most other major market areas. Orlando and Fort Myers are two of its target cities. EPIK is just beginning to serve its carrier customers, and has not yet revealed a competitive advantage. Much of its fiber follows routes also used by Williams Communications and Qwest, two other wholesale fiber capacity providers with a national reach.

LTD Territories: Florida

Exchanges: Winter Park and Fort Myers

Impact: Carrier

Competitive Threat: Low

FPL Group may be considering merger

FPL Group, parent company of Florida Power & Light, may be considering a merger with Iberdrola, one of Spain's largest power companies. The two companies are also reportedly discussing forming an alliance as an alternative if merger talks fail. Iberdrola is trying to expand into the United States and recently purchased a power company in Maryland. FPL's stock has been trading at a low price, making it a possible take-over target. Florida Power & Light (FP&L) offers wholesale fiber capacity to CLECs and other telecommunications providers throughout south Florida, including Sprint's Fort Myers and Naples markets.

LTD Territories: Florida

Exchanges: Fort Myers and Naples

Impact: Carrier

Competitive Threat: Low

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BellSouth bids for Central Florida development

In an unusual move, BellSouth has presented a bid to offer local service to The Villages; a large development spread over three counties served by Sprint. While BellSouth has approached developments in Sprint's Winter Park market, which is adjacent to BellSouth's Orlando and Lake Mary territory, this marks the first known effort by BellSouth to win a customer where it does not have facilities nearby.

The Villages is one of the largest developments in Florida, achieving the highest sales of any Florida development in both 1998 and 1999. It currently has 19,000 residents and a variety of businesses. Its expected to have 50,000 residents by the time it is completely built out in 2020. Many additional businesses are also planned, including a new hospital.

Sprint's Developer Market group in Consumer Markets, with the help of Business Markets and Sprint Long Distance, has presented a proposal to meet the developer's requirements. One of the largest issues is calling scope. The calling area is not the same for the three different counties in which The Villages has residents. However, the Sprint team has worked out a proposal to allow all of the residents to call each other with no additional charges and to minimize calling scope differences whereever possible.

Sprint seems to be well positioned to retain this account. However, BellSouth's attempt to win over this development certainly indicates a new willingness to move deeper into Sprint territory in order to position itself in high growth market areas.

LTD Territories: Florida

Exchanges: Leesburg and Ocala Districts

Impact: Consumer and Business

Competitive Threat: Medium

KMC Telecom offers new bundled T1 service

KMC Telecom has launched a new product called Clear-T. The new product provides local service, calling features, long distance, and dedicated Internet access services over a single T1 for a flat fee. The new service is available in two options over a channelized T1:

- Voice/Data: local service, long distance, and toll free services
- Voice/Data and Internet: local, long distance, toll free, and high speed Internet service

Internet access will be offered at speeds ranging from 64 Kbps to 512 Kbps. Clear-T is available in most KMC Telecom markets. KMC offers facilities based services in Sprint's Tallahassee and Fort Myers market.

LTD Territories: Florida

Exchanges: Fort Myers and Tallahassee Districts

Impact: Business

Competitive Threat: Medium

Jato Communications plans SDSL launch in Jacksonville

Jato Communications plans to launch SDSL in Jacksonville FL by June 30, with 26 other Florida markets targeted for later in the year. Jato is a data CLEC based in Denver that offers only DSL products to small and medium-sized businesses in Tier II and Tier III market areas. Its DSL services range in speed from 144 Kbps to 1.5 Mbps. Sprint's Tallahassee, Cape Coral, Fort Myers, Naples, Ocala, and Orlando markets are on its scheduled roll-out list for the end of the year.

Jato has an agreement with Qwest that will allow it to use Qwest's fiber backbone facilities to reach its target markets. Jato is a new company, but it appears to have a strong management team and enough capital to get it started, with equity investments from companies such as Qwest, Microsoft, and Global Crossings.

LTD Territories: Florida

Exchanges: Tallahassee, Cape Coral, Fort Myers, Naples, Ocala, Winter Park, Winter Garden, Kissimmee

Impact: Business

Competitive Threat: Low

Colo Solutions opens facilities in Orlando and Kissimmee

Colo Solutions announced the opening of its collocation facilities in Kissimmee, Orlando, and Jacksonville FL. The Kissimmee office is located within Sprint's territory, while the Orlando office is located in BellSouth's market. Colo Solutions provides collocation, technical services, 24/7 facilities access, and backup services to telecommunication companies such as CLECs and Internet service providers. Colo Solutions' strategy is to provide telecom carriers with a cheap alternative to building its own central office space or leasing space from the ILEC. It is based in Melbourne FL.

LTD Territories: Florida

Exchanges: Kissimmee, Winter Park, and Winter Garden Districts

Impact: Carrier

Competitive Threat: Low

BellSouth announces new Internet services and promotions

BellSouth and Enron have signed an agreement allowing Enron to provide broadband content at speeds up to 1 Mbps to BellSouth's Internet customers. Content will include entertainment, financial and news content, as well as applications. Enron's products will be available first to BellSouth's ADSL customers in Miami, Atlanta, and New Orleans.

BellSouth also announced it is renaming its dial-up Internet service, formerly known as BellSouth.net. The new brand name will be BellSouth® Internet Service, which will also serve as the product name under which all BellSouth Internet services are offered. In conjunction, BellSouth is offering new dial-up Internet customers a reduced rate of $12.95 if they also signup for a Complete Choice plan. The Complete Choice plans average $30 per month and include basic dial tone and a choice of calling features. The promotional offer will be available through June 30.

LTD Territories: Florida

Impact: Consumer and Business

Competitive Threat: Low

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DSL.net launches DSL service in Orlando

DSL.net announced it has launched its SDSL service for small to medium sized businesses in Orlando FL. The company has also stated plans to offer ADSL service to residential customers in Orlando as early as next month. It has a co-marketing agreement with Staples allowing it to operate kiosks promoting its DSL service in selected stores. The company has interconnection agreements with Sprint and BellSouth.

DSL.net's business service, marketed as NETgain, has speeds ranging from 169Kbps to 1.5Mbps with flat rate prices beginning at $169 per month. Installation charges are $499 and include DSL router, wiring, and jacks. Installation intervals run from 30 to 45 days. The company is currently offering a promotion that reduces installation charges to $225 and the customer will also receive a $225 Staples gift certificate after installation is complete.

LTD Territories: Central Florida

Exchanges: Winter Park and Winter Garden Exchanges

Impact: Consumer Business

Competitive Threat: High

NewSouth and UniversalCom announce merger

NewSouth Communications and UniversalCom have announced plans to merge. The merger is expected to be complete in May and the new company will be known as NewSouth Communications. NewSouth offers local service in the Orlando area and plans to begin operations in Sprint's Fort Myers and Tallahassee markets by the end of the year. Its acquisition of UniversalCom is driven by a desire to strengthen both its technical capabilities and its presence on the Gulf Coast.

UniversalCom, a facilities-based CLEC headquartered in Sprint's Destin market, has offices located in Pensacola and Panama City FL, Louisiana, Alabama, and Mississippi. The company is in the process of building an IP and ATM based network throughout its Gulf state market area, where it already has an established customer base.

LTD Territories: North Florida

Exchanges: Fort Walton District

Impact: Business

Competitive Threat: High

BellSouth launches new E-commerce service for small businesses

BellSouth announced the launch of a new E-commerce service called PurchaseWise, an Internet supply center service for small businesses. PurchaseWise offers BellSouth's small business customers the ability to order office supplies or computer hardware and software via the Internet. The new service offering also contains supply management software giving the user the ability to setup an approval process and access order summary and history reports. Prior to completion of the order process, the pending order is sent to the designated person responsible for authorizing the order. Upon approval the order is then forwarded via the Internet to the supplier for order fulfillment. The service costs $100 per year, but BellSouth customers who signup during the launch phase will receive a free lifetime membership. BellSouth plans to add travel and publications suppliers in the future, as well as applications that will support payroll, benefits, and insurance functions.

LTD Territories: Central Florida

Exchanges: Winter Park and Winter Garden Exchanges

Impact: Business

Competitive Threat: Medium

BTI faces delays in building its East Coast network, operating losses continue

BTI Telecom has run into delays as it deploys the last leg of its 3,500-mile East Coast telecommunications network. The Raleigh NC-based company is quietly informing investors that first-quarter revenue will lag as a result. BTI says right-of-way issues encountered by Qwest Communications, the company building the network for BTI, are the primary cause of the delays. Deployment along a crucial strip from Tampa to Miami is several months behind schedule.

BTI's revenue woes and continued operating losses are blamed on a continuing slump in earnings from wholesale long-distance traffic, especially in the calling card business. BTI continues to wait for the right time to go public with a stock offering. It filed papers last year with the Securities and Exchange Commission but put the IPO on hold because of stock market swings and uncertainty by investors toward telecom companies new to Wall Street.

BTI says it must complete its network, which will run from New York to Miami and from Atlanta to Nashville, so it can begin making money on its business customers, including local and long-distance service, paging, Web design and Internet access. Sales of data and other Internet products are exploding, and BTI isn't able to meet the demand from business customers ordering T-1 lines and other high-speed Internet services. The Business Journal story indicated the company has a revenue backlog of $2.5 million from a pent-up demand for data services.

LTD Territories: Central Florida

Exchanges: Winter Park and Winter Garden Exchanges

Impact: Business

Competitive Threat: Low

Florida Competitive Review – 05/10/2000

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Teligent to use Level 3's network to connect its local markets

Teligent has entered into an agreement with Level 3 to use Level 3's extensive backbone network to connect its local service markets. Teligent is a fixed wireless provider targeting small to medium businesses. Teligent and Level 3 have facilities in Sprint's Winter Park, Kissimmee, and Winter Garden markets.

Teligent will purchase dark fiber and aggregate traffic onto seven regional Level 3 local fiber rings in major markets throughout the country, including Los Angeles, Chicago, Dallas and the San Francisco Bay Area.

Teligent will also purchase Dense Wave Division Multiplexing capacity on Level 3's domestic fiber optic network in the United States. Level 3's network architecture, optimized for IP technology, is designed to deliver unrivaled speed, scalability and reliability.

The agreement also names Teligent as Level 3's preferred provider for any of its fixed wireless needs, as well as allowing Teligent to offer its services to Level 3's carrier and large business customers.

LTD Territories: Central Florida

Exchanges: Winter Park, Kissimmee, Winter Garden

Impact: Business

Competitive Threat: Medium

BellSouth reducing residential DSL rates in Orlando FL

BellSouth, hoping to increase its Central Florida residential market penetration, has announced it is reducing its residential DSL rates by $10 beginning next month. The new residential rates will be $40 for customers who subscribe to BellSouth's Complete Choice plan or $50 for those customers who do not subscribe to the Complete Choice plan. Residential customers in Orlando have not yet been specifically notified of any price reductions, however, the new prices are listed on the BellSouth Internet Website.

BellSouth's penetration in its Orlando market has been less than anticipated, due partly to network constraints and competition from Time Warner's cable modem service. BellSouth began offering DSL in the Central Florida area in June 1999. Because of its low number of DSL subscribers in Orlando, BellSouth has decided to move its DSL focus to Miami and Atlanta, areas where it believes the DSL demand is greater.

LTD Territories: Central Florida

Exchanges:

Impact: Consumer

Competitive Threat: Medium

BellSouth plans to add satellite TV to its bundle of services

BellSouth and GE Capital have signed an agreement that will allow BellSouth to offer satellite TV to its customers in major markets throughout its nine-state region. BellSouth will begin offering the service in many of its markets early next year, including Florida. It is projecting it will eventually obtain a 25 to 30 percent market share with its new service.

BellSouth's new service will combine its network with data beamed from the satellites, sending it through a household control box that will integrate telephone and TV programming. Satellite TV customers will have access to video on demand as well as on-screen Internet access and e-mail. The satellite service will consist of several programming packages and prices will be competitive with cable service provider's prices. BellSouth has plans to bundle the new service with its other service offerings including Internet and telephone service. In addition, customers will be able to receive one bill for all bundled services.

BellSouth began offering wireless cable TV, BellSouth Americast, in Central Florida the end of 1998. Sprint customers in portions of Winter Park and Kissimmee are able to receive Americast service from BellSouth. Customers reportedly are very pleased with the service, which is reliable and easy to use. BellSouth plans to continue offering wireless cable TV service, but could possibly migrate those customers over to its satellite TV service when it is available.

LTD Territories: Central Florida

Exchanges: Winter Park Kissimmee

Impact: Consumer

Competitive Threat: Medium

Time Warner Telecom signs agreement with Williams Communications

Time Warner Telecom announced it has signed a five-year agreement with Williams Communications that will provide it with transport services for its national IP network. Time Warner will use DS3 and OC48 services from Williams to connect the cities in which it offers local services to businesses, including Orlando and Tampa FL.

Time Warner's switch is located in Sprint's Winter Park portion of the Orlando market, where it has offered local services to businesses for several years. While Time Warner Telecom has concentrated its CLEC activities in Central Florida, Williams' network runs through most major metropolitan areas in Florida. This agreement leaves open the possibility Time Warner could target select businesses in other Sprint markets in the future, including Tallahassee and Fort Myers.

LTD Territories: Central Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Business

Competitive Threat: Medium

BellSouth signs line sharing agreement with Covad

BellSouth has announced it has signed an interim line sharing agreement with Covad, with Covad agreeing to pay charges of $6 per line until a final agreement is reached between the two companies. In the agreement, Covad stipulates it will not impact the quality of BellSouth's voice service by adding its data services to the same line.

Line sharing has been ordered by the FCC for implementation next month, with prices to be decided by the state public service commissions. It allows data CLECs to provide DSL over the same line the ILEC provides voice services.

Covad, a national data CLEC, is expected to launch its DSL services in the Orlando market by the end of 2000. It has already established national agreements with ISPs such as PSINet and UUNet. It also has an agreement with US LEC, a CLEC that operates throughout the southeast including Central Florida.

LTD Territories: Florida

Impact: Consumer Business

Competitive Threat: Medium

Teligent to use Level 3's network to connect its local markets

Teligent has entered into an agreement with Level 3 that will allow it to use Level 3's extensive backbone network to connect its local service markets. Teligent is a fixed wireless provider targeting small to medium businesses. Teligent and Level 3 have facilities in Sprint's Winter Park, Kissimmee, and Winter Garden markets.

Teligent plans to aggregate its traffic onto seven regional network rings provided by Level 3. Teligent will purchase dark fiber as well as Dense Wave Division Multiplexing capacity on Level 3's network, giving it access to large amounts of capacity in a cost effective way. Teligent plans to reduce or eliminate the transport services it currently receives from other carriers in order to migrate as much of its backbone requirements as possible to one national backbone provided by Level 3.

The agreement also names Teligent as Level 3's preferred provider for any of its fixed wireless needs, as well as allowing Teligent to offer its services to Level 3's carrier and large business customers.

LTD Territories: Central Florida

Exchanges: Winter Park, Kissimmee, Winter Garden

Impact: Business

Competitive Threat: Medium

NetSoft acquires CORIX to gain Voice over IP expertise

NetSoft, an Internet company targeting hotels, announced it is acquiring CORIX to strengthen its expertise in areas such as Voice over IP. NetSoft, based in Orlando, provides high speed Internet access to hotels using Ethernet, DSL, and other technologies. Its QuickSilver portal provides hotel information, news and weather, as well as local restaurant and other information of interest to travelers. CORIX develops intranet/extranet e-commerce solutions, with in-house skills such as Voice over IP, wireless communications, and Ethernet network design. CORIX is based in New Jersey.

NetSoft's first customer in Central Florida for its QuickSilver service was Caribe Royale, a hotel within Sprint's territory. Guests pay $10 a night for unlimited access. NetSoft has approached other hotels within Sprint's markets, including some in Fort Walton Beach.

NetSoft is a small privately owned company with limited funding. It has a very focused business plan, but its ability to execute will depend on its ability to raise additional capital. NetSoft is planning an IPO in the future in hopes of securing the capital it needs for further expansion.

LTD Territories: North and Central Florida

Exchanges: Winter Park, Kissimmee, Winter Garden, Fort Walton Beach

Impact: Business

Competitive Threat: Low

BellSouth opens Jacksonville based Work At Home Customer Service Center

BellSouth has announced the opening of a Work At Home Customer Service Center located in Jacksonville FL. The new center will support customers with home-based businesses as well as telecommuters throughout the company's nine-state region. The new center will assist small business owners with services such as unified messaging, video conferencing, paging, home networks, and high-speed data.

In addition, BellSouth has also launched a new website designed to be used as a business resource for its work at home customers. The new website gives work at home customers the ability to order BellSouth business products and services online, bill review and payment, and a question/answer section.

LTD Territories: Florida

Impact: Business

Competitive Threat: Low

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BlueStar Communications targeting Fort Myers FL

BlueStar Communications, a data CLEC, has quietly opened an office in Fort Myers FL. The company targets small to medium businesses throughout the southeast in Tier II and III markets using its IDSL technology called FireLine DSL. BlueStar has not begun advertising, indicating it is not yet ready to begin offering service. Its success in this market may depend on its ability to provide widespread DSL service, something KMC Telecom has not yet been able to do.

BlueStar, based in Tennessee, offers a variety of data services which include dial-up, ISDN, T1/T3, voice over IP, and web hosting, and email services through its FireLine DSL service. BlueStar currently offers its services in parts of Sprint's Winter Park and Winter Garden markets, but has not appeared to make a significant impact yet. It also offers services in other Florida cities such as Pensacola, Gainesville, St. Petersburg, Tampa, Fort Lauderdale, and Miami. The company also has stated plans to offer its services in Tallahassee in the future, which is one of Sprint's markets.

KMC Telecom began testing DSL service in Fort Myers last year. Sprint has already rolled out DSL in this market as well, making it more difficult for BlueStar to gain market share. However, it is in the process of completing an IPO, which should give it the funding to complete many of its expansion plans and make a more forceful play in the markets it has already entered.

LTD Territories: Florida

Exchanges: Fort Myers District

Impact: Business

Competitive Threat: Medium

FPL Fibernet leasing fiber to SBC Communications in Orlando FL

FPL Fibernet, the telecommunications subsidiary of Florida Power & Light, has signed a contract with SBC Communications that could be worth up to $110 million. FPL Fibernet will lease fiber to SBC located in Orlando, Tampa, Fort Lauderdale, and Miami. SBC has long

planned to rollout local service in Florida. It plans to offer service in Miami this year and add additional markets over the next two years, including Orlando.

FPL Fibernet currently operates a 1,600 mile fiber network, and plans to build an additional 1,500 miles over the next two years. When FPL Fibernet's network expansion is completed it will wholesale its fiber in Sprint's markets such as Tallahassee, Fort Myers, and Naples. Additional markets will include Jacksonville, Pensacola, and Gainesville.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Tallahassee, Fort Myers, and Naples Districts

Impact: Business Carrier

Competitive Threat: Medium

City of Leesburg and Progress Telecommunications enter into dark fiber lease agreement

The City of Leesburg has agreed to lease dark fiber to Progress Telecommunications (PTC), the telecom subsidiary of Florida Power Corporation, for $25,000 per year over the next ten years. The City of Leesburg plans to expand its existing network to reach Florida Power's substations, some of which are outside of the city limits, giving it the ability to target other Lake County businesses along its fiber route. The number of prospective business customers needing dark fiber in this market only is limited, but the City may find customers among potential CLECs.

The City of Leesburg has been providing fiber for Leesburg Regional Medical Center (LRMC) for years, and has long debated whether or not to expand its network and seek additional customers. Its contract with PTC appears to have settled that question. However, several other Florida municipality-owned utilities have tried similar strategies with little success.

The City of Leesburg continues to seek additional revenue streams, concerned with the possibility of future utility deregulation and associated revenue declines. In addition to its fiber network venture, the City also offers its Leesburg utility customers Internet Service in partnership with MPINet, an Orlando-based Internet Service Provider.

LTD Territories: Florida

Exchanges: Leesburg District

Impact: Business Carrier

Competitive Threat: Low

BellSouth allowing wireless customers to roll over minutes

In a bold move, BellSouth Mobility has announced it will allow its wireless customers to roll over their unused minutes. Though BellSouth is the first wireless company to offer this type of plan, analysts predict other wireless companies will be forced to follow BellSouth's lead. BellSouth is hoping the new plan will increase customer retention as well as gain new wireless customers. If it works as planned, BellSouth is likely to take advantage of its increased wireless customer base by marketing additional services such as Internet and local service bundles.

The new plan will be available to new and existing customers through September 2, 2000, only on plans that start at $35 a month with a minimum of 250 minutes of air time. New customers will have to sign up for a 12-month contract. Corporate accounts and prepaid customers are excluded from the plan. BellSouth Mobility provides wireless service in many Sprint markets in Florida, including central Florida, Tallahassee, Fort Walton Beach, and Naples.

LTD Territories: Florida

Exchanges:

Impact: Consumer Business

Competitive Threat: Low

BellSouth opening "e-care" center in Jacksonville FL

BellSouth plans to open a "e-Care" center in Jacksonville FL dedicated to handling over 50,000 online orders and requests per year for BellSouth's nine regions. Customers can log onto BellSouth's website and order any of BellSouth's services via the Internet and the requests will be sent to the Jacksonville "e-Care" center. The new center is part of a consolidation effort that will eventually eliminate a New Orleans office with similar duties.

The "e-Care" center will be a division of BellSouth Solutions also located in Jacksonville FL. BellSouth Solutions is a Jacksonville based call center that handles customer calls for questions on all of BellSouth's services such as Internet, paging, wireless, local phone, entertainment, and business systems services. The new center will begin with 50 employees including six managers. BellSouth has plans to double the staff within a year.

The new call center streamlines and centralizes BellSouth's Internet service order process. It also removes the additional load from the BellSouth Solutions center allowing the company to spend more time working with customers who require information on its other services.

LTD Territories: Florida

Impact: Consumer Business

Competitive Threat: Low

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NorthPoint signs line sharing agreement with Sprint

Northpoint has announced it has signed a line sharing agreement with Sprint. It has also signed agreements with other LECs such as Bell Atlantic, BellSouth, SBC, GTE, and US West. Line sharing allows CLECs to provide data over the same access line that the ILEC uses to provision voice services. The FCC has ordered ILECs to offer line sharing agreements to competitors by June 6. Prices for line sharing will be significantly lower than typical local loop costs making it more lucrative for CLECs to offer DSL through line sharing. Permanent line sharing prices are to be determined by state public service commissions.

NorthPoint, a national data CLEC, offers its DSL services in Orlando. In the Orlando area its DSL services are available through Flashcom, Global Crossing, Phoenix Networks, Verio, and Bitstorm. It also has an agreement with Intermedia Communications (ICI), a CLEC based in Tampa. NorthPoint plans to offer customers a self-install DSL kit. It also has an alliance with RadioShack to offer NorthPoint's DSL service to customers by the end of 2000. Customers will be able to go to their local RadioShack and test as well as order the new service. The first launch utilizing RadioShack will be in selected RadioShack stores located in Dallas/Fort Worth and in San Francisco with plans to expand into other markets throughout the year

LTD Territories: Florida

Impact: Business, Carrier

Competitive Threat: Medium

AT&T merger with MediaOne approved

The FCC gave conditional approval to AT&T's intent to merge with MediaOne. AT&T will have to choose one of several options in order to bring its total cable ownership under the FCC's 30% national limit. AT&T is expected to close the merger within the next two months under the FCC's terms.

MediaOne is the dominant cable provider in Naples FL, where it has been providing one-way cable modem service for several years. MediaOne was on the brink of rolling out two-way cable service and possibly cable telephony when the merger was announced. MediaOne reportedly postponed the roll-out because it didn't want to spend additional money until the merger was completed. It also appeared to cut back on advertising for its one-way cable modem service.

Cable modem customers in the area have experienced increasing technical and customer service problems as the outcome of the merger hung in limbo. In the meantime, Sprint has rolled out DSL in both Fort Myers and Naples, while KMC Telecom is offering DSL to businesses in Fort Myers. MediaOne has lost its initial advantage by being first to market with a high-speed data product, albeit a one-way service, and its service problems have increase the hurdle it will have to climb to regain its market position once the merger is completed.

LTD Territories: Florida

Exchanges: Naples and Fort Myers

Impact: Business

Competitive Threat: Medium

Florida Cable offering cable modem service to rural customers

Florida Cable, a small rural cable company based in Astor FL, recently announced it has completed digital upgrades to its cable service. In addition to its new digital upgrades the company is also offering cable modem service through its newly created subsidiary, USA2NET. USA2NET's prices for its cable modem service are $34.95 for digital cable subscribers and

$44.95 for non-subscribers. The company is targeting residential and business customers, as well as offering agreements to developers of new subdivisions as the primary cable and high-speed data provider. It also has an agreement as the preferred cable and high-speed data provider with a new residential development called Royal Harbor located in Tavares FL, another rural Sprint market.

Florida Cable began operating in 1983 and currently has about 6,000 cable customers located in unincorporated areas of Lake County and Sumter County. It has 427 cable subscribers in Astor. Astor is one of Sprint's more rural Florida exchanges with 1317 residential lines and 273 business lines.

The company is currently marketing its new service through direct mailings to prospective residential customers. Florida Cable plans to expand its cable modem launch launching in its remaining cable markets by the end of August 2000.

LTD Territories: Florida

Exchanges: Ocala, Leesburg Districts

Impact: Consumer, Business

Competitive Threat: Medium

BellSouth offers new wholesale SDSL and modem management products

BellSouth announced it is offering a new wholesale SDSL service designed with home office and other remote users in mind. The new service will provide 192 kpbs for both the upstream and downstream speeds. The service will be offered to CLECs and ISPs operating within BellSouth's DSL markets.

BellSouth also announced the roll-out of Remote Access Service for ISPs and government accounts. Remote Access Service allows the customer to locate its modem pool in one of BellSouth's central offices. BellSouth's NOC will monitor the modem bank and BellSouth technicians will be dispatched to fix any technical problems. The service will be available in 24 markets by the end of the year.

BellSouth has been aggressive in rolling out products designed for the ISPs, probably mainly with customer retention in mind. CLECs are increasingly targeting the lucrative ISP market, making it difficult for ILECs to hold onto this customer segment.

LTD Territories: Florida

Impact: Carrier

Competitive Threat: Low

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Alltel begins soliciting customers in Tallahassee FL

Alltel has begun talking to business customers in Tallahassee, indicating it will soon be ready to begin offering local service as previously announced. Alltel intends to be a facilities-based provider in Tallahassee, but will probably initially resale Sprint service in many locations. It has indicated it intends to target residential customers as well.

Alltel is an incumbent local exchange company in several northern counties in Florida. It also has a large wireless network in north Florida. Its wireless customer base in Tallahassee is likely to be its biggest competitive advantage as it begins selling local service, both with residential customers and small business. Early reports indicate it may have more difficulty with larger customers due to an initial lack of high bandwidth products.

Alltel began providing services as a CLEC outside of its own local service territory earlier this year, entering BellSouth's Jacksonville market. There it offers a service bundle to residential customers that includes local service, calling features, voice mail, and long distance. Wireless, paging, and Internet services can also be added to the same bill.

LTD Territories: Florida

Exchanges: Tallahassee

Impact: Consumer, Business

Competitive Threat: Medium

KMC Telecom targets Naples FL for local service

KMC Telecom, a facilities based CLEC, has announced plans to offer its services in Sprint's Naples FL market by the end of 2000. KMC is a facilities based CLEC that offers its services in Tier III markets targeting large businesses, universities, Internet Service Providers, and government offices.

The company has invested $20 million in its Fort Myers network consisting of a 27-mile fiber route beginning in downtown Fort Myers and continues south. KMC also operates in Sprint's markets located in Tallahassee and Fort Myers FL. It has been reselling service in Naples for some time, giving it an established customer base to move to its own facilities when completed.

KMC typically targets Tier III markets where little to no competition exists, advertising itself as the hometown alternative. It has also stated plans to begin targeting Tier IV markets where it would be the first CLEC to offer service.

LTD Territories: Florida

Exchanges: Naples, Fort Myers, Tallahassee

Impact: Business

Competitive Threat: Meduim

AT&T negotiates "smart building" terms with Fort Myers FL developer

AT&T has reportedly offered to work with a Fort Myers FL developer to wire two separate commercial projects with fiber. The developer is interested in promoting a "smart building" concept to potential business tenants. One project involves an existing office building and the other involves an office complex featuring at least six new buildings.

AT&T purportedly has offered to wire the buildings with fiber at no charge to the developer, including free service for the developer's needs along with an undisclosed commission for the developer based on the amount of customers AT&T signs up in the building. AT&T has not asked for exclusivity. Sprint is still working with the developer as well.

Of particular interest are reports that AT&T has plans to put wireless equipment on the roofs of the buildings to transmit voice and data services back to its switch location. If these reports are accurate, this could be one of the first examples in Florida of AT&T using fixed wireless to enter a local market. It isn't clear how AT&T would provide the wireless service. AT&T purchased Wireless One in Fort Myers earlier this year. Wireless One offers wireless high-speed Internet service in conjunction with PSINet and Airdata WIMAN. AT&T also owns 38 ghz licenses in many markets through its purchase of Teleport.

LTD Territories: Florida

Exchanges: Fort Myers

Impact: Business

Competitive Threat: Medium

NewSouth Communications rolls out DSL in Orlando FL

NewSouth Communications announced the launch of its DSL service called SCREAMIN DSL in 13 of its markets, including the Orlando FL market. In addition to its DSL rollout, NewSouth has also launched its new bundled services package called NewSolutions. The bundle includes 200 long distance minutes, local service, high speed Internet access, e-mail, as well as required equipment.

NewSouth is a facilities based CLEC that targets mid to large sized customers including hospitals, hotels, and banks. It offers services in Sprint's Winter Park FL market and also has plans to offer local service in Sprint's Fort Myers and Tallahassee markets. In Sprint's

Greenwood SC market the company is leasing T-1s from Sprint to provide service to its customers and is hauling the customer's traffic on a larger circuit to NewSouth's Greenville SC facilities.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Fort Myers, and Tallahassee Districts

Impact: Business

Competitive Threat: Medium

Covad purchasing BlueStar Communications

Covad, a national DSL provider, has announced it is purchasing BlueStar Communications, a Tennessee based data CLEC. With completion of this acquisition, Covad will be capable of extending its reach into the more rural Tier II and III markets targeting small to medium sized businesses as well as the consumer market. In the past, Covad has typically targeted the larger Tier I markets through agreements with ISPs and CLECs.

BlueStar launched its IDSL service in Jacksonville late last year. It currently offers services in Sprint's Winter Park, Winter Garden, and Fort Myers FL markets, but has not been very active. The company has also stated plans to offer its DSL service in Tallahassee sometime this year. Covad plans to launch its DSL service in Orlando FL by the end of 2000. In addition to Covad's Florida markets it has also requested co-location in Sprint's NC markets as well as the tri-city TN markets.

Covad's acquisition of BlueStar signals a change in strategy. It plans to use BlueStar to begin offering DSL service directly to businesses instead of through ISPs and CLECs as it has in the past. Covad will face opposition from the very ISPs and CLECs it has used to market its services in the past, which may impact its ability to sustain its current growth levels.

LTD Territories: Florida

Exchanges: Tallahassee, Ocala, Winter Park, Leesburg, Fort Myers, and Naples Districts

Impact: Consumer, Business

Competitive Threat: Medium

Florida Digital Network merging with two other CLECs

Florida Digital Network (FDN), an Orlando FL facilities based CLEC, is merging with Cavalier Telephone of Richmond VA and Conversent Communications of Marlboro MA. The combined companies will be called Elantic Communications and the merger should be completed by August 2000. The new company has plans to provide voice and data services including DSL service.

The combined companies have no plans to expand outside of their southeastern markets, but rather intend to utilize its new combined knowledge and financial resources to focus on business and residential customers within its current regions.

FDN offers local, long distance, and Internet services to small and medium sized businesses in Sprint's Central Florida market. It had previously stated plans to add DSL to its list of services. FDN also offers services, discounted up to 30%, in several non-Sprint markets including BellSouth's portion of the Orlando market, Jacksonville, Tampa, and Miami. As a result of the merger, Elantic reportedly plans to launch services in Gainesville FL and Sprint's Tallahassee FL market by the end of this year.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Ocala and Tallahassee

Impact: Consumer, Business

Competitive Threat: Low

Time Warner and Comcast hold off on cable system swap in Florida

The transfer of Comcast's Leesburg and Tallahassee cable systems to Time Warner has been put on hold for the foreseeable future. The deal had been scheduled to go through on June 1. Though stopping short of saying the deal was off, Comcast announced it would continue with its upgrade efforts in Lake County as if no transfer was imminent.

Comcast's Leesburg cable system is adjacent to Time Warner's Central Florida operations in Orlando and Winter Park. Time Warner has been rolling out cable modem service to its 650,000 cable subscribers in Central Florida since last year. The Leesburg system has over 60,000 cable subscribers. Comcast has already upgraded its Tallahassee cable system, but does not offer cable modem service there. The Tallahassee system has over 70,000 cable subscribers.

Neither company would comment on what caused the delay or if the deal would eventually go through. The delay should work in Sprint's favor, giving it more time to get its DSL services established. Comcast has been slow to implement cable modem service in many of its Florida Markets. Time Warner is likely to be much more aggressive in rolling out cable modem service when or if it does take control of the Tallahassee and Leesburg systems.

LTD Territories: Florida

Exchanges: Leesburg and Tallahassee

Impact: Consumer

Competitive Threat: Low

The City of Ocala increases pressure on telecom venture

The Ocala City Council has given the city manager 30 days to find a way to reduce losses from the city's telecommunications venture, ruling out spending additional funds on expansion as a way to generate more revenue. Since October, the city's $4 million fiber network and its Internet service have produced losses of over $300,000.

In addition to providing its own dedicated telecommunications services, the city of Ocala also offers dedicated services to local businesses over its ATM backbone. It also provides Internet service to 300 customers. Sprint's recent launch of DSL service in the Ocala FL market will likely make it even more difficult for the city to attract customers to its own network.

The city council remains divided on whether or not to continue operation of the telecommunications services. However, the city council is more united in its support of its new city manager's efforts to control the budget and instill more justification of expenditures into the budget process.

It appears increasingly likely that the city will curtail its telecommunications operations, and perhaps exit the business all together. However, such an event may open the door to more competition in Ocala, not less. The city may choose to lease or sell part of its fiber backbone, giving new CLECs an economical way to enter the Ocala market.

LTD Territories: Florida

Exchanges: Ocala

Impact: Consumer, Business

Competitive Threat: Low

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FPL Fibernet and Progress Telecom announce marketing agreement

FPL Fibernet and Progress Telecom Corporation have announced a marketing agreement that will allow the companies to share the broadband resources of their combined networks. The new alliance creates an 8,000 mile shared route with capacity up to OC-192. The new alliance also contains provisions for "preferred pricing". If FPL Fibernet has a buyer that requires use of both networks, the customer is guaranteed FPL Fibernet's prices along the entire route and vice versa.

FPL Fibernet is the telecom subsidiary of Florida Power and Light, the largest electric utility in Florida with 3.8 million utility customers. FPL Fibernet leases dark fiber to CLECs such as SBC Communications. It currently operates a 1,600-mile fiber network with plans to expand its Florida network over the next two years. Progress Telecom Corporation (PTC) is the telecom subsidiary of Florida Power Corporation, the third largest Florida electric utility with 1.8 million utility customers. Florida Power Corporation is being purchased by Carolina Power and Light.

FPL Fibernet and Progress Telecom have no plans to enter the retail market, but plan to continue operating as a wholesaler. However, the alliance gives both companies the capability of wholesaling fiber in Sprint's markets in Sprint's Florida markets such as Tallahassee, Ocala, Winter Park, Winter Garden, Kissimmee, Fort Myers, and Naples. Additional markets will include Jacksonville, Pensacola, Gainesville, and Miami.

LTD Territories: Florida

Exchanges: Tallahassee, Ocala, Winter Park, Winter Garden, Kissimmee, Fort Myers, and Naples Districts

Impact: Carrier

Competitive Threat: Medium

New Edge Networks announces first Florida DSL rollout

New Edge Networks has announced its first Florida DSL launch in Daytona Beach with future plans to launch in Sprint's Bonita Springs, Fort Myers, Fort Walton Beach, Ocala, and Tallahassee markets by 3rd quarter. New Edge's DSL product line, called Edge at Work, contains a variety of DSL services including ADSL, SDSL, and IDSL. The services will be offered to business and residential customers through local Internet Service Providers.

New Edge is a facilities based CLEC specializing in wholesale broadband services. It typically targets ISPs and CLECs in the smaller Tier III and IV markets. The company recently announced completion of its national ATM backbone currently comprised of 14 regional hubs. Its hub for Florida is located in Orlando. Though providing its own equipment, it typically leases fiber and access lines from other providers. It also has a line sharing agreement with Sprint.

Sprint is already offering DSL service in many of its markets where New Edge plans to roll out its services. Fort Walton Beach has cable modem service available as well. New Edge is targeting smaller markets that may not have as much capacity for multiple providers as markets such as Orlando. Since it will not be the first high speed Internet service provider in these markets, it may find it difficult to achieve significant market share.

LTD Territories: Florida

Exchanges: Tallahassee, Ocala, Winter Park, Winter Garden, and Fort Myers Districts

Impact: Consumer, Business, Carrier

Competitive Threat: Medium

Alltel takes control of GTE's wireless operations in southwest Florida

Alltel assumed control of GTE's wireless operations in southwest Florida the end of June. GTE was required to spin off its wireless operations in return for receiving approval for its merger with Bell Atlantic. Alltel Wireless intends to make Tampa its headquarters for its southeastern region, which also includes Georgia and Alabama. It also plans to hire 150 new employees to staff 12 new wireless stores and 50 kiosks to be set-up at Wal-Mart stores.

Alltel picked up wireless properties along much of Florida's southwest coast, gaining 700,000 wireless customers. Impacted Sprint territories include Crystal River, Fort Myers, Cape Coral, Port Charlotte, and Naples.

Alltel plans to offer paging and long distance to its newly acquired wireless customers, and is considering offering local service as well. Alltel has rolled out local service in BellSouth's Jacksonville market and is beginning operations in Sprint's Tallahassee market. Alltel's biggest competitive advantage in these markets has been its wireless customer base, something it will now also be able to leverage along the southwest coast.

LTD Territories: Florida

Exchanges Crystal River, Fort Myers, Cape Coral, Port Charlotte, Naples

Impact: Consumer, Business

Competitive Threat: Medium

City of Valparaiso to offer high-speed Internet service to cable customers

The City of Valparaiso has approved a contract with Extant Inc that will allow it to offer high speed Internet access services to its cable customers, possibly by the end of August. Valparaiso FL has approximately 1600 cable customers on its two-way cable system.

Extant is a privately owned company based in Colorado. It has approximately 200 employees. Its strategy is to provide backbone network facilities to small telecommunication companies as a wholeseller. Extant leases most of its fiber backbone from other carriers and provides its own equipment.

Sprint plans to offer DSL service in Valparaiso by the end of the year. Only a small percentage of the Valparaiso exchange overlaps with the City of Valparaiso's cable network. The Valparaiso exchange has over 16,000 residential lines and 6,500 business lines. Though the City may roll out high-speed data to its customers before Sprint begins offering DSL, the impact of the City's high-speed data service is not likely to be significant.

LTD Territories: Florida

Exchanges: Valparaiso

Impact: Consumer

Competitive Threat: Low

PaeTec signs agreement with Rhythms to offer DSL in Orlando FL

PaeTec announced it has signed an agreement with Rhythms that will allow it to offer Rhythms DSL service to its customers in Orlando FL. PaeTec is a CLEC that offers voice and data services to medium and large sized businesses, particularly targeting universities, hospitals, and government accounts. It is based in New York and has approximately 800 employees. It has an interconnection agreement with Sprint and plans to operate in the Winter Garden and Winter Park market areas. Rhythms has not yet announced a roll out of its DSL services in Orlando, but it has begun advertising for employees indicating it will soon be operational.

LTD Territories: Florida

Exchanges: Winter Park and Winter Garden

Impact: Business

Competitive Threat: Medium

Florida Competitive Review – 07/21/2000

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Covad offering DSL services in Orlando FL

Covad Communications, a data CLEC headquartered in California, has announced the launch of its Internet-based network in Orlando. It also offers services in Tampa and Jacksonville FL. Covad also has agreements with ISPs and CLECs giving them the ability to deliver Covad's DSL services to their small and medium sized customers as well as consumer markets. It has agreements with ISPs such as PSINet, Earthlink, and UUNet as well as agreements with CLECs including NewSouth, BTI, and US LEC.

Covad's agreements with ISPs and CLECs will give business and consumer customers additional choices for DSL service in Sprint and BellSouth territories. It also has an interconnection agreement and a line sharing agreement with Sprint. With completion of its acquisition of BlueStar Communications, a data CLEC, Covad will also begin targeting small business and residential customers in Tier II and III markets. BlueStar currently offers services in Sprint's Winter Park, Winter Garden, and Fort Myers FL markets. It also has plans to offer service in Tallahassee. Covad has an interconnection agreement and a line sharing agreement with Sprint.

LTD Territories: Florida

Exchanges: Tallahassee, Ocala, Winter Park, Winter Garden, Leesburg, Fort Myers, and Naples Districts

Impact: Consumer, Business, Carrier

Competitive Threat: Medium

BellSouth small business promotions

BellSouth is offering several small business promotions. The company is waiving 12-month nonrecurring charges for one line and nonrecurring charges are waived on both lines when a two-line customer adds two additional lines. This promotion ends on August 11, 20000.

It is also offering another business promotion called the Competitive Response Program. This promotion is offered only to new customers for a 12-month period and whose monthly revenues are between $70 and $10,000. The customer's monthly revenues are discounted based on the total monthly-billed revenue. Discounts can range from 8% to 16% per month. The promotion ends on September 21, 2000.

LTD Territories: Florida

Impact: Business

Competitive Threat: Low

BellSouth building operations support center in Jacksonville FL

BellSouth has announced it plans to build on a $35 million operations support center in Jacksonville. The new facility will be built on a 30-acre development and construction is scheduled to take approximately five years. Upon completion, the new center will add an additional 1,000 new employees to BellSouth's 2,600 employee presence in Jacksonville.

The new operations support center will support maintenance and provisioning of wholesale services to its wholesale customers. Construction on the new building will begin in September 2000. BellSouth's customer care center called BellSouth Solutions Center is also located in Jacksonville. BellSouth Solutions Center is a Jacksonville call center responsible for handling customer calls for questions on all of BellSouth's services.

LTD Territories: Florida

Impact: Carrier

Competitive Threat: Low

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LTD Territories: Florida

Exchanges: Tallahassee, Ocala, Winter Park, Winter Garden, Leesburg, Fort Myers, and Naples Districts

Impact: Consumer, Business, Carrier

Competitive Threat: Medium

State of Florida and Florida Fiber Networks fiber network partnership

The State of Florida has entered into a partnership with Florida Fiber Networks (FFN) giving FFN limited access to right-of-ways located along Florida's interstate highways and the Florida turnpike. In return, the State will receive a 99-year contract allowing it to use the network for transport. Florida Fiber Networks, a Lake Mary based company, is made up of a consortium of companies that include KNT, Bear Stearns, Nelson Engineering Consulting, and Precision Contracting services. Over the next two years, FFN is scheduled to begin construction of 2,200 miles of fiber optic cable along Florida right-of-ways. The first phase of construction is scheduled to begin June 2001 and will include the entire length of I-95 and the Florida Turnpike. In addition to Florida highways, FFN also plans to place fiber rings around Florida's metropolitan areas. Upon completion of its network, FFN plans to wholesale its dark fiber capacity to CLECs and other telephony providers as well as the State of Florida.

The partnership will enable the State of Florida to utilize FFN's network to improve its telecommunications between its government agencies. The State also plans to deploy a traffic network that will include digital road signs and video cameras along these highways to inform motorists of accidents and driving conditions. The new fiber route will give CLECs and ISPs an opportunity to link the tier II and III markets towns located along these highways as well as provide an alternative for leased fiber in other market areas.

Companies: State of Florida, Florida Fiber Networks

Category: Mergers/Acquisitions/Partnerships

Proximity: In __X__ Out____

Sources: Competitive Tip, 07/27/00

LTD State: Florida

Exchanges: Tallahassee, Ocala, Winter Park, Winter Garden, Kissimmee, Fort Myers

Author: PD

FPL Group and Entergy Corporation agree to $7 billion merger deal

FPL Group, parent company of Florida Power and Light the largest electric company in Florida, has agreed to a $7 billion merger with Entergy Corporation. FPL Group is also the parent of FPL Fibernet, its telecom subsidiary. FPL Fibernet offers wholesale fiber capacity to CLECs and other telecommunications providers throughout South Florida, including Sprint's Fort Myers and Naples markets. With completion of the merger, the new company plans to use FPL Fibernet to expand its wholesale services throughout Entergy's service territories. Entergy is Louisiana's largest electric company with its headquarters located in New Orleans. It also operates in portions of Texas as well as Arkansas, Texas, and Mississippi. Upon completion the merger will create one of the nation's largest electric companies with 6.3 million customers and a combined workforce of 24,000 employees. The merger is expected to close in 15 months.

FPL Group's chairman, James L. Broadhead, will be chairman of the new company and Entergy's CEO, Wayne Leonard, will be president and CEO. The yet unnamed company's headquarters will be located in Juno Beach where FPL Group's current headquarters is located. The company hopes to keep job reduction at a minimum natural attrition, retirement and severance packages. The merger will not affect any service or maintenance positions.

As a result of the merger, the new, unnamed company, will become a larger and potentially stronger utility company. It will be better positioned in the event of deregulation in the utility industry as well as becoming more capable of pursuing new goals and accomplishing its strategies.

Companies: FPL Group, Florida Power & Light, FPL Fibernet, Entergy Corporation

Category: Merger/Acquisitions

Proximity: In __X__ Out____

Sources: Newswire, 07/31/200

Exchanges: Fort Myers and Naples

Author: PD

Impact: Consumer _X__ Business _X_ Carrier __X_ Data Strategies X_

Time Warner opening its cable system to Juno Online Services

Time Warner Cable has signed a letter of intent with Juno Online Services to allow Juno access to offer Internet services to TW customers. As a result of the agreement, Time Warner will be responsible for installation and two companies will have the ability to market Juno Express and be able to price and package the service individually similar to Time Warner's agreement with RoadRunner. Installation of Juno Express will be the responsibility of Time Warner. Juno will participate in a multiple ISP trial that Time Warner began last month in Ohio. The trial includes 100 of Time Warner's cable modem customers. Upon completion of the trial, the company expects to announce launch rollout of the new service as well as additional agreements with other ISPs. This agreement is in response to its promise to the FCC to open up its cable system to ISPs in its attempt to gain regulatory approval of its merger with AOL.

Time Warner is the largest cable television provider in Central Florida. It has been rolling out cable modem service to its 650,000 cable subscribers in Central Florida since last year. It offers high-speed Internet service in parts of its Orlando and Winter Park markets. Sprint offers DSL service to parts of the Winter Park, Winter Garden, and Kissimmee districts.

Time Warner also offers high-speed Internet service in Sprint's Texas exchange of South Humble. The company also has plans to launch cable modem service by 1st quarter 2001 in Atascocita and Humble, both Sprint Texas exchanges. Juno is the third largest ISP behind AOL and EarthLink.

Companies: Time Warner Cable, Juno Online Services

Category: Mergers, Acquisitions, partnerships

Proximity: In __X_ Out___

Sources: Orlando Sentinel, 08/01/2000, Competitive tip, 07/28/00

LTD State: Florida & Texas

Exchanges: Florida: Winter Park, Winter Garden, Tallahassee, Ocala; Texas: Atascocita, Humble, South Humble

Author: PD

Impact: Consumer _X__ Business _X_ Carrier __ Data Strategies _X_

Florida Digital Network announces plans to offer residential services in FL

Florida Digital Network (FDN) has announced plans to offer residential services in its Florida markets sometime during 2000. FDN is planning to offer residential customers bundled services including local, long distance, calling features, and Internet service at 15% to 25% off the incumbent LEC's services.

FDN, based in Orlando, is a Florida certified facilities based CLEC. It recently merged with two other Southeastern CLECS, Cavalier Telephone and Conversent Communications to create one Company to be called Elantic Communications. The merger should be completed by the end of August 2000. FDN offers local, long distance, and Internet services to small and medium sized businesses in Sprint's Central Florida market up to 30%. It also offers DSL services to residential and business customers at prices starting at $49.95 per month. FDN has plans to launch services in Gainesville FL and Sprint's Tallahassee FL market by the end of this year.

Companies: Florida Digital Network, Elantic

Category: New Regional Products/Service Offerings

Proximity: In __X_ Out___

Sources:

LTD State: Florida

Exchanges: Winter Park, Winter Garden, Tallahassee, Ocala

Author: PD

Impact: Consumer _X__ Business _X_ Carrier __ Data Strategies _X_

Market Review

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Date:	08/02/2000
Region:	**North Central**
State:	**Texas**
Competitor(s):	**Verizon**
Headline:	**Verizon conducts voice over DSL technical trial**
Market Impact:	**Business, Data**

Verizon, the company formed by the Bell Atlantic-GTE merger, is testing Voice over DSL (VoDSL) technology with Verizon employees in Dallas TX. Using VoDSL technology, a single copper wire into a business provides high-speed Internet access and up to 16 separate telephone lines. Verizon is partnering with Lucent Technologies and CopperCom to offer this service. If the trial is successful, Verizon will perform a market trial with selected small businesses in Texas and then plans to offer VoDSL to the small business market later this year.

Companies: Verizon

Category: New Regional Products/Service Offerings

Proximity: In _____ Out__X__

Sources: LTD Think Competition Hotline Tip

LTD State: New Jersey, Pennsylvania, Virginia

Exchanges:

Author: LL

Impact: Consumer ___ Business _X__ Carrier ___ Data _X__

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Market Review

Date:	**08/02/2000**
Region:	**North Central**
State:	**New Jersey, Pennsylvania, Virginia**
Competitor(s):	**Verizon**
Headline:	**Verizon launches nationwide advertising campaign**
Market Impact:	**Consumer, Business**

In an effort to educate the general public on the new name of the merged Bell Atlantic-GTE Company, Verizon launched a one-month advertising campaign. The Verizon re-naming campaign will target 45 of the top media markets in the country, hopefully ensuring all customers will hear about its new name. The advertising campaign is supposed to make customers aware that the companies merged and will now be using the new name, Verizon. In addition, the advertising campaign will hopefully reassure customers that the two companies will continue to deliver its same quality service under the name Verizon. The company plans to change the company name and logo on its monthly bills, vehicles, buildings, and web sites over the next 12-18 months.

Verizon is the largest incumbent LEC in New Jersey, Pennsylvania and Virginia. Verizon also covers a large area of Indiana and Ohio. Currently Verizon does not compete with Sprint, however, many of Sprint's local service exchanges are in close proximity to Verizon territory, and Sprint customers are exposed to Verizon's advertising.

Companies: Verizon

Category: Mergers/Acquisitions

Proximity: In _ ___ Out_X___

Sources: LTD Think Competition Hotline Tip

LTD State: New Jersey, Pennsylvania, Virginia

Exchanges:

Author: LL

Impact: Consumer ___ Business ___ Carrier ___ Data ___

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WorldCom applying for licensing authority to offer MMDS services in Tallahassee and Fort Walton Beach FL

WorldCom has filed applications for fixed wireless service with the Federal Communications Commission for licensing authority to offer high speed data services in 60 markets including Tallahassee and Fort Walton Beach, FL. The company also plans to file additional licenses by the end of the year. It is expected to take the FCC four to six months to approve the applications. The company will be using Multichannel Multipoint Distribution Service (MMDS) which uses a band of the radio spectrum to deliver high speed Internet access. WorldCom plans to complete the nationwide launch of its fixed wireless service by the end of 1Q01.

WorldCom will target small to medium sized customers, as well as apartment complexes with the new service once it gains regulatory approval. Prices for the residential service are estimated at $40 per month for a 310 Kbps service. The company is planning on offering business customers a three-tiered pricing plan that includes $150 per month for 256 Kbps, $450 per month for 768 Kbps, and $750 per month for 1.54 Kbps.

WorldCom has been conducting MMDS service trials with schools, consumers and business customers in Jackson, MI, Baton Rouge, LA, and Memphis, TN, and Dallas/Fort Worth TX areas. WorldCom plans to use its MMDS licenses to offer fixed wireless loops reaching out-of-territory local service customers and bypass the incumbent LEC. It also has agreements with NorthPoint, Covad, and Rhythms to deploy their DSL service. The company currently operates as a CLEC in Sprint's Central Florida market, where it targets large customers such as hotels and resorts located near Disney. WorldCom's portfolio of services includes local, long distance, PRI, ATM, and dedicated Internet access. The company has not been as active as it has been in the past, but its interest and activity in its Florida markets may increase when it gains FCC approval and is able to launch it's fixed wireless services.

LTD Territories: Florida

Exchanges: Tallahassee, Fort Walton Beach

Impact: Consumer, Business

Competitive Threat: High

Impact: Business

Competitive Threat: High

BroadRiver Communications launches services in Orlando

BroadRiver Communications, a privately owned company based in Atlanta, announced it has launched services in its first three markets, Orlando, Atlanta, and Nashville. BroadRiver plans to offer bundled local service, long distance service, and data services to small and medium-sized businesses. It is targeting business customers in several Sprint exchanges, including Winter Park, Winter Garden, Kissimmee, West Kissimmee, Apopka, St. Cloud, and Reedy Creek.

BroadRiver plans to market its IP network as its competitive advantage. It uses SoftSwitch technology from Cisco to provide integrated voice and data services over a privately managed IP network. It also plans to provide a dedicated account manager for each customer. It is also promoting an online customer account, billing, and ordering system. However, that system has not yet been completed.

BroadRiver has chosen some very competitive markets in which to begin its operations. The company appears to have enough capital for its initial launch. However, its original plans to deploy in 31 markets this year has already been trimmed to seven. It is funded by venture capital from two different firms. It has experienced management, and if it can survive the next year, which threatens to be a difficult one for telecom companies, it may prove to be a more significant threat next year.

LTD Territories: Florida

Exchanges: West Kissimmee, Apopka, St. Cloud, Winter Garden, Winter Park, Reedy Creek, Kissimmee

Impact: Business

Competitive Threat: Low

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Comcast rolls out cable modem service in Tallahassee

Summary Analysis

Comcast announced that cable modem service is now available to approximately 60% of its Tallahassee cable customers. Comcast plans to roll out the service, called Comcast@Home, to the other 40% of its cable system by the end of March. The company has been testing the service for over a month, and is still doing so in some neighborhoods.

Product Information

Comcast@Home costs existing cable customers an additional $39.95 per month, which includes a cable modem rental charge. Customers also have the option of purchasing a modem. Self-installation kits are available for $299, and include a $100 rebate as well as the cost of purchasing the cable modem. Another installation kit its available to customers who already have a cable modem for $29.95. Comcast@Home includes seven e-mail accounts and 70 megabytes of Web space.

Competitive Impact/Implications

Comcast has been very slow to deploy cable modem service in Tallahassee, due in part perhaps to an intent to trade the system. When its announced swap with Time Warner fell through, Comcast finally became motivated to get cable modem service deployed.

Because of its tardiness in launching @Home, Comcast faces several other high-speed data competitors already in the market, including Sprint. Tallahassee has a large student population as well as a large government employee population, both likely targets for Comcast's cable modem service.

Comcast will be a strong competitor for Sprint for residential high-speed data market share in Tallahassee. However, it may have problems keeping speeds at acceptable levels in some neighborhoods, since cable modem speeds can decline as the number of users on the line increase. Also, Comcast may experience difficulties in keeping up with demand for new installations initially. Sprint's DSL may have an added advantage in its increased security over cable modem service, particularly with the government employees and others that may have a need for secure information.

Comcast is also expected to rollout cable modem service in Fort Myers, Naples, and Lake County over the next two years.

LTD Territories: Florida

Exchanges: Tallahassee

Impact: Business

Competitive Threat: High

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LTD Territories: Florida

Exchanges: West Kissimmee, Apopka, St. Cloud, Winter Garden, Winter Park, Reedy Creek, Kissimmee

Impact: Business

Competitive Threat: Low

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SBC Telecom layoffs staff in Orlando

SBC Telecom announced it is cutting back its out of territory operations in 30 new markets, which was a condition of its merger with Ameritech in 1999. SBC stated it still plans to provide service in all 30 markets by the end of 2001 as required by the FCC. However, it is stopping its marketing efforts and reducing the size of its service areas until it is allowed to offer long distance service within its local exchange territory. SBC also recently announced its first quarter financial results will not meet Wall Street's expectations.

SBC Telecom reportedly notified marketing and sales managers in Orlando on Saturday, March 3rd, that they would be losing their jobs. Hourly workers were told the following Monday. Employees were told they would have 60 days to look for another job and that they would be allowed to use company computers and other tools to aid in their search. SBC only recently began gearing up its operations in Orlando, and was targeting Winter Park and Kissimmee in Sprint's territory. It had not yet officially launched service in the Orlando market. SBC also announced it was closing a call center in Tampa with 400 employees, where it had planned to process orders for local and long distance service packages.

SBC could potentially face up to $1.1 billion in fines if it fails to meet its out of territory expansion deadlines. SBC insists it will meet the letter of the law. It will continue to serve existing customers in the six cities where it has already rolled out services, but will not add additional customers. In the other 24 markets in which it was preparing to roll out services, including Orlando, it will maintain a network presence, serve at least three customers, and maintain a Yellow Pages listing as required by the FCC agreement.

SBC maintains that if it cannot offer long distance within its own territory, it cannot gain national contracts from large business customers that would provide it a customer base in its out of territory markets as well. The cost of building the out of territory markets and the general downturn in the telecom industry were certainly also contributing factors in its decision to cut back expansion efforts.

LTD Territories: Florida
Exchanges: Winter Park, Kissimmee
Impact: Consumer, Business
Competitive Threat: Low

New Edge changes strategy, pulls out of Florida markets

New Edge announced it is shifting its strategy from providing DSL to offering virtual private networks in hopes of increasing its cash flow. The company intends to use the same network it had built to offer DSL.

New Edge has been trying to decrease expenses, laying off about 40% of its staff over the past few months.

New Edge also announced that it would pull out of most of its DSL markets in Florida and Georgia as it shifts strategies and also tries to conserve its cash. These are the states it had entered most recently, and it admitted it had acquired less than 100 end users in 40 markets, 39 of which are in Florida. New Edge did not disclose which of its Florida markets would be abandoned. It currently has operations in Bonita Springs, Destin, Fort Walton Beach, Naples, Ocala, Cape Coral, Fort Myers, Punta Gorda, Lehigh Acres, and Tallahassee.

LTD Territories: Florida
Exchanges: Bonita Springs, Destin, Fort Walton Beach, Naples, Ocala, Cape Coral, Fort Myers, Punta Gorda, Lehigh Acres, Tallahassee
Impact: Consumer
Competitive Threat: Low

KMC begins offering dedicated Internet connection service

KMC Telecom, a facilities-based CLEC competing in five Sprint markets, is now offering dedicated Internet connections to business customers. With the service, KMC is offering standard Internet related features such as Domain Name Services registration and Internet Protocol address allocation. The service, being offering in all 37 KMC Tier III markets, including the Sprint markets of Tallahassee and Ft. Myers FL, is an "always on" exclusive connection from a business customer location to all other locations on the Internet.

Customers are allowed to choose the connection speed they need, ranging from 56 Kbps to 2.5 Gbps, and the New Jersey-based CLEC says it will not oversubscribe bandwidth to the IP backbone provider, thus preventing congestion and ensuring a faster connection to the Internet. Customers will have the choice of subscribing to tiered, flat or burstable rate services on a one-, two- or three-year term agreement. KMC says it will provide the service on the same bill as a customer's local voice service. KMC offers data, voice and Internet infrastructure services to businesses, governments and institutional end-users, as well as ISPs, IXCs and wireless service providers. KMC will eventually launch Managed Services, including managed router and firewall solutions.

LTD Territories: Florida

Exchanges: Tallahassee and Fort Myers

Impact: Business, Carrier

Competitive Threat: Medium

Epik Communications offers new IP services in Florida

Epik Communications, an Orlando based CLEC, has announced it plans it add Ethernet Transport services to its IP portfolio of services. The new service will allow customers to connect multiple sites at speeds up to 1 gigabit per second. By mid-2001, the company hopes to increase the speed to 10 gigabits per second. In addition, it is also planning a launch later this year of another new service called Internet Virtual Private networks. This service will give customers the ability to build their own IP network without installing their own equipment.

Epik operates as a "carriers' carrier" and is a subsidiary of Florida East Coast Industries. The company uses its parent company's railroad right-of-ways for its fiber route. It is also establishing a nationwide

footprint through fiber swap agreements with other companies, giving it access to dark fiber in over a dozen states. Epik's network runs through in most major metropolitan areas in Florida, including Orlando, Tallahassee, and Fort Myers.

LTD Territories: Florida

Exchanges: Tallahassee, Orlando, Fort Myers

Impact: Business, Carrier

Competitive Threat: Medium

FPL Fibernet lights Florida networks

FPL Fibernet has announced completion of its Orlando, Fort Lauderdale, and Tampa part of its expansion plan. It currently has a 1,600-mile fiber network with access to over 8,600 miles of fiber through partnerships. By year-end the company plans to expand its fiber network to 2,800 miles of fiber.

FPL Fibernet is the telecom subsidiary of Florida Power and Light. FPL Fibernet offers wholesale fiber capacity and co-location facilities to CLECs and other telecommunications providers throughout South Florida, including Sprint's Fort Myers and Naples markets.

LTD Territories: Florida

Exchanges: Tallahassee, Orlando, Fort Myers

Impact: Business, Carrier

Competitive Threat: Medium

WorldCom agrees to a proposed settlement of Digex shareholder's lawsuit

WorldCom has reached a proposed final settlement to the lawsuit filed by minority shareholders of Digex. The shareholders filed as a result of WorldCom's pending acquisition of Intermedia that would give WorldCom controlling interest in Digex. Digex is 54% owned by Intermedia. The lawsuit was filed to either stop the merger or invalidate approval of the merger by Digex's board. As a part of the proposed settlement, WorldCom has agreed to sell Intermedia except for its controlling interest in Digex. Intermedia stock would be exchanged for one share of WorldCom stock. WorldCom will also give Digex shareholders approximately $165 million in WorldCom stock and Digex will receive $15 million for settlement costs.

Intermedia, the oldest facilities based CLEC in Central Florida, provides local services throughout the Apopka, Winter Park, Winter Garden, West Kissimmee and Kissimmee areas. It also has an extensive frame relay network and offers its frame relay service in Tallahassee, Fort Myers, and Ocala.

LTD Territories: Florida
Exchanges: Winter Park, Winter Garden, Kissimmee
Impact: Business, Carrier
Competitive Threat: Low

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Moffat Communications to offer cable modem service in Pasco County FL

Summary Analysis

Moffat Communications, the cable provider for portions of Pasco County FL, is advertising its forthcoming cable modem service. The company is currently beta testing its CableNet service in its Pasco County markets, including Sprint's Dade City exchange. Full launch of the new service is expected to take place by the end of May 2001. The company plans to expand the new service into surrounding communities including Sprint's San Antonio exchange later this year.

Product Information

Prices for the new service are expected to range from $40 to $45 per month. Moffat has 22,000 cable subscribers located in eastern and central Pasco County. Sprint has over 10,000 consumer customers in its Dade City exchange and over 3,000 consumer customers in its San Antonio exchange.

Competitive Impact/Implications

Moffat Communications was formerly known as Florida Satellite Network (FSN). The name change coincided with the launch of its digital network in its Pasco County market. Moffat Communications, based in Canada, owns several US cable systems including Kingwood Cable located in Sprint's Kingwood TX exchange where it has been offering its CableNet cable modem service since 1998. Late last year, the company completed its new headend and office facilities located between outside of Zephyrhills FL city limits adjacent to Dade City. Sprint does not currently offer DSL in its Dade City or San Antonio exchanges.

LTD Territories: Florida
Exchanges: Dade City, San Antonio
Impact: Consumer
Competitive Threat: Medium

NewSouth launches solutions bundle for small business customers

NewSouth Communications is bundling local, long distance and extended area calling into a package for small business customers with three to 24 lines. The package is called "Small Business Solutions", and company releases indicate the service guarantees a "double-digit" savings off BellSouth's current local rates. The bundle includes local service, long distance rates of 6 cents per minute, and expanded local calling areas in some markets at no additional cost. The service is currently available to business customers in selected BellSouth markets in Florida, South Carolina, Tennessee, North Carolina, Georgia, Alabama, Kentucky, Mississippi and Louisiana.

NewSouth also offers a bundle of services to small business customers called "NewSolutions". This bundle includes local service, high-speed Internet access, e-mail and 200 minutes of free long distance service per line per month. The company's "NewSolutions Plus" bundle adds telephone equipment to the "NewSolutions" package.

NewSouth offers its services in Sprint's Winter Park market where it offers 30% discounts to small to medium-sized business customers. The company also operates in Fort Walton Beach, Fort Myers, Port Charlotte and Tallahassee FL.

LTD Territories: Florida

Exchanges: Winter Park, Fort Walton Beach, Fort Myers, Port Charlotte, Tallahassee

Impact: Business, Carrier

Competitive Threat: Medium

Alltel begins offering single T in Jacksonville FL

Alltel announced it is now offering local service, long distance and high speed Internet access over a single T1 in Jacksonville, where it targets small and medium businesses in BellSouth's franchised territory. Alltel's single T service, known as "Business Ovation", incorporates a discount of up to 30% over the cost of Alltel providing the same services separately.

Alltel intends to introduce this service in other markets where it operates as a CLEC, which could potentially include Tallahassee. Alltel began targeting business customers in Sprint's Tallahassee market in June, 2000. It also offers wireless services in Tallahassee in competition with Sprint PCS. Alltel is the incumbent LEC in parts of north Florida and appears to be venturing out into large markets adjacent to its own territory, particularly those where it already offers wireless service.

LTD Territories: Florida

Exchanges:

Impact: Business

Competitive Threat: Low

Time Warner Telecom expands network in Central Florida

Time Warner Telecom announced it has expanded its Orlando fiber network to Daytona Beach, increasing its Central Florida route miles to 1,400. Time Warner also provides business services in Tampa, Cocoa and Melbourne.

Time Warner Telecom is a facilities-based CLEC that offers switched services, transport, dedicated Internet, dedicated web hosting and collocation to medium and large sized businesses. Its competitive advantage in the Orlando area has been cheap transport and a large calling scope with a flat rate for its PRI ISDN service. Its Central Florida general manager is a former Sprint employee.

Time Warner Telecom has been successful in Orlando gaining some large customers, including other carriers and ISPs. Time Warner Telecom recently raised over $900 million for use in expanding its network, putting it in a much more stable financial position than most CLECs given the downward trend in the economy. Time Warner currently operates in 39 cities and plans to expand to an additional five more by the end of the year.

LTD Territories: Florida
Exchanges:
Impact: Business
Competitive Threat: Low

Verizon given FCC okay to compete for large business customers in large markets

The Federal Communications Commission has granted Verizon the ability to charge market-driven prices – rather than regulatory mandates - for special access services it offers to large business customers and long distance carriers. Verizon will be able to offer dedicated point-to-point services purchased by large business customers and long distance companies between states in 46 markets.

The FCC approved complete pricing relief applies in 10 of Verizon's 46 markets. Partial pricing flexibility was granted in the remaining 36 markets, including Sprint's edge-out market of Tampa FL.

LTD Territories: Florida
Exchanges:
Impact: Business, Carrier
Competitive Threat: Low

Florida Competitive Review – 04/04/01

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Comcast offers cable modem service in Punta Gorda and Port Charlotte

Comcast is offering two-way residential cable modem service in portions of its cable systems located in Sprint's markets of Punta Gorda and Port Charlotte. The company has also partnered with several computer retailers located in these markets. Potential customers can test Comcast@Home at participating retail stores. Most of the retailers in these two markets have the service available for testing; however, one of the Port Charlotte retailers has reported Comcast is having difficulties installing the service in its store.

Comcast@Home costs existing cable customers an additional $39.95 per month, which includes a $7 cable modem rental charge. Non-cable customers are charged $49.95. Customers also have the option of purchasing a cable modem through Comcast for $149.99 or through a participating retailer for $149.99 with a $49.99 rebate. Upstream speeds are limited to 128K and downstream speeds are quoted as averaging 3 Mbps up to 1.5 Mbps. Comcast's April consumer promotion includes a $59 installation charge and one free month of service. Free Quickstart self-install kits are available. Comcast@Home includes seven e-mail accounts with up to 10 MB of Web space. Customers can order up to five static-IP addresses at a cost of $6.95 per address.

Comcast began upgrading its Port Charlotte and Punta Gorda cable system last year. It also offers two-way cable modem service in Sarasota, located in Verizon's franchised market. In late 2000, it took over Adelphia's cable system in Fort Myers and MediaOne's system in Naples through a cable system swap. It currently offers one-way cable modem in Naples and is upgrading its Fort Myers market.

Comcast also offers cable service in Sprint's Tallahassee and Leesburg markets. Earlier this year it launched cable modem in Tallahassee. Reportedly it plans to offer cable modem in Mount Dora, Eustis, and Tavares. These areas are located in Comcast's Lake County cable system, which also includes Leesburg. Comcast plans to complete its system wide launch of cable modem service in Lake County by the end of first quarter 2002.

LTD Territories: Florida
Exchanges: Port Charlotte, Punta Gorda
Impact: Consumer
Competitive Threat: Medium

Covad offers wholesale customers a consumer self-install kit

Covad is offering its wholesale customers a self-install kit called JumpStart to market to consumers. The kit is available through Covad affiliated ISPs such as Speakeasy.net, Prodigy Communications, and Juno Online. The kit includes a modem, software, filters, and instructions. Ethernet cards are not included in

the kit and customers lacking an ethernet card will have to arrange for installation. Customers can expect to receive the kit within 10 days after ordering it from Covad affiliated ISPs. Speakeasy is offering consumers a $100 rebate when they order the self-install kit. Reportedly, installation using the kit takes less than 30 minutes. Juno Express is charging customers $225 for the JumpStart kit as well as a six month commitment and a $15 activation fee.

Covad has been experiencing financial problems and is trying hard to survive and not end up like other data CLECs that have had to close their doors. Covad may have difficulties convincing customers of its viability. The company is hoping to increase its bottom line by eliminating the costs of multiple truck rolls. Covad offers its wholesale services to ISPs and CLECs in Jacksonville, Orlando, Tampa, and Miami. It offers wholesale services in Sprint's Winter Park market. Its subsidiary, Covad Business Solutions, offers retail business DSL services to customers in Sprint's Winter Park and Tallahassee markets.

LTD Territories: Florida
Exchanges: Winter Park
Impact: Consumer
Competitive Threat: Medium

1Q financial results signal more problems ahead for Florida CLECs

First quarter results for CLECs in Sprint's Central Florida area signal more bad times ahead for many competitors. Data CLECs that provide DSL to ISPs and other CLECs have been the hardest hit by the economic downturn that began last year, but fixed wireless providers and some CLECs are also experiencing severe financial difficulties.

DSL.net's auditor released a statement this week that it is doubtful **DSL.net** can continue to stay in business. DSL.net began offering DSL to businesses in the Orlando area last year. It joins many other data CLECs that are struggling to survive. **Net-tel** was the first Central Florida DLEC to fail, filing bankruptcy last year. **Jato** shut its doors in January, the same month that **Northpoint** filed bankruptcy. **New Edge** announced in March that it was pulling out of Florida to concentrate in states where it has a larger market share. **Covad** is about the only DLEC in the Central Florida still moving forward. However, its stock price has dropped over 98% from its high, and it has laid off employees as well as decreased its operations. Covad, Northpoint, and Rhythms were the largest DLECs in the United States. **Rhythms** claims it has enough cash left to operate until 2002, but its stock is currently trading at 31 cents and it has hired an investment bank to explore its financial options. Its auditor released a statement this week doubting its ability to remain in business as well.

Winstar and **Teligent**, two fixed wireless companies targeting business customers in the Orlando area, are also struggling. Teligent, which operates in the Maitland area, has had its stock price drop to 41 cents from a high of $76 and is considered extremely short of cash to maintain operations. Its auditor has also released a statement doubting its ability to continue in business. Winstar had begun setting up operations in Orlando, but never officially launched service. Its stock is also trading below $1, and nervous investors are concerned it is quickly running out of cash.

Many of the more "traditional" CLECs in Central Florida, offering facilities based services to businesses, are managing to survive by cutting back expansion plans, securing additional financing, or revising business plans and strategies. However, many of these are having a difficult time financially as well. **Intermedia Communications** (ICI), one of the oldest and largest CLECs in Florida, had its auditors release a statement this week doubting its ability to continue as an independent company. ICI is in the process of being acquired by WorldCom, which should be completed in second quarter. However, if the merger does not go through or is delayed, ICI has reported it will have difficulty funding its operations. WorldCom is guaranteeing ICI's funding through June. **Adelphia Business Solutions** reported it has scaled back expansion plans in light of record losses in 2000. Adelphia operates in several Sprint markets throughout Central and North Florida. **SBC Telecom** announced plans earlier this month to scale back its Central Florida operations.

The networks and customer bases of the DLECs and CLECs that do not survive are creating an opportunity for other, stronger CLECs. AT&T has stepped in to buy Northpoint's assets, but not its customer base which consists of ISPs and other wholesale customers. Other RBOCs and ILECs may be potential buyers for the networks of other financially strapped CLECs.

LTD Territories: Florida
Exchanges: Winter Park, Winter Garden, Kissimmee
Impact: Business, Carrier
Competitive Threat: Low

AT&T petitions FPSC to split BellSouth into two companies

AT&T filed a petition with the Florida Public Service Commission (FPSC) asking that BellSouth be split into two separate companies, one to provide local phone service and the other to manage the company's network. AT&T claims that CLECs cannot compete with BellSouth as it is structured now, pointing out that BellSouth still provides most of the local telephone service within its franchised territory. BellSouth countered that CLECs now provide service to up to 20% of the business customers in some areas of Florida.

AT&T has filed similar petitions in other states against both BellSouth and Verizon. Though applauded by other CLECs and consumer advocates as a bold move to force open the local service market, AT&T's actions are seen by many analysts as a last ditch effort to slow the RBOCs entry into the long distance market.

BellSouth is currently undergoing independent testing in Florida to determine how open its systems and processes are to other competitors. This information will be used to determine whether or not BellSouth will be allowed into the long-distance market. BellSouth and AT&T also recently squared off in Florida over an AT&T-led initiative to lower access rates, a motion that failed to pass in a committee vote.

The FPSC will probably address AT&T's petition by the end of the year. However, the Pennsylvania PUC recently ruled on a similar AT&T petition against Verizon, voting unanimously to required Verizon to operate its two divisions separately, but stopping short of requiring a complete structural split into separate companies. Verizon maintains it already operates the divisions separately, and does not intend to significantly change its operations. The Pennsylvania decision is considered by many analysts to be precedence setting because Pennsylvania was viewed as the most likely PUC to consider AT&T's request for separate companies. Other states are not believed to be likely to make as radical a ruling as AT&T has requested.

LTD Territories: Florida
Exchanges:
Impact:
Competitive Threat: Low

BellSouth offers consumer and business DSL promotions

BellSouth is offering new consumer and business customers DSL promotions. The company's business DSL promotion includes installation for $150 ($199.95 value), free activation, and a choice of a free DSL modem or a router package for $600. Its standard monthly DSL charge for business customers is $59.95. BellSouth's consumer DSL promotion includes a free modem and one free month of service. Customers must maintain service 12 months from the date the modem is shipped, otherwise the modem cost is $200. Consumers ordering BellSouth's DSL service via the Internet will also qualify for a $25 web

certificate. The web certificate can only be used for online purchases and is usable on any website where Mastercard or Visa is accepted.

BellSouth is the largest ILEC in Florida, and serves part of the Orlando market area. Sprint serves the adjacent Winter Park, Winter Garden, and Kissimmee markets. It began offering DSL in its Orlando market in June 1999.

LTD Territories: Florida
Exchanges:
Impact: Consumer, Business
Competitive Threat: Low

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AOL partners with DirecPC to offer AOL Plus

Sprint's Fort Walton Beach call center has been fielding calls and questions from customers regarding America OnLine's AOL Plus product. Apparently, customers are under the belief AOL is offering DSL for $20, which is not the case. AOL Plus is a software product offered through DirecPC satellite retailers as well as RBOC DSL service providers. AOL Plus is part of AOL's Version 6.0 software. The software gives subscribers access to broadband enhanced content such as full-motion video and streaming audio.

AOL Plus is available through DirecPC satellite service retailed through Circuit City and Office Max stores located in Sprint's markets of Tallahassee, Fort Walton Beach, Ocala, Leesburg, Winter Park, and Fort Myers. This is a new promotion within Sprint's Florida markets. The DirecPC service is a one-way service with downstream speeds of up to 500 Kbps for $19.95. AOL Plus is available for $21.90 and includes the regular OAL account plus the access to the broadband content. There are currently no installation charges and the retailer's technician will take care of installation. The DirecPC equipment is $99.

Apparently, this is a new promotion in Circuit City and Office Max, because employees are not very knowledgeable regarding AOL Plus. The DirecPC and AOL Plus services are currently available in retail stores in Tallahassee, Fort Walton Beach, Ocala, Leesburg, Winter Park, Winter Garden, Fort Myers and Leesburg. It is also being offered in Sprint's Texas markets of Killeen, Fort Hood, and Cooperas Cove.

AOL plus is also available to Sprint's FastConnect DSL customers. Customers can purchase an AOL account for $9.95. In addition the regular AOL account, the Sprint DSL customer will also receive AOL Plus.

AOL has also partnered with several RBOCs, including BellSouth, Pacific Bell, SBC, and Verizon. Customers are able to order the RBOC's DSL services through AOL. AOL take care of the DSL order process, installation appointments, and customer notification. AOL also resolves software problems, but hardware problems are forwarded to the RBOC who is responsible for dispatching technicians to the home. The AOL Plus account is $21.95 and the RBOC's DSL is typically $19.95, for a total of $41.90. The modem and installation are free.

AOL Plus is a value-added service AOL can offer to its current AOL subscribers and also use to attract new customers. Its partnerships with the RBOCs and the various retail outlets should help it increase its customer penetration in all of the markets where AOL is available.

Sprint's non-technical consumers might subscribe to the DirecPC/AOL Plus service under the belief they are receiving a DSL product. This is demonstrated by the calls Sprint's service representatives have received regarding AOL's "DSL" service. However, DirecPC is a one-way service, and is not comparable to either Sprint's DSL service or Comcast's cable modem service, both of which are available in the Fort Walton Beach market.

LTD Territories: Florida
Exchanges: Florida: Tallahassee, Fort Walton Beach, Ocala, Leesburg, Winter Park, Winter Garden, Fort Myers and Leesburg.
Impact: Consumer
Competitive Threat: Low

City of Leesburg revives interest in telecom

The City of Leesburg is once again showing an interest in becoming a CLEC. A new Telecommunications Advisory Committee convened on April 5th to discuss Leesburg's options in entering the telecommunications business. The new committee is a spin-off of a utility committee that studied the city's vulnerability to utility deregulation last year and explored potential new sources of revenue.

Some of the items discussed at the first meeting of the Telecommunications Advisory Committee included: fiber-to-the-home, placing fiber along major roads as utility facilities are moved from aerial to underground, leasing fiber to other telephone companies and cable companies, meter reading over fiber, providing cable television over a broadband connection to the home, and high-speed Internet access.

The City of Leesburg has intermittently over the past few years considered expanding its telecommunications operations. Leesburg placed fiber for its own use several years ago. It has used its existing fiber to offer dedicated access to the hospital and some of the city buildings. It reportedly receives $125,000 per year from fiber leases. Leesburg also resells Internet services from MPInet, a local ISP. However, by its' own admission the city has not done a good job of promoting the Internet dial-up service and has few customers.

Another avenue Leesburg is reportedly considering is looking for a telecom partner. It is likely the city will approach Sprint, as its plans become more concrete. It isn't clear what benefit the city believes Sprint would gain from entering into a partnership agreement. Plans to date appear to have been more or less brainstorming items with no research or financial analysis to determine feasibility.

The two drivers of Leesburg's renewed interest in the telecommunications industry are a new city manager and a concern that its utility revenues will greatly decrease with utility deregulation. The new city manager appears to have little relevant telecommunications experience, but it trying to set a vision for the city for the next ten years and beyond. While the city is trying to create a new revenue source to combat decreasing utility revenues and keep its taxes low, it has so far failed to calculate the investment needed to create a telecommunications network or the annual expense of maintaining it. The city reportedly would require a three-year pay back on any invested capital, an unlikely return on the investment it would take to get the venture started.

LTD Territories: Florida
Exchanges: Leesburg
Impact: Consumer, Business, Carrier
Competitive Threat: Low

BellSouth planning small business promotion

BellSouth plans to offer a small business promotion to business customers whose billing is less than $3,000 per month, per account. The new promotion gives customers who add additional lines to an existing account through BellSouth's Small Business website web certificates. The web certificates are valued at $25 for a one additional line, $50 for two additional lines and $75 for three additional lines. The Webcertificates can only be used on the Internet on websites where Mastercard or Visa is accepted. The promotion begins May 1 and ends July 27, 2001.

LTD Territories: Florida
Exchanges:
Impact: Business
Competitive Threat: Low

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Cox Communications announces Ocala FL cable modem launch

Cox Communications announced it plans to roll out cable modem service in Ocala FL in July 2001. Cox completed its upgrades over a year ago, but reportedly had run into problems with the Internet service. The high-speed data service is called Cox Express and offers speeds as high as 1.5 mbps downstream. Cox is the largest cable company in Ocala, providing service to residents in portions of the Ocala, Silver Springs, Highlands, and Shady Road exchanges.

Cox began trialing two-way cable modem service with University of Florida students in Gainesville in 1999. It plans to roll out service to Gainesville residents on July 1 as well. Gainesville is adjacent to Sprint's Ocala market. Cox services over 88,000 cable subscribers in Gainesville and Ocala. It also offers two-way cable modem service in Sprint's market of Fort Walton Beach to residential and business customers.

Pricing for the Ocala cable modem service have not yet been released. The company currently charges Fort Walton residential customers subscribing to basic cable $29.95 for two-way cable modem service. In Gainesville, it charges $32.95. The cable modem rates in Ocala are likely to be similar.

LTD Territories: Florida
Exchanges: Ocala
Impact: Consumer
Competitive Threat: High

Telseon launches a gigabit ethernet promotion

Telseon, a CLEC headquartered in Denver, Colorado, has announced its "Connect Your World" gigabit ethernet promotion. The promotion offers customers savings of up to $20,000 on monthly fees for network access, cross connection service, and 10 Mbps of bandwidth. The promotion ends December 31, 2001. The promotion is available to new customers as well as current customers that increase their bandwidth orders.

Telseon operates as a "carrier's carrier" and targets ISPs, CLECs, and ASPs offering scalable optical network services. It has an alliance with Level 3 enabling both companies to increase access to either Level 3's backbone or Telseon's optical data network, giving Telseon access to a significant amount of fiber. Telseon also has agreements with co-location providers such as COLO.COM, Equinix, and Switch & Data Facilities.

Telseon began targeting Orlando in late 2000. Its Orlando sales office is located in Sprint's Maitland market. Telseon also operates in 20 markets, including Dallas, Houston, Miami, Northern Virginia, Orlando, Seattle, St. Louis, and Tampa. Its gigabit ethernet promotion is currently available nationwide.

LTD Territories: Florida
Exchanges: Winter Park
Impact: Business, Carrier
Competitive Threat: Medium

ISP offers wireless Internet in Destin FL

AirComm Associates, based in Niceville FL, announced it is offering wireless high speed Internet service. The company claims to have seven business customers connecting a total of 130 computers already on its network. Pricing ranges from $125 to $600 per month for speeds up to 1.5 mbps. A one-year contract is required. The service is available in sections of Niceville, Valparaiso, and Destin. AirComm Associates seems to be mainly targeting businesses with one to 50 computers. It is also interested in the hospitality industry, which is a large part of the economic base in the Destin area.

AirComm is a very small ISP, run by the owner and his wife. It appears to be operating in an unlicensed wireless band, a strategy that is growing among small ISPs because the start-up costs are relatively low. However, the technology requires a clear line of sight to work properly, limiting the potential customer base to those within a certain radius of the tower.

AirComm does not appear to be large enough to pose a significant competitive threat at this time. Its resources are limited and it does not have much experience. There are other CLECs in this market, such as NewSouth (UniversalCom) and Cox, which have a much stronger competitive position. However, AirComm's approach is a growing trend, particularly in rural markets, and represents a complete bypass of Sprint's network though the number of customers is small.

LTD Territories: Florida
Exchanges: Valparaiso, Destin
Impact: Business
Competitive Threat: Medium

BellSouth's loop rates lowered by FPSC as it considers long distance bid

The Florida Public Service Commission (FPSC) recently voted to lower the rates BellSouth can charge CLECs to use its unbundled loops. Though the FPSC staff had recommended a charge of $14.13, the Commission lowered the rate to $12.74. AT&T had requested $4.43.

The FPSC decreased the loop rate in the hopes it would increase residential competition in the state, which has remained low even as business competition has increased. BellSouth had proposed a rate of $16.71, and intends to examine its costs again to determine if $12.74 is less than it needs to cover expenses. If so, BellSouth stated it may ask the FPSC to review the issue again.

BellSouth also intends to file to offer long distance service in Florida on May 31, stating local competition has reached sufficient levels to justify its entry into the long distance business. In some markets, BellSouth claims it has lost 30% of its business customers. BellSouth recently signaled a renewed effort to break into the long distance business with plans to file in all nine states in which it operates.

BellSouth previously filed to offer long distance service in Florida in 1997 and was denied. At the time, the FPSC did not believe the state was sufficiently opened to competition. Its comments in the recent order lowering BellSouth's loop rates could indicate it still believes that. However, BellSouth is awaiting independent test results that the FPSC ordered in 1999 to analyze BellSouth's CLEC processes in order to determine if BellSouth's network is open to competition. Those results may influence the Commission's decision on BellSouth's long distance application, as well as any reconsideration of BellSouth's loop rates that BellSouth may yet request.

LTD Territories: Florida
Exchanges:
Impact: Consumer, Business, Carrier
Competitive Threat: Low

IDT offers Teligent a lifeline

Teligent received a much need lifeline recently when long distance company IDT Corporation purchased 34% of its equity. Teligent, a CLEC targeting business customers using fixed wireless technology, has been struggling to stay in business over the past few months. With stock selling less than one dollar per share, down from a high of $97, Teligent's own auditor's recently released a statement doubting its viability.

IDT moved quickly after its announcement, removing Teligent's CEO, former AT&T executive Alex Mandl, and placing its own management in control. IDT's actions have gained Teleport time to arrange new financing, with a new deadline of May 15th to reach a $250 vendor financing agreement and come up with an additional $100 million in debt with which to fund its build-out. If Teligent can not put together a new finance package by May 15th, it may still have to file for bankruptcy.

Analysts are speculating that IDT's interest in Teligent may be less of a strategy to enter the local service industry and more of a tax maneuver. Teligent has $1.5 billion in tax loss carryforwards, which IDT may be able to use if it is the majority shareholder before Teligent files for bankruptcy and if Teligent emerges from bankruptcy.

Teligent operates in the Kissimmee, Winter Park, and Winter Garden exchanges in Florida. Initially a high profile advertiser, Teligent focused aggressively on the small business market, offering online bill management and other tools in an attempt to differentiate its services in the highly competitive Orlando market area. However, Teligent's technology reportedly suffered from operational problems nationwide, and its revenues did not increase at a fast enough pace to fund its business.

LTD Territories: Florida
Exchanges: Kissimmee, Winter Park, Winter Garden
Impact: Business
Competitive Threat: Low

2nd Century shuts down operations

2nd Century, a privately held CLEC based in Tampa, has gone out of business. The company offered local, long distance and Internet service to small and medium sized businesses 2nd Century began operating in 1998 and was started by former Intermedia Communications executives. After failing to secure additional financing the company had to close its doors. It plans to provide services to its current customers for two months and will keep a small workforce to service the customers.

2nd Century received a total of $155 million in funding since it was founded (105 million in equity and $50 million in senior secured debt). Early last year, the company had over 460 employees on its payroll, offered services in 25 cities and announced plans to expand to 48 cities by year-end 2000. However, by year-end 2000 it was down to 150 employees after experiencing two layoffs and numerous office closures left it with only four operational markets, Houston, Orlando, Tampa, and Miami. In January 2001 it no longer offered service in Orlando, leaving two Florida sales offices open located in Miami and Tampa.

LTD Territories: Florida
Exchanges:
Impact: Business
Competitive Threat: Low

Verizon Wireless and RadioShack announce partnership

Verizon Wireless and RadioShack have announced a partnership allowing RadioShack to market Verizon's wireless products in RadioShack stores located in Florida. The agreement covers 321 of 327 RadioShacks in Florida as well as 4,400 across the United States.

Verizon will have approximately 100 feet of separate, stand-alone counter and floor space or located on the right or left side of the entrance of the RadioShack store. Trained RadioShack employees will staff the Verizon Wireless store-within-a store scheduled to be available in Florida RadioShacks by the end of May.

LTD Territories: Florida

Exchanges: Tallahassee, Fort Walton Beach, Ocala, Winter Park, Winter Garden, Fort Myers, and Naples

Impact: Business, Carrier

Competitive Threat: Low

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Comcast launches cable modem service in Lake County

Comcast has announced cable modem service is now available to approximately 50% of its Lake County cable customers located in Lady Lake, Leesburg, Fruitland Park, Eustis, Tavares, and Mount Dora. The company plans to launch the service, called Comcast@ Home, to the other 50% of its cable system by year-end.

Comcast's cable modem service will cost Lake County cable customers $44.95 including a $5 cable modem rental charge. Non-cable customers are charged $49.95 per month. Additional IP addresses cost $6.95 per month. Customers also have the option of purchasing the modem for $199 from Comcast or a participating retailer. Comcast is offering a 30-day money back guarantee on its cable modem service effective from date of installation. The service includes seven e-mail accounts and 10 megabytes of web space per e-mail account.

Comcast will provide a technician to install equipment and software at a charge of $149. The company is running an installation promotion for $49 through the end of June. Installation intervals are currently running two to four business days. Free self-install kits are available at local Comcast offices and at participating retailers located in Leesburg, Fruitland Park, and Eustis. The retailers have a Comcast cable modem system setup for testing. Retailers will also contact Comcast to check availability of service for prospective customers and will provide free self-install kits.

Comcast began upgrading its Lake County cable system in 1999 where it serves about 60,000 customers. It became more motivated to launch cable modem service when its cable system swap with Time Warner fell through in 1999. Comcast will be a strong competitor for Sprint, the only other high-speed data provider in Lake County.

LTD Territories: Florida
Exchanges: Leesburg
Impact: Consumer
Competitive Threat: High

Teligent receives a one-week extension

Financially strapped Teligent received a one-week extension from creditors to give it time to reorganize its debt. Teligent was originally given a May 15th cutoff, but now has until May 21st to come up with $350

million in additional financing. Teligent laid off 800 employees on May 11th in an attempt to conserve cash. Many analysts had expected Teligent to file for bankruptcy on or before May 15th. The extension may not avert that event by more than a few days. IDT Corp. recently purchased a 34% stake in Teligent, replacing Teligent's CEO with its own management team. It reportedly is interested in Teligent for tax reasons.

Teligent is active in the Winter Park market and at one time was aggressively targeting the small business market, particularly in office parks such as Maitland.

LTD Territories: Florida
Exchanges: Winter Park, Winter Garden, Kissimmee
Impact: Business
Competitive Threat: Low

BellSouth and Verizon increase DSL prices

BellSouth has increased its DSL and Internet dial-up prices, with the steepest price hikes reserved for business DSL. Residential DSL will remain $49.95 for most customers, though BellSouth plans to begin charging a $50 activation fee for customers that don't order the service using the Internet. However, residential customers that received a price discount because they also signed up for Complete Choice bundle will see their rates rise from $40 to $45. Business customers will have a $20 increase to $79. Even BellSouth's dial-up Internet will increase $1 to $20.95 per month for unlimited access. Prices were effective May 12th for new customers. Existing customers will be charged the new rates beginning June 1st.

Verizon also increased its DSL rates, adding a $200 setup charge for new residential DSL customers subscribing to its $39.95 per month service in an effort to encourage customers to subscribe to a plan with a higher rate. Its $49.95 plan will only have a $60 setup charge. The $39.95 plan will no longer be advertised on its Web site or included in promotional materials. Customers will have to request it when placing their order.

BellSouth is the largest ILEC in Florida. Its franchised territory includes Orlando, which is adjacent to Sprint's Winter Park market area. BellSouth also operates as a CLEC in Winter Park. Verizon is the incumbent LEC in the Tampa area, and is the second largest ILEC in the state.

LTD Territories: Florida
Exchanges:
Impact: Consumer, Business
Competitive Threat: Low

Broadband Office files for bankruptcy

Broadband Office filed for Chapter 11 bankruptcy May 9th, laying off 348 employees. Approximately 35 employees were retained to assist existing customers during what management termed as a restructure. There was some indication that the company expected to be acquired. The company had been accepting new orders as recently as May 9th.

The demise of Broadband Office came as a surprise to many. Broadband Office, which targeted office buildings, had the support of several national real estate investment trusts (REITs) such as Duke-Weeks Realty Corp, Equity Office Properties, and Highwoods Properties. It also had over $100 million in funding, part of which was supplied by the same venture capital firm that funded AOL, Netscape, Compaq, and Sun Microsystems. Broadband Office had been expected to emerge as a leader in providing broadband services to office buildings in over 30 markets. Employees, however, indicated that internally there had been an awareness for months that the company was having problems.

Broadband Office was targeting the Winter Park market, where it was expected to have access to several office buildings owned by Highwoods Properties, one of the REITs with an ownership position in Broadband Office.

LTD Territories: Florida
Exchanges: Winter Park
Impact: Business
Competitive Threat: Low

BellSouth winds down its wireless TV service

In less than one month BellSouth will cease offering its wireless television service. BellSouth announced in January that it was getting out of the wireless television business to concentrate on segments such as data. Once serving over 80,000 customers in seven cities, BellSouth is now offering service to only a few thousand. The remaining customers have until early June to switch to another service. BellSouth has an agreement with EchoStar that will allow customers to switch to the Dish Network. About 65% of BellSouth's wireless television customers have switched to the Dish Network, which waived installation costs, with the remainder choosing to go with a cable company. BellSouth continues to serve about 40,000 customers receiving video over BellSouth's wireline network using a combination of fiber and coaxial cable as part of a bundle of voice, Internet, and video services.

BellSouth's wireless television service, known as Americast, was available in portions of Sprint's Winter Park and Kissimmee exchanges. Most customers seemed to like the service. However, BellSouth deemed it too expensive, and chose instead to shift additional investment to wireline technologies such as DSL.

LTD Territories: Florida
Exchanges: Winter Park, Kissimmee
Impact: Consumer
Competitive Threat: Low

Florida Competitive Review – 05/30/01

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Wholesale providers expand into Florida

Three wholesale providers have announced plans to offer services in Florida. USCarrier, based in Atlanta, has added Tallahassee to its backbone network that connects over 40 cities. It plans to have 2200 miles of fiber throughout the southeast by the end of the year. USCarrier offers transport, Internet access, and long distance services to CLECs and other telecommunication providers.

Southern Telecom in separate news announced it has completed two dark fiber routes in Florida. The first route runs two conduits and 96 fibers from Atlanta to Jacksonville. The second route is 790 miles long, connecting Jacksonville, St. Augustine, Daytona Beach, Melbourne, West Palm Beach, Fort Lauderdale, Miami, Fort Myers, Tampa and Orlando. Southern Telecom offers bandwidth, dark fiber, conduit, collocation, and other wholesale services. It is owned by Southern Company, an energy company based in Atlanta.

Dominion Telecom, a subsidiary of a utility company based in Virginia, also announced plans to extend its telecommunications network into Florida. The network will be expanded southward from Raleigh to Atlanta, then will be routed through Jacksonville to Miami, Fort Myers, and Orlando. Dominion is purchasing the fiber but did not disclose whose facilities it would use. Parts of its network will be operational by the end of second quarter. The entire network is expected to be complete by the end of 1Q02. Dominion Telecom offers private line and dedicated Internet access services to wholesale customers.

Florida already has quite a few wholesale providers, including Florida Power & Light, Florida Power Corporation, Qwest, Williams, EPIK, and Level 3 linking most major cities throughout the state. Some analysts have forecast a glut of fiber in Florida, particularly in light of some of the financial difficulties many CLECs are experiencing this year.

LTD Territories: Florida
Exchanges: Tallahassee, Fort Myers, Winter Park
Impact: Business, Carrier
Competitive Threat: Medium

Adelphia launches cable modem service in Osceola County

Adelphia Cable has announced the launch of its cable modem service in portions of Orange and Osceola counties. Adelphia has a small system with over 4,000 subscribers in this market, portions of which are in Sprint's territory. The new service, called PowerLink, includes 5 mb of Webspace. It does not currently offer additional static IP addresses. Charges for the new service are $39.95 for Adelphia cable subscribers and $49.95 for non-cable subscribers. Installation charges are $49.95 and the modem rental fee is included in the monthly charge.

Adelphia Cable also provides cable service in portions of Citrus County, which includes Sprint's Inverness market. It previously provided cable service in Fort Myers, but recently swapped that system to Comcast. Time Warner is the dominant cable provider in most of Orange and Osceola County and rolled out cable modem service in its markets a year and a half ago.

LTD Territories: Florida
Exchanges: Kissimmee
Impact: Consumer
Competitive Threat: Low

MDS America granted experimental wireless license for Florida

MDS America announced it has been granted an experimental license by the FCC that will allow it to test its terrestrial wireless video and high speed data services in Florida. The controversial license will allow MDS America to place its signals on the same frequencies used by satellite television companies, which have objected strenuously to MDS America's plans. The FCC's approval caught many by surprise, coming just four days after the application was filed. The experimental license is valid through May 1, 2002.

MDS America claims there will be no interference since its signals will be transmitted at vertical angles less than those of the satellite companies. It reportedly has been using the technology for five years in 20 international markets.

The site MDS America has chosen to test its system appears to be in Sprint's Clewiston exchange in south Florida on property owned by US Sugar, one of the largest businesses in the area. Clewiston is a relatively rural area, and has not experienced significant competition to date. Adelphia is the cable provider for Clewiston. It does not yet offer cable modem service in the area.

LTD Territories: Florida
Exchanges: Clewiston
Impact: Business
Competitive Threat: Low

Mpower plans to shut down Orlando offices

Mpower, a facilities based CLEC based in New York, announced plans to close 12 offices throughout the United States in an effort to cut costs. Mpower plans to discontinue services to customers entirely by July 1, including those in Orlando and Jacksonville. The closings will eliminate 275 jobs, or about 13% of the company's work force. Faced with a $75 million funding gap, Mpower representatives said the markets it chose to exit were the ones that required the most investment in order to become profitable.

Mpower, formerly known as MGC, has been an active competitor in Las Vegas. It had an interconnection agreement with Sprint in Florida and had targeted the Winter Park and Apopka areas. However, Mpower never formally announced operations in Orlando and never achieved much visibility in the highly competitive Orlando market.

LTD Territories: Florida
Exchanges: Winter Park, Apopka
Impact: Business
Competitive Threat: Low

Teligent files for bankruptcy

Teligent announced it filed for Chapter 11 bankruptcy on May 21, a move that had been expected for some time. Teligent, a fixed wireless provider targeting business customers, had been experiencing severe financial difficulties for months. Creditors had already given it an extension to try to reorganize its debt and avoid defaulting on its loans, but it was unable to put together the $350 million it needed.

Teligent's largest stockholder is IDT Corp, which purchased its stake in the company in May. IDT has reportedly offered Chase Manhatten Bank and Goldman Sachs, Teligent's primary bankers, $250 million for the remaining interest in Teligent. However, it is not clear if the banks intend to accept the offer or have another plan to recoup funds. The banks have provided Teligent with enough short-term funds to keep it in operation until its future is decided. Teligent's CEO, an IDT appointee of only a few weeks, resigned shortly before the bankruptcy was announced, indicating IDT's negotiation difficulties with the banks may have played a factor in his decision.

Teligent listed $1.65 billion in debts in its bankruptcy filing. Other large creditors include Nortel, Level 3, Worldcom, XO Communications, Hewlett-Packard, and Electric Lightwave.

Teligent operates in the Kissimmee, Winter Park, and Winter Garden exchanges in Florida. Teligent focuses mainly on the small business market, particularly in the Maitland area. Initially a heavy advertiser, Teligent is no longer a significant player in the Orlando market.

LTD Territories: Florida
Exchanges: Kissimmee, Winter Park, Winter Garden
Impact: Business
Competitive Threat: Low

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US LEC announces completion of its Fort Myers FL switch

US LEC announced it will complete the installation of its new Fort Myers switch in June, bringing its total number of switches in Florida to six. US LEC already operates in the Orlando market, portions of which are served by Sprint, as well as Jacksonville, Tampa, West Palm Beach, and Miami in BellSouth's territory. Its Fort Myers office will be located approximately one block from Sprint's central office and will house approximately 15 employees. US LEC is a facilities-based CLEC headquartered in Charlotte NC.

US LEC announced it will activate its Fort Myers switch with 50 business customers already signed up. In addition to Fort Myers, it also plans to target businesses in the Naples area. It plans to initially offer local and long distance service over a T1, and add data services including DSL in the future. US LEC typically targets hospitals, hotels, government accounts and universities.

When US LEC first announced last fall that it would be installing a switch in Fort Myers it planned to have it operational by first quarter, a date it has now missed by three months. KMC Telecom has been targeting businesses in Fort Myers for some time, and has proved to be a tough competitor. AT&T also has a switch in Fort Myers. In addition to being a late entrant to this market, US LEC does not appear to have a distinct competitive advantage compared to AT&T's brand name and KMC's first to market lead. Nevertheless, US LEC is expected to be more visible in this market than it has been in the Orlando market where there are far more competitors. With KMC's strong showing in Fort Myers, US LEC may choose to concentrate more on Naples where competition has not been as discernible as it has been in Fort Myers.

LTD Territories: Florida
Exchanges: Fort Myers, Naples
Impact: Business
Competitive Threat: Medium

Atlantic.net to wire Orlando office building for DSL

Atlantic.net, a Florida based CLEC and ISP, announced it has signed an agreement to provide DSL service to an office building in downtown Orlando which is in BellSouth's franchised territory. The 15-story office building will house more than 47 businesses. Atlantic.net's agreement with the real estate management company, Jones Lang LaSalle, will allow it to place equipment in the building, as well as deliver and market its DSL services to the building's tenants.Atlantic.net was founded in 1994 as an ISP. It is certified as a CLEC and has an interconnection agreement with Sprint. It has offered DSL as a reseller in several Sprint markets and has previously stated plans to become a facilities based DSL provider. Atlantic.net's CEO has made statements indicating it may be changing its DSL strategy to capitalize on what it sees as an opportunity in the multi-tenant unit market, since many CLECs targeting that segment have gone out of business. If so, Atlantic.net may target new office buildings within Sprint's territory in the future. Atlantic.net operates in Sprint's Winter Park, Kissimmee, Tallahassee, Ocala, Leesburg, Fort Myers, and Naples markets.

LTD Territories: Florida
Exchanges: Winter Park, Kissimmee, Tallahassee, Ocala, Leesburg, Fort Myers, Naples
Impact: Business
Competitive Threat: Low

BellSouth expanding its e-Platform service offerings

BellSouth has made several announcements designed to strengthen its e-Platform initiative. Through a partnership with Cisco Systems and IBM, it plans to launch VoIP to businesses in its nine-state market as well as outside of its market. Cisco will provide the equipment and infrastructure and IBM will provide training and support for customers using Cisco's equipment. BellSouth will be the single point of contact for customer support.

In addition to its VoIP announcement it also announced plans offer a new packaged managed firewall service to small and medium sized businesses called Managed Firewall-Silver. It will target single-site customers with less than 100 IP addresses and with at least one T1 line. Previously, BellSouth only offered the service to its large business customers. Subscribers to the new service will also receive security software and hardware from Check Point and Nokia. The new service includes basic design and configuration, on-site installation, 24X7 monitoring and administration, 24/7 help desk support, and online access to the BellSouth Security Management System for reports and service requests.

BellSouth is the largest ILEC in Florida, and serves part of the Orlando market area. Sprint serves the adjacent Winter Park, Winter Garden, and Kissimmee markets.

LTD Territories: Florida
Exchanges:
Impact: Business
Competitive Threat: Low

BTI Telecom lays off 200 workers

BTI has cut 200 jobs equaling about 17% of its workforce. The new round of layoffs are being announced just five months after the Raleigh NC based CLEC cut 71 jobs to try to offset expenses and streamline the organization. With the latest cuts, BTI plans on closing sales offices - in the non-Sprint markets of Birmingham, AL, Louisville, KY, and Norfolk VA as well as consolidating its sales offices in Miami and Fort Lauderdale.

BTI recently announced total revenue gain of 10% from 1Q00 to 1Q01, including a 53% revenue increase in data services this year over last and a 54% revenue growth in local services over last year. BTI reported selling 14,400 access lines during the first quarter of 2001, bringing the total number of lines sold to 153,000. BTI operates in the Winter Park and Kissimmee exchanges.

LTD Territories: Florida
Exchanges: Winter Park, Kissimmee
Impact: Business
Competitive Threat: Low

Verizon acquiring a 55% controlling interest in NorthPoint Communications

Verizon, formed by the merger of Bell Atlantic and GTE, is buying a 55% controlling interest in NorthPoint Communications, a national data CLEC. Verizon will pay NorthPoint $850 million of which $450 million will be used to fund NorthPoint's capital expenditures and operations. Shareholders will receive the remaining $350 million. With completion of the merger, the companies will be able to merge their DSL networks enabling Verizon to quickly expand its DSL offerings outside of its franchised markets. The merger will also enable Verizon to accomplish its FCC ordered goal of spending $500 million on competitive local services outside of its region. The FCC order was a result of the FCC approval of the Bell Atlantic-GTE merger. NorthPoint will retain its name and management team. The pending merger contains a $100 million break-up fee due to Verizon if NorthPoint were to enter into another merger with a third party or if its shareholders fail to approve the deal. Either party can terminate the deal if it is not completed by August 7, 2001.

Verizon is the incumbent LEC in Tampa. It offers its DSL services within its territory in parts of Sarasota, Hillsborough, Manatee, Pasco, Pinellas, and Polk counties. Verizon's CLEC division, GTE Communications Corporation, operates throughout Central and South Florida. It also resells its services throughout Sprint's Florida markets. NorthPoint offers DSL services in portions of Sprint's central Florida market through ISPs such as Flashcom, Verio, UUNet, and Bitstorm. It also has agreements with CLECS including Intermedia Communications, New Edge, Network Plus, BTI Telecom, and Level 3. NorthPoint has an interconnection and line sharing agreement with Sprint.

LTD Territories: Florida

Exchanges:

Impact: Business

Competitive Threat: High

US LEC rolls out DSL services in Orlando FL

US LEC, a facilities based CLEC, has announced the launch its DSL service in Orlando FL. The company targets mid to large businesses such as universities, hospitals, large business complexes, and Internet service providers. It has agreements with NorthPoint and Covad to deploy their DSL service. In addition to its DSL service, it offers customers a package of services including local, long distance, data and enhanced services. It also has an Interconnection agreement with Sprint. US LEC is offering its DSL services to customers with 10 lines or more. Prices vary depending upon length of contract. Prices for US LEC's DSL service have not been disclosed.

US LEC began operating its Orlando ATM network late last year. It has 5ESS switches located in Orlando, as well as Jacksonville, Tampa, and Miami. US LEC has spent large sums of money building out its Florida ATM network strengthening its ties to Internet service providers as well as the hospitality industry.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Consumer, Business

Competitive Threat: Medium

Tallahassee Telephone Exchange plans to launch local service in Tallahassee FL

Tallahassee Telephone Exchange, Inc., (TTE), a Florida certified CLEC, has been telling potential customers it plans to launch its facilities based service. The company plans to launch the service by the end of August 2000 and will offer discounts of 15% to 20%. TTE has been operating as a reseller in Tallahassee offering residential and business local service, Internet access, beeper/pager services, and wireless phones (Sprint PCS and PowerTel). It offers Internet access through its ISP, Internet Services of Tallahassee. TTE also has plans to rollout its DSL services sometime during 4Q00. The company targets small to medium sized business customers as well as MDUs, such as college students living in apartment complexes and student housing located near Florida State University which is in Sprint's market.

TTE is a small, privately owned CLEC. The company may find it difficult to make the transition from a reseller to a facility-based provider. Its appears to have little telephony experience and its financial ability to execute these plans remain unclear.

LTD Territories: Florida

Exchanges: Tallahassee

Impact: Consumer, Business

Competitive Threat: Low

NextLink rolls-out local phone service in Tampa FL

Nextlink Communications has announced the launch of its CLEC operations in Tampa FL, its second Florida market. Nextlink targets small to medium sized customers, offering local, long distance, and data services. The company has an agreement with Level 3 Communications enabling it to link its networks in its target cities. It also operates as a CLEC in Miami FL and is targeting Orlando FL for local service by 4Q00.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Business

Competitive Threat: Low

Florida Digital Network merger cancelled

The merger between Florida Digital Network (FDN), Cavalier Telephone of Richmond VA, and Conversent Communications of Marlboro MA has been cancelled. Failure of the merger has been blamed on the inability to raise investment capital. Without the capital outlay, company officials decided it would be impossible to fund the merger of the three companies. The companies plan to continue with a joint billing operation created during the merger process. The vague possibility the merger could go through will remain in effect until August 31, the date the merger would have closed.

Florida Digital Network plans to continue with future strategies including launching DSL services and residential services in its Florida markets. It also plans to launch its services in Sprint's Tallahassee market by the end of 2000. It currently operates in Sprint's Central Florida market offering small and medium business customers local, long distance, and Internet services.

LTD Territories: Florida

Exchanges: Tallahassee, Winter Park, Winter Garden, Kissimmee

Impact: Consumer, Business

Competitive Threat: Medium

BellSouth trialing new wireless network for home office

BellSouth in a partnership with Home Wireless Networks (HWN), is trialing HWN's home wireless network equipment called The AirWay System. BellSouth is marketing the equipment to work at home customers through its Jacksonville FL Work At Home Center and through its website. The AirWay System gives users the ability to share a single Internet service provider account and connection for up to 63 PCs on the network. The system allows users to set up a LAN enabling sharing of files, printers, scanners, and network drives. Telephones can also be networked throughout the home. DSL service and modems will be offered with the system by the end of September 2000.

The Airway equipment kit currently includes a controller (56K modem), handset, data jack, and phone jack. The price for the kit with the 56K modem/controller is $530, a one-time charge. There are no monthly charges incurred unless the customer adds additional services to their local service such as calling services or DSL.

LTD Territories: Florida

Impact: Business

Competitive Threat: Low

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Intermedia Communications begins adding Voice over IP capabilities to network

Summary Analysis

Intermedia Communications (ICI), a facilities based CLEC based in Tampa FL, announced it is adding voice over IP (VoIP) capabilities to its network with plans to wholesale VoIP services in the future. ICI will begin its network upgrades with the addition of Sonus Networks' switches in eight major markets over the next few months, including Miami, Tampa, Charlotte, Raleigh, Indianapolis, Chicago, and St. Louis. The new network architecture will eventually be deployed in ICI's network throughout the United States.

Product Information

The Sonus switches will enable ICI to handle IP long distance traffic from international carriers, transport voice traffic over packet, and remove Internet traffic from its voice network. ICI will first deploy new Sonus switches in Miami FL. All eight markets will receive a GSX9000 Open Service Switch and an SS7 Signaling Gateway. Tampa and Chicago will also house centralized PSX6000 SoftSwitches. All of the switches will be capable of handling VoIP and data traffic.

Competitive Impact/Implications

ICI is a facilities based CLEC based in Tampa that targets businesses and carrier customers. It has an extensive frame relay network. ICI was one of the first CLECs to begin operations in Sprint's territory, operating throughout the Winter Park area. ICI has the potential to become a significant competitor for wholesale VoIP services in Sprint's central Florida market.

LTD Territories: Florida

Exchanges: Winter Park

Impact: Business, Carrier

Competitive Threat: High

Network Telephone offering DSL bundled services in Central Florida

Network Telephone, a CLEC based in Pensacola FL, has begun offering a bundle of DSL services including voice, long distance, Internet, and DSL in Central Florida. It also offers web hosting, video and audio streaming. The company began operating in 1998 and targets small to medium sized customers. Its basic DSL bundle includes DSL speeds at 160 Kbps, one flat, monthly calling rate, 50 free e-mail addresses, 100 free long distance minutes per line, unlimited calling features on each line, free Internet access, and free installation. Prices for its bundle of services go up to $933 per month including DSL at speeds as high as 1.54 Mbps.

Network Telephone provides its services as a reseller while it installs completes its packet-based network that includes Lucent PathStar switching equipment in its target markets. The company currently offers its services in Gainesville and BellSouth's portion of the Orlando market. It is targeting Sprint's Florida markets located in Tallahassee, Fort Walton Beach, Ocala, Winter Park, Kissimmee, and Naples by the end of 2000. It also has an Interconnection agreement with Sprint.

Network Telephone is financed through $104 million in venture capital provided by a group of investors that includes Spectrum Equity, CenturyTel, Morgan Keegan, Mellon Ventures, Inc., Lehman Brother Communications Fund. It CEO and founder, Ray Russenberger, has contributed $24.5 million in equity funding. The company is using the financing to fund its DSL expansion plans throughout the state of Florida and the southeastern U.S.

LTD Territories: Florida

Exchanges: Tallahassee, Fort Walton Beach, Ocala, Winter Park, Kissimmee, Naples

Impact: Business, Carrier

Competitive Threat: Medium

Birch Telecom plans to expand to Florida

Birch Telecom announced plans to expand into all of BellSouth's southeastern markets as well as Florida by 2001. The company has sent postcards to some employees in Central Florida asking for resumes, which may indicate plans to target the Orlando market. Its Florida CLEC certification is pending and its also has a pending Interconnection agreement with BellSouth. Birch does not have an interconnection agreement with Sprint, which it would need to operate in Sprint's part of the Orlando market. Birch's service offerings include local, long distance, and Internet at discounts up to 20%. Birch currently offers its services to small and mid-sized customers located in Oklahoma, Kansas, Missouri, and Texas.

LTD Territories: Florida

Exchanges: Central Florida

Impact: Business

Competitive Threat: Low

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Time Warner Cable's offering discounts on its Road Runner service

Time Warner is offering its residential cable customers a 20% savings off of their monthly Road Runner service. Cable customers must have at least standard cable service in order to qualify for the savings. In addition to the discount the company is also offering month-to-month service with a 30-day money back guarantee effective from the date of installation.

Road Runner's residential service is being offered for a monthly fee of $39.95 for Time Warner customers subscribing to both basic and standard cable service. Non-cable customers or Time Warner customers subscribing to basic only service are charged $49.95 per month and are not eligible for the 20% discount.

The company also offers high speed Internet services to businesses. Prices for business customers start at $79.95 per month with installation charges of $149.95, ranging as high as $449.95 per month with installation charges of $199.95. It will also provide Internet access in increments of 10 Mbps up to 100 Mbps connections. Prices for these services are quoted on a case-by-case basis.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Consumer, Business

Competitive Threat: High

Intermedia Communications purchased by WorldCom

Tampa based Intermedia Communications (ICI), the largest CLEC in the nation, announced it will be purchased by WorldCom for $3 billion. WorldCom's main interest in Intermedia is its majority interest in Digex, a company that maintains Web sites for many large corporations. WorldCom is reportedly considering breaking apart Intermedia and selling off many of the other parts of the company.

Intermedia Communications is a facilities based CLEC offering a variety of business services, including local service, long distance, and data. It specializes in frame relay, and has an extensive network. It also has a division that concentrates on providing services to office

buildings. Intermedia provides facilities based local services throughout the Winter Park, Winter Garden, and Kissimmee areas. It also offers frame relay services in most major Florida markets, including Tallahassee, Fort Myers, and Ocala.

Intermedia Communications is one of the oldest and largest CLECs in Florida. The impact of its merger with WorldCom will depend on what WorldCom chooses to do with Intermedia's facilities and customer base. If it does break up Intermedia's assets and sell parts of the company, Intermedia's Central Florida facilities will likely be sold since WorldCom has facilities there as well. This could be an opportunity for a new competitor to quickly gain a strong position in the Orlando market or for an existing competitor to rapidly increase its competitive capabilities.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Business

Competitive Threat: Medium

Time Warner offering cable modem service in Crystal River and Inverness FL

Time Warner has announced the completion of its cable upgrades in Citrus County. The company has begun offering digital TV and cable modem service to customers located in portions of its Citrus County cable system. Time Warner has over 33,000 cable subscribers in Citrus County. Adelphia also offers cable service in Citrus County, with 8,300 cable subscribers in Inverness. The two cable companies compete head-to-head in some areas. Sprint has over 60,000 consumer customers in Citrus County, which includes Crystal River, Inverness, Homossassa Springs, and Beverly Hills.

Time Warner is the dominant cable provider in Central Florida, where it has already rolled out digital TV and cable modem service in many Sprint markets. Because of Time Warner's large Florida market coverage, it remains one of the largest competitive threats to Sprint's DSL and ISDN services.

LTD Territories: Florida

Exchanges: Crystal River, Inverness

Impact: Consumer

Competitive Threat: Medium

US LEC announces plans to install switch in Fort Myers/Naples FL market

US LEC, a facilities based CLEC, has announced plans to install a 5ESS Switch located in Fort Myers/Naples FL by early 2001. It also plans to staff a sales office with 15 employees. US LEC's service offerings include local, long distance, DSL, data and enhanced services through its ATM network. US LEC's target market includes large hotels, Internet Service Providers, and

businesses with over 100 employees. It currently has five operational Lucent 5ESS switches located in Orlando, Jacksonville, Tampa, West Palm Beach, and Miami.

US LEC is based in North Carolina, and also operates in Alabama, Georgia, Mississippi, Pennsylvania, South Carolina, Tennessee, Virginia, and Washington D.C. US LEC's Florida markets represent 25% of its total customer base as well as over 20% of its total revenues.

LTD Territories: Florida

Exchanges: Fort Myers and Naples Districts

Impact: Business

Competitive Threat: Medium

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ClearAccess Communications launches wireless Internet in Florida

ClearAccess Communications announced it has launched high-speed fixed wireless Internet access in southwest Florida, from Tampa down through Fort Myers and Naples. It joins at least two other high speed wireless Internet providers in southwest Florida, competing with Sprint's DSL and ISDN products. The service is available to both residential and business customers. ClearAccess is offering free installation, hardware, and a network server at no charge to new contract customers of its fixed wireless Internet access service. Speeds of up to 10 mbps are available. Installation takes seven to ten days. ClearAccess plans to add voice services by the end of the year.

In addition to wireless Internet access, ClearAccess offers wireless LANs/WANs, as well as Web hosting, security, and application services. It plans to expand its fixed wireless Internet service to the east and northwest portions of Florida over the next year. ClearAccess was founded in 1999 and is based in Bradenton FL. It has 15 employees. It is privately funded. Its ability to complete its expansion plans will be highly dependent on its ability to secure sufficient capital.

LTD Territories: Florida

Exchanges: Fort Myers and Naples

Impact: Consumer, Business

Competitive Threat: Medium

BellSouth announces new e-business service

BellSouth plans to offer new e-business services targeting small and medium sized business customers. The new service, dubbed "e-Platform", will include data storage, Web hosting, centralized software, security, content distribution, caching, disaster recovery, and ASP services. BellSouth will be partnering with Qwest and Sun Microsystems to support its new services. Qwest will provide long haul data transmission, while Sun will provide hardware and software. BellSouth has set up data centers in Atlanta and Miami to house its new services, and plans to add four more centers over the next two years.

BellSouth sees its "e-Platform" initiative as an opportunity to gain business market share in what it believes to be an underserved niche. Instead of going after large businesses, it intends to target the smaller businesses with a complete e-business solution. Its goal is to get 10% to 20% of the data center business by 2004.

BellSouth is the largest ILEC in Florida, and serves part of the Orlando market area. Sprint serves the adjacent Winter Park, Winter Garden, and Kissimmee markets.

LTD Territories: Florida

Impact: Business

Competitive Threat: Low

NewSouth announces new expanded local calling plan for businesses

NewSouth Communications announced it is now offering an expanded local calling area plan to businesses at no additional charge. The plan, known as NewArea, allows customers to make unlimited intralata calls within the expanded area without having to pay toll charges. Customers can also choose to make unlimited LATA-wide calls for a monthly fee under the Extended NewArea plan. NewSouth offers business services in Sprint's Winter Park and Naples market areas.

NewArea is not a new product idea. Many CLECs in Florida, particularly in the Orlando area, offer expanded local calling areas for a flat rate or even no additional charges. However, NewSouth is one of the few CLECs that has branded and promoted this product independently. In areas such as Orlando where the calling scope is a real issue for many businesses, NewSouth is undoubtedly hoping to use extended calling as a hook to increase its market share.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee, Naples

Impact: Business

Competitive Threat: Medium

Intermedia Communications' new bundled voice and data platform

Intermedia Communications (ICI) is touting its "IntermediaOne" bundle as the nation's first fully integrated voice, Internet access and data communications platform for small to medium businesses. The service has been launched in Sprint edge-out markets in Raleigh and Charlotte NC. It is an integrated voice, Internet access and data communications platform that is delivered on a single T-1 connection and invoiced on a single bill. The service builds on Intermedia's current unifiedvoice.net T1 Centrex bundled voice and data offering by adding unified messaging, frame relay transport, Web hosting, and advanced calling features.

IntermediaOne also offers PBX functionality without the need to actually acquire the PBX equipment.

Tampa FL-based ICI operates as a facilities-based CLEC throughout the Winter Park, Winter Garden and Kissimmee areas. The company portrays the new bundle as a product that enables businesses to receive voice, data, Internet and messaging needs in one package from a single provider on a single access line and on a single bill. It plans to launch IntermediaOne in 50 U.S. cities over the next few months.

LTD Territories: Florida

Impact: Business

Competitive Threat: Medium

NewSouth adds Web hosting to expand its Internet service offerings

NewSouth Communications is now in the Web hosting business. The Greenville SC-based company launched Web hosting for business customers as an addition to its suite of Internet services. The service gives customers the ability to update and maintain their accounts through a 24-hour online control panel. They can track the number of site visitors, their origination and the pages viewed. NewSouth currently offers its Internet service, NewSouth.net, along with its high-speed Internet access service, Screamin DSL, and an e-mail service.

NewSouth is a facilities based CLEC that targets mid to large sized customers including hospitals, hotels, and banks. It offers services in Sprint's Winter Park FL market and also has plans to offer local service in Sprint's Fort Myers and Tallahassee markets

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LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee, Naples

Impact: Business, Carrier

Competitive Threat: Medium

Winfire offers business customers interactive video advertising on its website

Winfire has developed and launched a new patent pending service called Very Interactive Video Ad (VIVA) technology. NextCard, Inc., an Internet credit card and online advertiser, is the first to use the new technology. Winfire's video ad technology allows customers to click directly on the ad and on embedded links. The advertiser's logo also includes an embedded link and appears in a corner of the ad. Survey results have indicated a seven percent increase in click rates over traditional banner ads.

Winfire, headquartered in Newport Beach, CA, offers free DSL to consumers. Winfire provides four levels of DSL services ranging in price from free to $35 per month to consumers. It has launched its services in Austin, Dallas, and Houston TX and in BellSouth's portion of the Orlando market. It has also announced plans to launch its services in Cleveland, Kansas City,

San Antonio, and St. Louis by the end of 2000. In addition to its DSL product service, Winfire offers video on-demand, streaming audio, online gaming, software on demand and IP telephony to its Internet customers.

LTD Territories: Florida

Impact: Consumer

Competitive Threat: Low

BellSouth offering new basic package of calling features and voice mail services

BellSouth has announced it is offering customers a basic package that includes several of the more popular calling features as well as voice mail service. The new service offering is called BellSouth Essentials and has a monthly charge of $9.95. BellSouth Essentials includes call waiting, call return, voice mail service including call forwarding, voicemail access, and message waiting indicator. The new service is targeted towards customers who typically subscribe to one or two of BellSouth's calling features and are unwilling to subscribe to its more expensive packages that may include features the customer will never use.

LTD Territories: Florida

Impact: Consumer

Competitive Threat: Low

Network Telephone purchasing LightNetworks

LightNetworks, a Florida certified CLEC start-up based in Atlanta GA, is being purchased by Network Telephone, a CLEC based in Pensacola FL. Late last year LightNetworks announced its intent to launch DSL in Tier 1 cities in Florida during 1st quarter 2000, targeting small and medium sized customers. Its Florida DSL launches failed to materialize. In July 2000 it also announced its VoDSL launch in Atlanta GA with future plans to launch the service in Miami, Charlotte, and Nashville. In early 2000 it received its first round of venture capital for $14.7 million but has since then failed to receive additional venture capital funding.

Network Telephone currently offers a bundle of DSL services including voice, long distance, Internet, and DSL to small and medium sized business customers. It currently resells its services in Gainesville and BellSouth's portion of the Orlando market. It is targeting Sprint's markets located in Tallahassee, Fort Walton Beach, Ocala, and Winter Park, Kissimmee, and Naples by the end of 2000. It plans to operate as a reseller until buildout of its packet based network is completed.

LightNetworks is an example of CLEC start-ups that are beginning to experience financial problems in addition to just trying to survive in Florida's highly competitive CLEC market. Venture capital has become more difficult to secure as investors have become more cautious

about funding CLECs that typically operate in the red, especially given the recent market downturn in technology and telephony stocks.

LTD Territories: Florida

Impact: Business

Competitive Threat: Low

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Comcast to become major cable provider in southwest Florida

Comcast is preparing to take over cable systems in both Fort Myers and Naples early next year, making it the dominant cable provider in southwest Florida. Comcast plans to acquire Adelphia's system in Fort Myers and MediaOne's system in Naples. Comcast is swapping systems on Florida's southeast coast in order to gain a strong position on Florida's southwest coast. Once the swaps are complete, Comcast will have half a million-cable subscribers from Sarasota in GTE's territory down through Naples. In addition to Fort Myers and Naples, Comcast already has cable systems in Sprint's Punta Gorda and Port Charlotte markets.

Comcast launched cable modem service in Sarasota in 1997, but has been slow to roll-it out in its other Florida markets. It has begun upgrades in the Port Charlotte area that will allow it to offer the service there, possibly by the end of next year. Adelphia has not rolled out cable modem service in Fort Myers, but MediaOne began offering one-way cable modem service in 1997. It has approximately 3,000 cable modem subscribers that Comcast will inherit when the swap is complete.

Because it will have such a large number of cable subscribers in southwest Florida, Comcast has the potential to be a significant threat to Sprint's efforts to market high-speed data products such as DSL and ISDN in the Fort Myers, Naples, Punta Gorda and Port Charlotte areas. However, Comcast has a history of moving slowly and cautiously in Florida, and it will need to complete upgrades in some areas before it can launch new services. It will most likely be late next year before Comcast completes wide-scale cable modem deployments in its new market areas.

LTD Territories: Florida

Exchanges: Fort Myers, Naples, Punta Gorda, Port Charlotte

Impact: Consumer

Competitive Threat: Medium

XO Communications launches advertising campaign in Central Florida

XO Communications, formerly NextLink Communications, has begun an advertising campaign in Central Florida that includes local television and radio stations as well as local newspapers. The company currently operates as a CLEC in Miami and Tampa FL and is just beginning its Central Florida operations. It targets small to medium sized business customers. It is currently offering its services in BellSouth's franchised market adjacent to Sprint's Central Florida market, and is also targeting Sprint's Winter Park and Kissimmee markets. The company recently changed its name as a result of its merger with Concentric.

XO Communications is offering a flat-rate bundle of services called Xoptions. The bundle includes local, long distance, Internet, high-speed data, DSL, e-mail, web hosting, and e-commerce services. Pricing for the bundle varies depending on the market in which it is offered. However, the company is claiming the bundle can save customers between 10 to 40% over ordering the services individually from other competitors.

The monthly charge for the company's IDSL service is $124 for a speed of 144 Kbps. Its SDSL prices range from $149 to $399 per month with speeds ranging from 192 Kbps to 1.5 Mbps. Installation is free and a router is offered free with a one-year contract commitment. It also offers month-to-month service agreements. The company also offers a suite of Ethernet services including Gigabit Ethernet with speeds ranging from 10 to 100 Mbps and 1 Gbps.

XO Communications has long been a successful competitor in Sprint's Las Vegas market. However, as a new competitor in Central Florida it will have to work hard to establish itself in the highly competitive Orlando market, which is already entrenched with facilities based competitors offering similar services to business competitors.

LTD Territories: Florida

Exchanges: Winter Park and Kissimmee Districts

Impact: Business

Competitive Threat: Low

EPIK Communications targets Fort Myers and Tallahassee

Epik Communications, operating as a "carrier's carrier", announced its network expansion through Tampa, Fort Myers and Tallahassee will be completed by the end of the year. Epik lit 450 miles of its Florida dark fiber network that runs from Jacksonville, Daytona, Orlando, and Miami earlier this year. Epik is one of several backbone facility providers currently offering wholesale services to CLECs in Florida.

Epik, based in Orlando, is a subsidiary of Florida East Coast Industries and uses its parent company's railroad right-of-ways for its fiber route. It is establishing a nationwide footprint

through fiber swap agreements with other companies, giving it access to dark fiber in over a dozen states. It is also entering into partnerships with CLECs interested in using their fiber routes to reach Miami in order to reach Latin America. Epik is capable of providing OC-192 capacity through its new network.

LTD Territories: Florida

Exchanges: Tallahassee, Orlando, Fort Myers

Impact: Business, Carrier

Competitive Threat: Low

Verizon offers free Internet

Verizon, the incumbent local exchange company located in Tampa, is offering its Florida residential customers free Internet service. Residential customers can receive six months of free dial-up Internet from home and their wireless phone as part of Verizon's wireline/wireless bundled offering. This special offer will end on Memorial Day 2001 and requires customers to subscribe to a digital-calling plan of more than $29.95 per month by November 30. Customers are also required to buy one of Verizon's tri-mode wireless phones.

Internet access will be free to Verizon customers who do not exceed 150 hours of Internet connection and who do not exceed their wireless calling plan's monthly usage allowance. If the customer exceeds either of these, additional charges will apply. After Memorial Day (May 31), customers will be notified of the normal rates of $6.95 per month for mobile web access and $19.95 per month for dial-up Internet access.

LTD Territories: Florida

Impact: Consumer

Competitive Threat: Low

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US LEC offering new bundled T1 service

US LEC has launched a bundled service offering called ADVANTAGE T. The new bundle is being offered to small to medium businesses. US LEC is a facilities based CLEC that provides local, long distance, data, Internet and enhanced services to small and medium as well as large business customers such as universities, ISPs, CLECS, hotels and resorts.

ADVANTAGE T combines local, long distance, calling features, digital private line, and high speed Internet access services on a single T1 facility. Customers can select any combination of the available services on the bundle. Another feature of ADVANTAGE T is bandwidth allocation where customers can control the amount of bandwidth required for each service on the bundle. The service is offered at one rate on one bill. Customers can choose any combination of services. The new service is available in all of US LECs markets. Prices for the bundle will vary depending upon the combination of services selected, distance from facilities, and length of contract.

US LEC has been operating in Orlando since late 1998. In the past, US LEC has not had a standard single T service, but has been willing to combine voice and long distance across a T1 or PRI. US LEC has a 5ESS switch located in Sprint's Orlando market and has plans to add an additional switch in Fort Myers FL. It also operates in BellSouth's portion of the Orlando market.

LTD Territories: Florida

Exchanges: Winter Park and Kissimmee Districts

Impact: Business

Competitive Threat: Medium

AT&T opening Orlando FL Internet data center

AT&T has announced its plans to open an Internet data center located in Orlando FL by December. The 50,000-sq. ft. Internet data center will give ISPs floor space in which to house Internet equipment. The new Orlando based data center is AT&T's ninth center and the first to be based in Florida.

AT&T is also offering business customers a service called Business Ready Dedicated Hosting service. The service enables businesses to lease equipment required to get their website up and running. AT&T

will also monitor the business' servers, guaranteeing required bandwidth is available. Monthly charges for the service start at $295 and go up to $775 per month.

LTD Territories: Florida

Impact: Business, Carrier

Competitive Threat: Medium

NewSouth offering a Palm Pilot with every new DSL service activation

NewSouth Communications is offering business customers a free Palm Pilot when signing up for DSL service. Agreements for the new service must be signed by December 31, 2000, the date the promotion ends. The Palm Pilot will be mailed to the new DSL customer approximately two weeks after installation of the service.

NewSouth is a facilities based CLEC that targets mid to large sized customers. The company offers services in Sprint's Winter Park market. It is also targeting Sprint's Fort Myers and Tallahassee markets by the end of 2000. It launched its DSL service called SCREAMIN DSL in the Orlando FL market in June 2000.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee, Fort Myers, and Tallahassee Districts

Impact: Business

Competitive Threat: Medium

ReFlex targets MDUs in central Florida for high-speed data

ReFlex Communications announced it is expanding into Central Florida, offering high-speed data services to apartment complexes and condominiums in Orlando, Tampa, Daytona Beach, and Melbourne FL. It also plans to operate in West Palm Beach, Boca Raton, Fort Lauderdale, and Miami in south Florida. The company plans to add services in Tallahassee and Jacksonville early next year. Its regional office is located in Orlando.

ReFlex connects MDUs to an IP network, offering services such as symmetrical broadband Internet access, e-mail, and personal Web page hosting. Help desk support is available 24/7. Once an MDU is connected to ReFlex's network, ReFlex offers connection to any unit in the MDU within hours. ReFlex uses Alcatel ATM equipment to connect MDUs to the Internet. Within the building it uses DSL and other high-speed data technologies to connect users to the network. It will be competing with Sprint's DSL and ISDN services, as well as Time Warner's RoadRunner cable modem service in Central Florida.

ReFlex is a private company based in Seattle, WA, and has been in business since 1997. It has 37 employees. Its funding includes $33 million raised in a recent private stock offering and $10.7 million obtained from venture capitalists in 1999. ReFlex has an application pending for CLEC certification in Florida. It does not yet have an interconnection agreement with Sprint.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee, and Tallahassee Districts

Impact: Consumer
Competitive Threat: Low

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CAVU acquires fixed wireless licenses for Orlando and Jacksonville

CAVU announced it is in the process of acquiring broadband fixed wireless licenses in eleven markets, including Orlando and Jacksonville. The licenses, pending FCC approval, will allow CAVU to offer business services using the 38GHz band. CAVU is based in Orlando, and was started by the management team of Triton Networks. Triton is a wireless equipment company that was started to commercially deploy wireless technology that was partially created by Lockheed Martin's missile unit.

CAVU operates under the name of e-xpedient. It has already begun advertising its 100 mbps Internet service in Orlando business publications. It targets owners and managers of office buildings, promoting its services as a "smart building" package that building owners can use to attract and retain small, medium, and large business tenants. Prices start at $100 for service for one to three Internet users. Companies with 20 to 50 users can obtain services starting at $500 per month.

CAVu is using technology invented by Triton Network Services that creates a self-healing, diverse fixed wireless ring based on IP. A ring typically connects 10 to 20 office building. CAVU intends to offer voice over IP (VoIP) once its customer base increases, stating its technology reduces the delays that typically degrade the quality of VoIP.

CAVU has a management team with experience in developing wireless technology and obtaining venture capital. It has already secured $74 million in capital, and its investors include PSINet and an executive from Cisco. It has already deployed services in Salt Lake City and Cleveland. Its competitive advantages are speed and cost. It appears to lack expertise in packaging and marketing Internet products and services, but its investor relationship with PSINet may help it fill that gap. The Orlando market is very competitive, and CAVU may find it more difficult to build market share than it anticipates. CAVU is likely to concentrate on office parks such as Maitland in Sprint's territory and Lake Mary in BellSouth's territory, where competition is already heavy.

LTD Territories: Florida
Exchanges: Winter Park
Impact: Business
Competitive Threat: High

Atlantic.net offers DSL throughout Florida

Atlantic.net announced it is now offering DSL to both residential and business customers in multiple locations throughout Florida, including Sprint's Fort Myers, Naples, Kissimmee, Leesburg, Ocala, and Tallahassee markets. Services start at $49.95 per month with a one-year contract and two months payable in advance. Through December 31, 2000, new DSL customers will receive free activation and a free self-install kit, normally a $200 value. The self-install kit includes a DSL modem or bridge, one inline filter, and installation instructions and drivers. Though the kit is free, there is a $25 charge for shipping and handling. Atlantic.net will have a technician install the service, if desired, for $99.

Atlantic.net, a Gainesville based ISP, was named one of the fastest growing private companies in Florida in 1999. It has acquired several ISPs within Sprint's territory over the past year. It is also certified as a CLEC in Florida and has an interconnection agreement with Sprint.

LTD Territories: Florida

Exchanges: Kissimmee, Leesburg, Ocala, Tallahassee, Fort Myers, and Naples

Impact: Consumer, Business

Competitive Threat: Medium

Florida Digital Network announces new single T1 product

Florida Digital Network (FDN) announced it is now offering Total AXS-1, a product combining local service, long distance, and Internet on one T1 facility with all services billed on one bill. FDN's target customers for Total AXS-1 are business customers with at least 16 lines of voice and data. It reportedly has already signed up 500 customers in its Florida markets, including Orlando, Jacksonville, West Palm Beach, Miami, Fort Lauderdale, and Tampa.

FDN offers services in Winter Park and Kissimmee, which are in Sprint's territory in the Orlando market area. The company is headquartered in Orlando.

LTD Territories: Florida

Exchanges: Winter Park and Kissimmee

Impact: Business

Competitive Threat: Medium

Eziaz enters Orlando market

Eziaz, a Chicago based company targeting office buildings, announced it has entered the Orlando market. Eziaz wires office buildings for DSL, then through a marketing agreement sells AT&T brand data products to the office building tenants. It concentrates on small and medium sized businesses.

Eziaz has already wired three office buildings in the Orlando area, and has begun wiring three more. It spends approximately $20,000 per building and uses Cabletron and Copper Mountain data equipment. AT&T offers local services and DSL throughout Winter Park, Kissimmee, and Winter Garden.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Business

Competitive Threat: Medium

Verizon closing down closing CLEC division

Verizon, formerly known as GTE, is planning to close Verizon Select, its CLEC division. The majority of the employees will be absorbed into the parent company. Verizon Select sold local and long-distance packages in Verizon's franchised markets and also resold services outside of Verizon's markets.

Customers located in the company's franchised market will not see a change, however, those customers outside its market will have to find another communication provider. Customers will be notified of the impending change during the first part of 2001. Verizon is closing down the division in order to focus its efforts on offering bundled packages that include DSL services. It plans to offer the DSL through its 55% interest acquisition of NorthPoint Communication scheduled to close by mid-2001.

Verizon is the incumbent LEC in Tampa. It offers its DSL services within its territory in parts of Sarasota, Hillsborough, Manatee, Pasco, Pinellas, and Polk counties. Verizon's CLEC division, Verizon Select Services has been operating throughout Central and South Florida.

LTD Territories: Florida

Exchanges: Central and South Florida

Impact: Consumer, Business

Competitive Threat: Low

Time Warner rolls outs business products in Tampa

Time Warner announced it now offers remote Internet access, virtual private networks (VPNs) and security firewalls to businesses in the Tampa area over its cable network. Using Internet routing equipment from Cisco, Time Warner plans to target small and medium sized business customers that might otherwise have been too concerned about security issues to try its cable modem service.

Time Warner is the largest cable provider in Central Florida. In addition to Tampa, which is in Verizon's territory (formerly GTE), Time Warner also provides cable service in both BellSouth and Sprint territory in the Orlando market area. Time Warner has been aggressively rolling out cable modem service throughout Central Florida. It previously tested commercial products such as VPNs in Tampa using Fortress Technology equipment.

Cable modem service is not dedicated like DSL is on twisted pair. Cable modem subscribers share the cable coax in their neighborhood, making security an issue. Businesses in particular have had concerns about the security of their information using cable modem service. Time Warner's new services are designed to address those security issues and increase its penetration of cable modem service, particularly with small businesses and telecommuters. It is likely that Time Warner will deploy similar technology in the Orlando area if it has a good response in Tampa.

LTD Territories: Florida

Exchanges:

Impact: Business

Competitive Threat: Low

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Comcast launches cable modem trial in Tallahassee

Comcast has announced it is launching a mid-December cable modem trial of its residential cable modem service. The company will offer the service to a test group of customers located in its Tallahassee market. It is planning to expand deployment of its new service throughout its Tallahassee cable system by January 2001.

Comcast's cable modem service is called Comcast @Home. It will be offered to residential customers for $39.95 per month, which includes the cable modem rental as well as the ISP charges. Customers who purchase their own modems are charged $32.95 per month. Installation charges are expected to run between $100 to $150. Comcast's Tallahassee system has over 70,000 cable subscribers.

Comcast has historically acted cautiously and has been slow to implement new services. Its Tallahassee cable system has been cable modem ready since 1997. Since that time, it has offered a business cable modem service to businesses located in select areas of Tallahassee. It has previously indicated plans to roll out residential cable modem service, a feat it has not accomplished to date. If Comcast goes through with its announcement it does have the capability to become a significant competitive threat to Sprint's ability to market high-speed data in this market. Sprint already competes with Electronet, which offers high-speed data to businesses, but Comcast would be the first facilities based competitor to offer high-speed data to residential customers in competition with Sprint on a wide scale basis.

LTD Territories: Florida

Exchanges: Tallahassee

Impact: Consumer

Competitive Threat: High

Time Warner announces new optional service for cable modem customers

Time Warner announced the launch of a new free service for its Central Florida cable modem customers called "All Access Pass". The new service allows customers to register their user names and passwords for up to 2,400 Web sites, to make access to online shopping and secured sites easier. The service can also automatically register customers for new Web sites, eliminating the time it takes to fill in the personal information required on online forms. The service is available using a Palm VII or a wireless phone that is

Web enabled as well as the PC. Time Warner is offering the service through a partnership with CATAVAULT. Though it is free, customers must register in order to use the service.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Business

Competitive Threat: Low

BellSouth rethinks TV strategies

BellSouth announced it will restructure its television unit, which has signed up 120,000 TV customers in six states since 1997, leading analysts to speculate it will downsize or decrease its emphasis on that segment of its business. BellSouth also announced it is rethinking the strategy it announced in May to offer digital television service via satellite through an agreement with GE Capital. BellSouth indicated it is still interested in offering television service, but its main priorities right now are high-speed Internet service and wireless phone service where it is experiencing high growth. It hopes to have a clear strategy for offering television by the end of the year.

BellSouth is following a recent trend. Other telephone companies, including Qwest, SBC, and Verizon have recently announced new strategies for their television businesses that would place expansion on hold or sell some or all of their existing cable systems. Verizon and SBC plan to partner with DirecTV, a strategy that BellSouth may choose to emulate as well.

BellSouth began offering wireless cable TV in Central Florida the end of 1998. It later expanded to Jacksonville and has announced plans for the Miami area as well. BellSouth also offers wireline cable in certain areas of Jacksonville.

LTD Territories: Florida

Exchanges: Winter Park

Impact: Consumer

Competitive Threat: Low

Verizon merger with NorthPoint called off

Verizon's hopes for a national broadband company through NorthPoint have gone south. In late November, Verizon terminated its merger agreement with NorthPoint, citing the deterioration in NorthPoint's business, operations and financial condition since Aug. 7 when the two companies agreed to merge their DSL businesses. The merger agreement, which was slated for completion next year, called for the companies to combine their DSL businesses, including selected assets and personnel, to form a national broadband company.

NorthPoint recently reported a continuing decline in revenues, an erosion of its customer base, an increase in expenses due to write-offs for increased bad debt, and, as a result, a material increase in net losses. The Verizon-NorthPoint merger was designed to enable Verizon to accomplish its FCC ordered goal of spending $500 million on competitive local services outside of its region. The FCC order was a result of FCC approval of the Bell Atlantic-GTE merger earlier this year.

NorthPoint offers DSL services in portions of Sprint's territories, including Las Vegas and central Florida through ISPs such as Flashcom, Verio, UUNet, and Bitstorm. It also has agreements with CLECS including Intermedia Communications, New Edge, Network Plus, BTI Telecom, and Level 3. NorthPoint has an interconnection and line sharing agreement with Sprint.

LTD Territories: Florida

Exchanges:

Impact: Carrier, Business

Competitive Threat: Low

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Comcast has announced it is launching a mid-December cable modem trial of its residential cable modem service. The company will offer the service to a test group of customers located in its Tallahassee market. It is planning to expand deployment of its new service throughout its Tallahassee cable system by January 2001.

Comcast's cable modem service is called Comcast @Home. It will be offered to residential customers for $39.95 per month, which includes the cable modem rental as well as the ISP charges. Customers who purchase their own modems are charged $32.95 per month. Installation charges are expected to run between $100 to $150. Comcast's Tallahassee system has over 70,000 cable subscribers.

Comcast has historically acted cautiously and has been slow to implement new services. Its Tallahassee cable system has been cable modem ready since 1997. Since that time, it has offered a business cable modem service to businesses located in select areas of Tallahassee. It has previously indicated plans to roll out residential cable modem service, a feat it has not accomplished to date. If Comcast goes through with its announcement it does have the capability to become a significant competitive threat to Sprint's ability to market high-speed data in this market. Sprint already competes with Electronet, which offers high-speed data to businesses, but Comcast would be the first facilities based competitor to offer high-speed data to residential customers in competition with Sprint on a wide scale basis.

LTD Territories: Florida

Exchanges: Tallahassee

Impact: Consumer

Competitive Threat: High

Time Warner announces new optional service for cable modem customers

Time Warner announced the launch of a new free service for its Central Florida cable modem customers called "All Access Pass". The new service allows customers to register their user names and passwords for up to 2,400 Web sites, to make access to online shopping and secured sites easier. The service can also automatically register customers for new Web sites, eliminating the time it takes to fill in the personal information required on online forms. The service is available using a Palm VII or a wireless phone that is

Web enabled as well as the PC. Time Warner is offering the service through a partnership with CATAVAULT. Though it is free, customers must register in order to use the service.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Business

Competitive Threat: Low

BellSouth rethinks TV strategies

BellSouth announced it will restructure its television unit, which has signed up 120,000 TV customers in six states since 1997, leading analysts to speculate it will downsize or decrease its emphasis on that segment of its business. BellSouth also announced it is rethinking the strategy it announced in May to offer digital television service via satellite through an agreement with GE Capital. BellSouth indicated it is still interested in offering television service, but its main priorities right now are high-speed Internet service and wireless phone service where it is experiencing high growth. It hopes to have a clear strategy for offering television by the end of the year.

BellSouth is following a recent trend. Other telephone companies, including Qwest, SBC, and Verizon have recently announced new strategies for their television businesses that would place expansion on hold or sell some or all of their existing cable systems. Verizon and SBC plan to partner with DirecTV, a strategy that BellSouth may choose to emulate as well.

BellSouth began offering wireless cable TV in Central Florida the end of 1998. It later expanded to Jacksonville and has announced plans for the Miami area as well. BellSouth also offers wireline cable in certain areas of Jacksonville.

LTD Territories: Florida

Exchanges: Winter Park

Impact: Consumer

Competitive Threat: Low

Verizon merger with NorthPoint called off

Verizon's hopes for a national broadband company through NorthPoint have gone south. In late November, Verizon terminated its merger agreement with NorthPoint, citing the deterioration in NorthPoint's business, operations and financial condition since Aug. 7 when the two companies agreed to merge their DSL businesses. The merger agreement, which was slated for completion next year, called for the companies to combine their DSL businesses, including selected assets and personnel, to form a national broadband company.

NorthPoint recently reported a continuing decline in revenues, an erosion of its customer base, an increase in expenses due to write-offs for increased bad debt, and, as a result, a material increase in net losses. The Verizon-NorthPoint merger was designed to enable Verizon to accomplish its FCC ordered goal of spending $500 million on competitive local services outside of its region. The FCC order was a result of FCC approval of the Bell Atlantic-GTE merger earlier this year.

NorthPoint offers DSL services in portions of Sprint's territories, including Las Vegas and central Florida through ISPs such as Flashcom, Verio, UUNet, and Bitstorm. It also has agreements with CLECS including Intermedia Communications, New Edge, Network Plus, BTI Telecom, and Level 3. NorthPoint has an interconnection and line sharing agreement with Sprint.

LTD Territories: Florida

Exchanges:

Impact: Carrier, Business

Competitive Threat: Low

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Comcast takes over cable systems in Fort Myers and Naples FL

Comcast has completed its acquisition of Adelphia's cable system in Fort Myers and AT&T's system in Naples (formerly MediaOne), making it the dominant cable provider in the area. The systems were part of a swap that turned over Comcast's cable systems in Broward and Palm Beach counties to AT&T and Adelphia.

Comcast intends to finish upgrading the Fort Myers cable system first to allow it to begin offering digital cable and Comcast@Home, it's high speed Internet service. One-way cable modem service, requiring a phone line for the return path, is already offered to cable customers in the Naples system.

Comcast operates cable systems in Sprint's Punta Gorda and Port Charlotte markets, as well as Sarasota in Verizon's territory. The addition of Fort Myers and Naples gives Comcast a strong position on Florida's southwest coast, which is now Comcast's fourth largest market area.

Comcast also offers cable service in Sprint's Tallahassee and Leesburg markets. It recently launched a trial of cable modem service in Tallahassee and announced plans for widespread deployment over the next few months. Comcast has been slow to roll-out cable modem service in Florida, but is currently upgrading many of its systems with the intent to expand its services in many areas within the next year.

LTD Territories: Florida

Exchanges: Fort Myers, Naples

Impact: Consumer

Competitive Threat: Medium

Epik Communications completes Florida network expansion

Epik Communications has activated the second portion of its Florida dark fiber network expansion that runs through Miami, Fort Myers, Tampa, and Tallahassee. During 2000 Epik activated the first portion of its network running through Jacksonville, Daytona, Orlando, and Miami. Epik, based in Orlando FL, operates as a "carrier's carrier" offering wholesale services to CLECs. The company is a subsidiary of Florida East Coast Industries (FEC) and uses FEC's railroad right-of-ways for its fiber route.

Companies: Epik Communications

LTD Territories: Florida

Exchanges: Tallahassee, Fort Walton, Winter Park, Winter Garden, and Fort Myers Districts

Impact: Business, Carrier

Competitive Threat: Medium

New Edge and MSN announce national DSL partnership

New Edge Networks has announced a national partnership with MSN. The agreement will allow MSN to offer New Edge's DSL services to consumers through RadioShack retail outlets. New Edge is a facilities based CLEC specializing in wholesale broadband services. The company targets ISPs and CLECs in the smaller Tier III and IV markets. New Edge Networks offers its services in Sprint's Bonita Springs, Cape Coral, Destin, Fort Myers, Fort Walton Beach, Ocala, Punta Gorda, and Tallahassee markets.

MSN also has an agreement with NorthPoint Communications allowing it to offer NorthPoint's DSL service under the MSN HighSpeed label to consumers in Tier I and II markets. It currently offers MSN HighSpeed DSL to consumers through various Radio Shack outlets located in Sprint's Winter Park and Winter Garden FL markets.

Through its agreements with New Edge and NorthPoint, MSN will be able to offer DSL in most of Sprint's Florida markets.

LTD Territories: Florida

Exchanges: Tallahassee, Fort Walton, Fort Myers Districts

Impact: Consumer

Competitive Threat: Medium

Time Warner Rolls Out Road Runner Installation Kit

Time Warner announced it is offering a $19.95 installation kit for its Road Runner Internet service in Central Florida. The Road Runner Ready Kit includes Road Runner operating software as well as promotional materials valued at $100. The promotional materials include free Road Runner installation on an existing cable outlet, free Time Warner Digital Cable installation on an existing outlet when installed with Road Runner, and two coupons for free Pay Per View movies. The kit is currently available only at Advantage Computers in Orlando and Laptops Plus in Winter Park, but Time Warner is planning to make it available at other locations in 2001. Customers will have to have either a network card or a universal serial pus port already installed on their computer. A Time Warner technician will still have to go to the customer's home to install the cable modem, but the kit includes a free coupon for the cable modem installation.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee, Naples, Fort Myers

Impact: Business, Carrier

Competitive Threat: Medium

AOL Time Warner latest to show interest in AT&T Broadband

AOL Time Warner has apparently joined the growing list of cable companies considering an acquisition of AT&T's cable business. AT&T turned down an unsolicited bid from Comcast, but has held talks with other cable companies such as Cox. AOL had reportedly held back from discussions because it felt a merger between itself and AT&T Broadband would be so large it would encounter too much regulatory scrutiny. However, AOL's position allegedly changed once it learned the Bush administration had dropped demands for Microsoft's breakup, indicating a softer stance towards big business.

The deal under discussion between AOL and AT&T purportedly would result in AT&T's shareholders owning 60% of the combined company, giving AT&T majority control. If true, this proposal is radically different from Comcast's bid, which would have effectively given Comcast control with 42% of the vote while owning only 1% of the combined company. Cox has also a contender. While a smaller company, Cox is considered a better strategic fit with AT&T. Both are aggressively rolling out cable telephony, while Comcast is waiting for packet-based technology to improve.

AT&T has already received two bids for its cable business and is expecting more before the end of the month. While it is not stating which companies the bids are from, AOL Time Warner is considered a leading candidate. Other possibilities include Cox, Walt Disney Co., and a new bid from Comcast.

Time Warner is the largest cable provider in Central Florida, covering most of the Orlando, Tampa, and Melbourne markets. A merger with AT&T that would give AT&T control of the new company could increase the risk that Sprint's Central Florida markets would be candidates for cable telephony services in the future. Time Warner has had little interest in pursuing cable telephony since it shut down the trial of its Full Service Network several years ago. It has, however, aggressively rolled out cable modem service throughout the Central Florida area, negatively impacting many of Sprint's services included second lines and DSL.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Consumer

Competitive Threat: Medium

Epik Communications signs contract with AT&T Wireless

Epik Communications, an Orlando based CLEC, has signed a $9M contract with AT&T Wireless. Under the contract Epik will provide AT&T Wireless with OC-48 capacity service throughout AT&T Wireless' Southeast network for at least four years.

Epik, a wholesale provider for telecommunications providers, operates an OC-192c backbone network connecting 11 markets throughout the southeast, including Orlando, Tampa, Jacksonville, Miami, and

Normally self-install options for high-peed data products are intended to reduce technician dispatches. However, Time Warner's solution still requires a technician visit to the home. Its goal for the kit appears to be limiting the amount of time the Time Warner technician has to spend dealing with the customer's computer. Success of the kit may be limited because the customer is required to go to one of two locations to purchase the kit. To increase customer use of the kit, Time Warner would probably need to mail it if it cannot expand its location list significantly.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Consumer

Competitive Threat: Low

BellSouth drops its wireless cable TV service

Late last year, BellSouth began re-evaluating its video business strategy and has decided it will drop its wireless cable service and focus on its high-speed Internet service. The company will provide its customers with EchoStar's satellite TV service. In addition, it also plans to scrap its plans to offer direct-to-home satellite service through its agreement with GE Capital, incurring a charge of at least $325 million. In October, GE Capital launched one of two satellites for the service that was scheduled to be launched mid-2001. BellSouth plans to move its 80,000 wireless cable TV customers to broadcast satellite service from EchoStar. It will, however, continue to serve its 40,000 wireline cable TV customers for the time being.

BellSouth began offering its wireless cable TV service in Central Florida in 1998, using facilities it had purchased from American Telecasting. According to some analysts, this technology was already old when BellSouth purchased it, making it difficult for it to keep up as competition increased from satellite providers and upgraded cable systems. The company offers its Americast TV service in portions of Sprint's Winter Park and Kissimmee markets. It recently began notifying its Central Florida customers that it will be discontinuing Americast service within the next few months. BellSouth will presumably continue to offer service to its wireline cable TV customers in parts of Jacksonville.

Bellsouth plans to focus more intensely on its high-speed broad band services once it is out of the wireless cable TV business. It may be able to use its wireless spectrum to expand its wireless data services into adjacent market that could include Sprint's Winter Park and Winter Garden markets.

BellSouth is among several telephone companies that have discontinued their video strategies and focused more on high-speed broad band strategies. Companies such as SBC, Qwest, and Verizon have announced strategies that include selling their existing cable systems or resell TV service such as DirectTV.

LTD Territories: Florida

Exchanges: Winter Park and Winter Garden

Impact: Consumer

Competitive Threat: Low

Fuzion Wireless Launches Wireless Broadband Services in Orlando

Fuzion Wireless announced it has launched high-speed wireless services in Orlando. Fuzion is a privately owned company based in Boca Raton FL that was started in 1999. It offers Internet access to small and medium sized businesses, Internet service providers, and CLECs. In addition to Orlando, its wireless broadband services are available in the Miami area and Tampa.

Fuzion also announced the availability of new wireline services, including T1, T3, OC3, frame relay, IP connections, ATM, WAN and voice over IP. AT&T will be the main provider for transport services, with Fuzion collocating equipment at certain AT&T facilities. Fuzion plans to offer both wireless and wireline services to its business, ISP, and CLEC customers. While it is certified as a CLEC in Florida, it does not yet have an interconnection agreement with Sprint that would allow it to resale Sprint services or interconnect with Sprint's network.

Fuzion operates in the unlicensed U-NII band, providing the "last mile" connection over wireless facilities through an antenna mounted on the customer's building. It uses AB-Access radio equipment by Adaptive Broadband. Its wireless Internet and data services are available in speeds of 500 kbps to 155 mbps. Installation costs are approximately $1500, while monthly costs for the low-end speeds start at $495 to $1,495.

Fuzion positions its wireless broadband as an alternative to the ILEC's T1/T3 products for high bandwidth customers with 20 or more users. This alternative is not cheap, though installation may be faster in many areas. The Orlando market is very competitive, making it hard for a new company with a new technology like this to make a significant impact immediately. However, Fuzion advertises heavily in its other markets, and is expected to work hard to get its name out in Orlando as well.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden

Impact: Business

Competitive Threat: Medium

Network Telephone acquires $140 million credit line

Network Telephone, a CLEC based in Pensacola FL, has received a $140 million credit line from Lehman Brothers and Lucent Technologies. The company plans to use the funding for equipment purchases and working capital. It also plans to use $75 million to refinance existing responsibilities.

Network Telephone currently offers its services in BellSouth's portion of the Orlando FL market and Gainesville FL. It has an interconnection agreement with Sprint but is currently offering services as a reseller. The company announced plans to begin offering facilities based services in Sprint's Florida markets of Fort Walton Beach, Tallahassee, Winter Park, Fort Myers, and Naples by year-end 2000 but it hasn't yet to-date.

LTD Territories: Florida

Exchanges: Fort Walton Beach, Tallahassee, Winter Park, Fort Myers, Naples

Impact: Business

Competitive Threat: Medium

BellSouth sells part of its stake in Qwest

BellSouth announced it is selling part of its 10% stake in Qwest, leaving it with a 3.1% interest. Qwest agreed to buy back its stock from BellSouth for $1 billion. BellSouth plans to use the money to expand its DSL and wireless services. Qwest is also launching DSL services in metropolitan markets, but plans to avoid competing in BellSouth's territory. As part of the agreement BellSouth will purchase services from Qwest such as long distance that it does not provide itself over the next five years. It will pay for those services with stock. The announcement triggered speculation that the two companies are still interested in merging.

LTD Territories: Florida

Impact: Consumer, Business

Competitive Threat: Low

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Comcast rolls out cable modem service in Tallahassee

Summary Analysis

Comcast announced that cable modem service is now available to approximately 60% of its Tallahassee cable customers. Comcast plans to roll out the service, called Comcast@Home, to the other 40% of its cable system by the end of March. The company has been testing the service for over a month, and is still doing so in some neighborhoods.

Comcast has a strong position in Florida with completion of its recent cable swaps making it one of the larger cable providers in the state. The company has cable systems in Sarasota located in GTE's territory as well as systems located in Sprints markets of Tallahassee, Lake County, Fort Myers, and Naples. It currently offers one-way cable modem service in its Fort Myers system and is upgrading its south Florida system to enable it to offer two-way cable modem service. It also is upgrading its cable system in Lake County and plans to launch two-way service in all of its Florida markets by 2002.

Product Information

Comcast@Home costs existing cable customers an additional $39.95 per month, which includes a cable modem rental charge. Customers also have the option of purchasing a modem. Self-installation kits are available for $299, and include a $100 rebate as well as the cost of purchasing the cable modem. Another installation kit its available to customers who already have a cable modem for $29.95. Comcast@Home includes seven e-mail accounts and 70 megabytes of Web space.

Competitive Impact/Implications

Comcast has been very slow to deploy cable modem service in Tallahassee, due in part perhaps to an intent to trade the system. When its announced swap with Time Warner fell through, Comcast finally became motivated to get cable modem service deployed.

Because of its tardiness in launching @Home, Comcast faces several other high-speed data competitors already in the market, including Sprint. Tallahassee has a large student population as well as a large government employee population, both likely targets for Comcast's cable modem service.

Comcast will be a strong competitor for Sprint for residential high-speed data market share. However, it may have problems keeping speeds at acceptable levels in some neighborhoods, since cable modem speeds can decline as the number of users on the line increase. Also, Comcast may experience difficulties in keeping up with demand for new installations initially. Sprint's DSL may have an added advantage in its increased security over cable modem service, particularly with the government employees and others that may have a need for secure information.

LTD Territories: Florida

Exchanges: Tallahassee

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Florida Digital Networks receives $160M in funding

Summary Analysis

Florida Digital Network (FDN) has secured an additional $130 million in financing. The company plans to use the funding for network expansion along the East Coast of Florida from West Palm Beach to Sebastian Inlet. It received $50 million in cash and an $80 million loan from a group of investors that includes First Union National Bank and WallerSouth2000, an investment firm.

Product Information

FDN, based in Orlando, began operating in 1999 and is a Florida certified facilities based CLEC. FDN offers local, long distance, and Internet services to small and medium sized businesses in Sprint's Central Florida market discounted up to 30%. It also offers IDSL services to businesses at prices starting at $99 and ADSL to telecommuters and business customers at prices starting at $59.95 per month. FDN operates Sprint's Winter Park, Kissimmee, and Apopka markets. It also operates in BellSouth's portion of the Orlando market, as well as Tampa, West Palm Beach, Fort Lauderdale, Jacksonville, Miami, Cocoa, Melbourne, Titusville, and Merritt Island.

Competitive Impact/Implications

The additional funding puts FDN in a strong position. Many CLECs have not survived the economic downturn when they were unable to obtain additional funding. FDN previously curtailed expansion plans for Gainesville and Tallahassee to concentrate on its existing markets. It plans to further enhance its existing network with the additional funds it will receive, a strategy that may allow it to not only survive but become an even stronger competitor.

LTD Territories: Florida
Exchanges: Winter Park, Kissimmee, Apopka
Impact: Business
Competitive Threat: High

LightSource seeks new additional funding

LightSource Telecom announced it is attempting to raise $15.08 million through a private placement, and has already secured $3.44 million from fifteen investors. LightSource plans to use the proceeds for working capital.

LightSource is a new facilities based CLEC that plans to offer local service, long distance, high-speed Internet and security monitoring services to new developments. It is a privately held company whose

investors include KB Homes of Los Angeles, a developer in several Western states including Texas and Nevada.

LightSource has an interconnection agreement with Sprint in Florida, and has been targeting new developments mainly in the Kissimmee and Winter Garden areas. It offers developers a 10% share of the telecommunications revenues each house generates and other marketing incentives. LightSource has generated a lot of press in the developer's market, touting estimates in major building publications that developers could earn as much as $100,000 a year for each 100 homes that sign up for LightSource's services. However, the company recently began trying to down play some of its claims as it begins deploying its services.

LightSource is definitely a company to watch, and may become a significant facilities based competitor for new residential homes. However, its ability to deliver local service and high speed data, share its revenues with the developer, and maintain a profit margin that will keep its investors happy has yet to be proved. Broadband Office, another CLEC that was also backed by national real estate companies, targeted office buildings, and had over $100 million in funding, recently filed for bankruptcy. LightSource will have to manage its build out and its cash carefully to escape the fate many other CLECs have experienced over the past year and emerge as a contender in the developer market

LTD Territories: Florida
Exchanges: Kissimmee, Winter Garden
Impact: Consumer
Competitive Threat: Medium

Shaw Communications plans to roll-out cable modem service in Dade City FL

Shaw Communications announced plans to roll out cable modem service in parts of Pasco County, including Dade City, by the end of the year or first quarter of next year. Shaw has reportedly received hundreds of requests for the high speed Internet service since it purchased Moffatt Communications, the previous owner of the Pasco cable system, earlier in the year. Shaw plans to charge between $40 and $45 per month for cable modem service. Shaw is the second largest cable provider in Pasco County with 17,000 customers in the eastern and central parts of the county.

Time Warner, which serves 65,000 cable customers in the western part of Pasco County, plans to also rollout cable modem service in the first quarter of 2002. Time Warner is the dominant cable provider throughout Central Florida, and offers cable modem service in the Orlando area, including Sprint's Winter Park, Winter Garden, and Kissimmee markets. It also offers cable modem service in parts of Citrus County, which includes the Sprint exchanges of Inverness and Crystal River. Time Warner also recently deployed cable modem service in parts of Cape Coral.

LTD Territories: Florida
Exchanges: Dade City, Cape Coral
Impact: Consumer
Competitive Threat: Medium

Davel Communications buys PhoneTel

Davel Communications announced it is merging with PhoneTel Technologies, creating the largest independent pay phone company in the nation with over 100,000 phones. Both companies have been experiencing financial difficulties as the increased use of wireless phones has decreased demand for pay phones. The two companies signed an agreement that will allow them to begin cost cutting measures immediately, instead of waiting until the merger is completed over the next few months. Davel and

PhoneTel are in many of the same markets, and hope the increased density will result in lower operational costs. The companies also plan to reduce costs by eliminating redundant administrative expenses.

Davel's headquarters are located in Tampa FL, and it operates in 43 states. PhoneTel, based in Cleveland OH, has payphones in 20 states, including Ocala and Orlando FL as well as Dallas and Houston TX.

LTD Territories: Florida
Exchanges: Ocala
Impact: Carrier
Competitive Threat: Low

Intermedia shareholders approve sale of company to WorldCom

Intermedia shareholders have approved the final modifications to the merger with WorldCom, a deal expected to close by July 1, 2001. The modifications to the terms of the merger were required to settle a lawsuit filed by a Digex shareholder. Under the modified agreement stockholders will receive one share of WorldCom group stock for each share of Intermedia stock and 1/25th share of the MCI Group tracking stock. Plans for the merger were first announced in September 2000. The Department of Justice (DOJ) gave the merger conditional approval in November. As part of the conditional approval, WorldCom agreed to sell Intermedia except for its controlling interest in Digex. The FCC approved the merger in early 2001.

Intermedia is one of the oldest and largest facilities based CLECs in Florida. It provides services in Sprint's markets located in Winter Park, Winter Garden, and Kissimmee. It also offers frame relay services in most major Florida markets, including Tallahassee, Fort Myers, and Ocala. It is likely WorldCom is reportedly having problems finding buyers for Intermedia, and may end up going back to the DOJ for permission to breakup Intermedia's assets and sell parts of the company to eliminate any redundancies instead.

LTD Territories: Florida
Exchanges: Winter Park, Winter Garden, Kissimmee, Fort Myers, Tallahassee, Ocala
Impact: Business, Carrier
Competitive Threat: Low

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BellSouth signs marketing alliance with apartment developers

BellSouth announced it has signed exclusive marketing agreements with property owners AIMCO and Fogelman Properties. The agreement covers 62,500 apartment units within BellSouth's nine-state local service region. AIMCO alone has over 235 apartment buildings throughout the southeast.

BellSouth stressed that the agreement is a marketing agreement only and does not exclude competitors from accessing the buildings involved. However, at the time new tenants move-in, the building managers will recommend BellSouth services and provide the tenant with information and numbers to call for service. Services will include DSL as well as local phone service. BellSouth cited increased competition for multi-dwelling units as a driver for such marketing agreements.

The Association for Local Telecommunications Services (ALTS) has complained to the FCC about marketing agreements such as this one. FCC policy prevents building owners from restricting competitive access to buildings. ALTS believes that exclusive marketing agreements violate that policy, and are lobbying FCC to prohibit companies from entering into such arrangements.

BellSouth's new marketing agreements are for apartment buildings within its franchised territory only. However, its alliance with the property owners may impact Sprint's Central Florida markets, where BellSouth has operated as a CLEC for several years.

Fogelman Properties does not currently have any apartment buildings in Florida. AIMCO, however, has properties throughout the state, including Winter Park, Altamonte Springs, Apopka, and Casselberry, all of which are within Sprint's local service territory. BellSouth operates as a facilities based CLEC in these exchanges, and is already serving at least one apartment complex in Apopka. Its new agreement with AIMCO may put other buildings within these Sprint exchanges, particularly new apartment complexes owned by AIMCO, at risk.

BellSouth would likely place its own facilities to such buildings, completely bypassing Sprint. It is unlikely to act as a reseller to existing AIMCO buildings. The only CLEC strategy BellSouth has used to date in Sprint's Winter Park and Winter Garden markets is complete facilities bypass.

LTD Territories: Florida
Exchanges:
Impact: Consumer
Competitive Threat: Medium

DSL.net plans to close 250 offices

DSL.net announced it will lay off 90 employees and close 250 offices in an effort to save cash. The company, which offers DSL to small and medium sized businesses, is struggling to survive in the current unfavorable telecom market. It anticipates the closings will impact less than 5% of its customers. DSL.net also announced it was lowering its DSL line estimates for year-end 2001 by 2,000 to 3,000 lines. It now expects to have 28,000 to 30,000 DSL lines in-service by the end of the year.

DSL.net launched DSL in the Orlando market during the second quarter of last year. It also operates in Boca Raton, West Palm Beach, Fort Lauderdale, Hollywood, Jacksonville, Melbourne, and Pensacola. Many DSL providers, including New Edge, Northpoint and Rhythms, have gone out of business or have pulled out of Florida markets. In addition to DSL.net, Covad is still operating in the Central Florida area. It continues to struggle financially as well.

LTD Territories: Florida
Exchanges: Winter Park and Winter Garden
Impact: Business
Competitive Threat: Low

WorldCom completes acquisition of ICI

WorldCom announced it has completed its acquisition of Intermedia Communications Inc. (ICI), one of the oldest and largest CLECs in Florida. WorldCom's interest in ICI's Web-hosting subsidiary, Digex, led to its buy-out. It plans to divest the rest of ICI, however, either by selling off what remains of the CLEC or selling its assets, a more likely outcome in the current economy.

ICI began competing for business customers in Orlando, Tampa and Miami as an alternate access provider several years before it was allowed to offer local service. Over the years, it expanded throughout the state, specializing in frame relay service. It was unable to stabilize its finances; however, announcing in April it may not be able to continue as a viable business.

WorldCom has six months to sell ICI per its agreement with the DOJ. However, it has already asked whether it can sell off pieces of ICI's assets instead, believing it may be impossible to find a buyer for ICI in its entirety due to the current financial problems the telecom industry is experiencing. WorldCom may have problems selling off parts of ICI within six months as well, with regional CLECs struggling and the remaining RBOCs concentrating on in-territory customers.

While it is too early to rule out the possibility that ICI's Central Florida assets may allow a new competitor to enter the market or strengthen an existing CLEC's position, it is beginning to look like any competitive threat from ICI or its remaining assets is likely to be minimal.

LTD Territories: Florida
Exchanges: Winter Park, Winter Garden, Apopka, West Kissimmee, Kissimmee
Impact: Business
Competitive Threat: Low

Comcast makes play for AT&T's cable business

Comcast, the third largest cable company in the United States, has made an unsolicited bid to buy AT&T's cable business. If successful, it will become the largest cable company in the country serving over 22 million cable subscribers. AT&T's board plans to review the proposal. But many analysts think the bid price of $44.5 billion plus the assumption of over $13 billion in debt is too low considering AT&T paid over $100 million for the cable systems it attained mainly through its acquisitions of TCI and MediaOne.

Comcast owns several major cable systems within Sprint's territory in Florida, including Tallahassee, Leesburg, Punta Gorda, Port Charlotte, Fort Myers, and Naples. AT&T's remaining cable systems in

Florida are mainly in BellSouth markets such as Jacksonville and Fort Lauderdale, making the immediate impact to Sprint of a merger with Comcast negligible.

Comcast has been slow to roll out cable modem service in Florida, though it recently launched its @Home service in Tallahassee and parts of the Leesburg, Punta Gorda and Port Charlotte markets. The merger, if it goes through, is unlikely to change Comcast's cable modem plans for Florida. It is currently upgrading the Fort Myers system and other parts of its Lake County system, which includes Leesburg.

LTD Territories: Florida
Exchanges: Tallahassee, Leesburg, Fort Myers, Naples, Punta Gorda, Port Charlotte
Impact: Consumer
Competitive Threat: Low

Cable telephony complaints pour into Florida Public Service Commission

The Florida Public Service Commission (FPSC) acknowledged that it has received 387 complaints about AT&T Broadband's cable telephony service already this year. The service is available in parts of Jacksonville and Miami. The complaints involve issues such as service interruptions, installation delays and unanswered customer service calls. Since it is operating as a CLEC, the FPSC does not require specific service levels.

AT&T Broadband took over MediaOne's cable telephony service when the merger of the two companies was completed in 2000. The company defended its service capabilities, stating that its service had been very well received and that it was still working on improving its service quality since its launch of digital phone service last year. AT&T has also struggled with an avalanche of complaints about its cable service in the Miami area as well, since taking over several systems there within the past year.

AT&T Broadband does not offer cable telephony within Sprint's territory in Florida. Originally, MediaOne had planned to offer phone service in Naples and Fort Myers, even reportedly going as far as placing a switch there. However, after Comcast and AT&T wrestled over the company in 1999 all plans were put on hold.

Comcast, Time Warner, and Cox are the main cable providers within Sprint's franchised areas in Florida. Cox initially indicated an interest in rolling out cable telephony in the Fort Walton area when it launched cable modem service there in 1999, but has not followed through. Time Warner and Comcast have indicated no interest in offering cable telephony using the current circuit switch technology Cox and others are using. Comcast is a big proponent of packet switching as a way for cable companies to offer cable phone service economically. However, many analysts believe standards for that technology may still be several years away.

LTD Territories: Florida
Exchanges:
Impact: Consumer
Competitive Threat: Low

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NewSouth increases sales staff in Orlando

Summary Analysis

NewSouth announced it is increasing its sales staff in five of what it considers its most successful markets, including Orlando, Jacksonville, Atlanta, Nashville, and Charlotte, in an attempt to strengthen its customer base. NewSouth offers data, voice, and high-speed Internet service to business customers in over 30 markets throughout the southeast.

One new sales team in Atlanta will be responsible for the sale of NewSouth's small business product, a combination of local and long distance service designed for businesses with two or more lines. NewSouth also announced the availability of two new products, Netosphere private networking solution and LANLOCK managed Internet security service.

Product Information

The small business product that the Atlanta sales team will be concentrating on consists of analog local service, calling features, and anytime long distance for six cents per minute for a 15% to 20% discount over the incumbent LEC. NewSouth is also offering a larger local calling area and guaranteeing rates will not be increased (except for taxes and other regulated charges) as long as the customer stays with NewSouth. Customer service is available 24x7.

The two new services NewSouth is offering are targeted more to medium sized business customers. Netosphere allows customers to choose a customized private networking solution to link multiple locations. The customer chooses frame relay, ATM or private line at speeds ranging from 64kbps to DS3. The customer has one point of contact for the installation as well as monitoring and technical support after the network is installed.

Two versions of LANLOCK, NewSouth's new managed Internet security service are available. LANLOCK-100 is geared towards companies with 100 users or less, while LANLOCK-250 is for companies with 100 - 250 users. Both services include 24x7 monitoring, monthly usage reports, VPNs/Encryption, Web site filtering, and virus protection. LANLOCK-100 customers also receive network congestion monitoring, and a firewall is included for LANLOCK-250 customers.

Competitive Impact/Implications

NewSouth is one of the few CLECs to receive additional funding this year, securing $85 million during the first quarter, giving it a better chance at survival than many other CLECs. Almost all CLECs are experiencing cash flow problems, but few have managed to locate additional financing.

When NewSouth announced its $85 million package, the company declared it would use the money to expand its products and services. Its latest announcements confirm that strategy. With new products launched, some of the funding is also being used to increase its sales force in order to sell the additional products and services. The company seems to be concentrating on increasing revenue from its existing markets instead of expending capital to enter new ones.

NewSouth evidently counts Orlando as one of its key markets, though it has not been particularly visible. It targets Sprint's Winter Park, Kissimmee, and West Kissimmee exchanges. Even with new money in hand, NewSouth will find it hard to compete in Orlando. There are several companies with stronger competitive positions and better known brand names.

NewSouth has actually appeared to be a more significant competitor in the Fort Walton Beach and Destin area, where it purchased a local CLEC called UniversalCom. UniversalCom had a strong community presence and an existing customer base. NewSouth has sales offices in Destin and Orlando, and a switching center in Destin.

LTD Territories: Florida
Exchanges: Winter Park, Kissimmee, West Kissimmee, Destin, Fort Walton Beach
Impact: Business
Competitive Threat: Medium

XO Communications offers metro wavelength services

XO Communications, a facilities based CLEC operating in Sprint's Winter Park and Kissimmee markets, has announced it is offering three levels of metro wavelength services including OC-12, OC-48 and OC-192. The new service supports SONET, ATM, and IP type transports and will be available in all of XO's 62 markets nationwide.

XO is promoting the service as a low cost alternative to other high capacity network services, alluding to a low fixed monthly cost that is not distance sensitive. This product will give XO a competitive advantage with enterprise and wholesale customers because of the large number of markets in which it is deploying. The weak economy may, however, limit its impact in the short term.

LTD Territories: Florida
Exchanges: Winter Park, Kissimmee
Impact: Business
Competitive Threat: Medium

Comcast raises cable modem rates for new customers in Tallahassee

Comcast has raised the cable modem rates for new customers in Tallahassee by $5. Existing customer rates will not increase. The company's cable modem service is branded Comcast@Home and offers upstream speeds limited to 128K and downstream speeds averaging 3 Mbps up to 1.5 Mbps.

	Prices excluding cable modem lease	Prices including cable modem lease
New Comcast cable subscribers	$39.95	$44.95
Non-Comcast cable subscribers	$44.95	$49.95

Comcast rolled out cable modem service in Tallahassee in February. Its cable modem service is available in Sprint's exchanges of Woodville, Thomasville, Perkins, Mabry, Blairstone, Calhoun, and Willis.

LTD Territories: Florida
Exchanges: Tallahassee, Lady Lake, Leesburg, Fruitland Park, Eustis, Tavares, Mount Dora, Punta Gorda, and Port Charlotte
Impact: Consumer
Competitive Threat: Medium

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Covad files for bankruptcy

Summary Analysis

Covad, the largest of the wholesale DSL providers, announced it would file for Chapter 11 bankruptcy by mid-August. It has negotiated a bankruptcy plan that it hopes will allow it to emerge debt-free by January. Covad's bankruptcy announcement follows close on the heels of another DSL provider, Rhythms, which announced a week earlier it was filing for bankruptcy. Rhythms is trying to obtain more financing within the next few days, but if it is unable to secure funds it plans to put its assets up for auction.

Covad, however, plans to emerge from bankruptcy within a few months and continue operations. Covad maintains its bankruptcy will not effect its customers, impacting only its bondholders. Under the proposed bankruptcy plan, Covad will pay bondholders 19 cents per dollar and a total 15% equity stake in the company.

Covad operates in the Central Florida market area. It initially entered the market through its purchase of Bluestar, which provided DSL services to businesses. Covad shut down its Bluestar operations in Florida on August 1 as part of a cash conservation effort, but still continues to operate under its Covad division. Covad has 330,000 customers nationwide.

Competitive Impact/Implications

It remains doubtful that Covad will be viable in the long-term even if it does emerge from bankruptcy. The business model for wholesale DSL proved to have many weaknesses, including slender margins, high capital costs, and competition from both incumbent LECs and cable companies offering cable modem service. Covad originally purchased Bluestar in an attempt to move from a wholesale model to offering service directly to end-users. Though it felt Bluestar's cost structure was too high to maintain and shut down its operations, it still plans to continue to offer DSL directly to business customers.

LTD Territories: Florida
Exchanges: Winter Park, Winter Garden
Impact: Consumer, Business
Competitive Threat: Low

Maxcess having financial difficulties

Maxcess, a reseller located in Sprint's market, is reportedly having financial difficulties. The company is trying to find additional funding to help them continue operations. Maxcess began laying-off employees several months ago and at the same time reduced salaries of its remaining employees. Within the last few months it has also had several lawsuits filed against it for indebtedness.

Maxcess has an IP network with POPs located in Sprint's markets of Tallahassee, Ocala, Maitland, Fort Myers and Naples. Maxcess began reselling in Sprint territory in 1999. It is privately owned. The owner also owns a computer programming business as well as several convenience stores.

LTD Territories: Florida
Exchanges: Tallahassee, Ocala, Maitland, Fort Myers, Naples
Impact: Business, Carrier
Competitive Threat: Low

BellSouth offers new tools for DSL customers

In an initiative to increase its DSL penetration, BellSouth has announced a joint marketing agreement with Dell Computer Systems. Through the partnership BellSouth will offer new DSL customers a pre-configured, DSL ready PC. Service representatives will link pre-qualified customers through the BellSouth website to a Dell sales site where they can choose one of Dell's Dimension desktops with a pre-installed FastConnect DSL modem. Prices for the desktops range from $829 to $1,739, with discounts of $100 to $300 depending on the desktop chosen.

BellSouth has also added an online customer self-help tool for its DSL customers. Support.com, Inc. is providing the software solution for BellSouth's new value added service. The new software gives DSL customers the ability to solve many technical and service problems online. If further assistance is required, the software will provide BellSouth service representatives with details on the customer's problem making it easier and quicker to solve their problems.

LTD Territories: Florida
Exchanges:
Impact: Consumer, Business
Competitive Threat: Low

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Comcast and Gateway announce retail alliance

Summary Analysis

Comcast and Gateway Computers have announced a retail agreement giving Gateway the ability to market Comcast's cable modem service in retail stores located in Comcast's cable systems. The offer is only available to new Comcast@Home residential customers. The retail stores will have the ability to qualify and signup new customers for Comcast.

Product Information

Gateway's retail stores will have interactive kiosks set up so consumers can demonstrate the @Home service as well as qualify and signup for the service. There are three different promotions available to consumers:

Gateway Options	Purchase Required	Promotion
Purchase a Consumer Gateway PC	Must buy new Gateway PC, no additional discount on PC	• Free cable modem • Free tech install, • First 2 months of Comcast@Home for $9.95 (offer expires 9/30/01)
Existing PC owners can purchase a Gateway MusicWare bundle	MusicWare software includes CD creator pack and digital auto pack, prices start at $60	• Free cable modem, • Free tech install • First 2 months of Comcast@Home for $9.95 (offer expires 9/30/01)
Existing PC owners can add a cable modem	Cable modem costs $149	• Free tech install • First 2 months of Comcast@Home for $9.95 (offer expires 9/30/01)

After the promotion period the @Home monthly charge will increase to $39.95, not including cable modem rental.

Competitive Impact/Implications

Through this agreement, Comcast is hoping to increase its cable modem penetration in its markets where Gateway has a retail store. Gateway has experienced a decline in the sale of its PCs and hopes the new retail agreement will increase its sales and profits as well. Comcast also offers self-install kits and access to demonstration sites through other retail agreements with private PC retailers in many of it markets. Comcast owns several major cable systems located in Sprint's Florida territory, including Tallahassee, Leesburg, Punta Gorda, Port Charlotte, Fort Myers, and Naples. Gateway will offer the service through Florida retail stores located in Sprint's markets of Tallahassee, Fort Myers, and Naples.

LTD Territories: Florida

Exchanges: Tallahassee, Fort Myers, Naples

Impact: Consumer

Competitive Threat: Medium

XO Communications launches Windows 2000 web hosting services

XO Communications has announced the launch of its Windows 2000 web-hosting portfolio, offering both shared and managed hosting platforms. XO's hosting solutions include the Windows 2000 server operating system and Windows Terminal Server Management Software. Business customers can choose from many options offering different hardware, software, and bandwidth combinations depending on the business size. XO targets small, medium, and large-sized businesses.

XO's shared Windows 2000 web hosting platform allows smaller businesses to share a cluster of servers, while its managed hosting service is designed for larger business customers that require their own servers. XO's management services include 24-hour server and network monitoring, operating system maintenance, daily incremental backups, full weekly backups, bandwidth utilizing report and software, and website and performance monitoring tools. Additional fee based services are available such as software and hardware installation, the addition or deletion of e-mail boxes, and DNS zone management. XO charges $150 per hour for installation services. Hardware and software must be purchased from the company.

XO Communications offers services Sprint's Florida markets of Winter Park and Kissimmee. It also operates in Sprint's Las Vegas market. In addition to web hosting it also offers a variety of services including local, long distance, Internet, high-speed data, DSL, e-mail, and e-commerce services.

LTD Territories: Florida

Exchanges: Winter Park, Kissimmee, Las Vegas

Impact: Business

Competitive Threat: Medium

Florida Public Service Commission approves new standards for BellSouth

The Florida Public Service Commission (FPSC) recently approved 75 operating service standards for BellSouth that will be used to determine if BellSouth has facilitated CLEC competition within its territory. The standards will be part of the process in determining if BellSouth will be allowed to offer long distance service in Florida.

The new standards will require BellSouth to report results on processes that impact its CLEC customers, such as how quickly it answers CLEC calls, how long it takes to install new access lines for CLECs, and how accurately it bills CLEC customers. CLECs in Florida have filed complaints with the FPSC against BellSouth stating the company has not allowed open access to its network. The FPSC is also waiting for a report commissioned from an independent party hired to test and analyze BellSouth's operating systems and how they handle their network when processing service orders from competitors. That report is expected to be available in October.

BellSouth officially filed for authorization to offer long distance service in May. The FPSC has not yet ruled on that application.

LTD Territories: Florida

Exchanges: Adjacent to Sprint's territory

Impact: Carrier

Competitive Threat: Medium

Broadwing, Telseon Gigabit Ethernet network agreement

Broadwing and Teleseon have entered into an agreement combining Broadwing's network with Telseon's Gigabit Ethernet network. The agreement gives Broadwing access to 10 Telseon markets including Atlanta, Chicago, Dallas, Denver, Los Angeles, Miami, New York, San Francisco, Seattle, and Washington DC, where the companies are currently running trials of the service. Telseon will be able to offer Broadwing's IP transport services to its customers looking for city to city connectivity.

Pricing is not currently available, but reportedly customers will pay up to 20% less for Ethernet Gigabit service than for comparable services such as T1 or T3. Customers located in smaller, rural markets will need to use T1, T3 or OC3 services to connect to Broadwing's Ethernet Gigabit service.

Telseon launched gigabit ethernet service in the Orlando market in 2000. Its Orlando sales office is located in Sprint's Winter Park exchange. Broadwing's network consists of three meshed optical rings spanning the United States delivering three fiber connections to each of its switching points. It has network in both the Las Vegas and Orlando markets.

LTD Territories: Florida, Las Vegas

Exchanges: Winter Park, Las Vegas

Impact: Business

Competitive Threat: Medium

Verizon offers prepaid wireless package targeting young consumers

Verizon Wireless is offering a new bundled wireless service called [FREEUP]. Targeting young consumers such as college students, the prepaid bundle includes voice service, two-way text messaging and voicemail.

The [FREEUP] starter package is priced at $124.99 and includes a Nokia 5185I wireless phone, service activation, $50 prepay card, text messaging, voice mail, call waiting, long distance national roaming, and a minute meter. The minute meter gives consumers the ability to monitor usage and notifies them when it is time to order a new prepaid card. Prepaid cards are available in $30, $50, $75, and $150 amounts. Prices per minute range from .25 to .30 cents per minute and cards expire within 60 days of purchase.

The new service is retailed through Verizon's Wireless Communications stores and RadioShack retail outlets nationwide. Consumers can also order the wireless service and additional airtime cards via Verizon's website.

Verizon Wireless is available in almost all Florida markets. Verizon is likely to promote this new service most heavily in markets with a lot of college students, such as Tallahassee and Orlando.

LTD Territories: Florida

Exchanges: Tallahassee, Fort Walton Beach, Ocala, Leesburg, Apopka, Winter Park, Winter Garden, Kissimmee, Fort Myers, and Naples

Impact: Consumer

Competitive Threat: Medium

Cox rolls out VPN service for business customers

Cox announced it will roll-out a VPN package that will add security to its Internet service for its business customers. The managed VPN service will allow customers to set up IP security VPN tunnels over Cox's network using 168-bit encryption. Cox will install, monitor and maintain the system, which will include firewall and VPN devices set up at the business customer's home and branch office sites. At the business headquarters, a VPN device will be installed that will support up to 1,000 simultaneous VPN tunnels. Customers can choose bandwidths ranging from 128K to 1.5 mpbs. The managed VPN service plus the business-level Internet access service will cost from $85 to $250 per site. Cox plans to deploy the service in 21 markets nationwide, including Las Vegas and Pensacola FL.

Cox is promoting the service as an alternative to DSL, which businesses have traditionally viewed as a more secure connection than cable modem service. Cox has aggressively targeted businesses in Las Vegas, and this new service should help it increase its penetration. Cox also offers cable modem service in Fort Walton Beach FL, which is adjacent to Pensacola and is included with that market on Cox's web site. It is not yet clear if the VPN service will be available in Fort Walton as well.

LTD Territories: Nevada, Florida

Exchanges: Las Vegas, Fort Walton Beach

Impact: Business

Competitive Threat: Low

Analysts doubt DSL.net and Mpower will survive

Analysts for Stephens Inc., a finance company that covers the telecom industry, announced that based on its research it believed DSL.net would be forced to file for bankruptcy in a few months when it expects it to run out of cash. Stephens also concluded that Mpower was unlikely to survive the economic downturn, though it has sufficient cash to remain in business another year. Stephens expressed doubt in Mpower's management ability to implement its business plan.

DSL.net has been visibly struggling for months, announcing in July that it would close 250 offices to conserve cash. Other DSL providers such as Covad, Northpoint, and Rhythms have already filed bankruptcy. DSL.net is currently offering DSL to small and medium sized businesses in the Las Vegas and Orlando markets.

Mpower has also shown signs of financial difficulty. In May, it announced it would close twelve offices, including Orlando, and lay off 13% of its staff to help reduce a $75 million funding gap. Mpower has operated in the Las Vegas market for several years, originally under the name MGC. At one point it had as many as 500 employees in Las Vegas, representing about 25% of its workforce, targeting both business and residential customers. Mpower offers a range of local services, and has recently shifted its focus to small business customers as part of its revised business plan.

LTD Territories: Nevada, Florida

Exchanges: Las Vegas, Winter Park, Winter Garden

Impact: Business

Competitive Threat: Low

KMC Telecom builds business based on customer satisfaction program

KMC Telecom is in the second year of a customer satisfaction feedback program that the company uses to guide its business decisions. KMC receives quarterly feedback from customers on what's important to them, how it's doing to address those needs and even what actions to take when improvements or changes are needed. The recently completed quarter's results show that 90% of customers are satisfied with KMC and over half of all customers would be unlikely to switch companies no matter what anyone else offered, including lower rates. Additionally, 60% of respondents would be very likely to recommend KMC to other businesses.

Earlier surveys showed a gap between the customer's importance rating of response time and KMC's performance. KMC evaluated its system of handling trouble reports through an outside vendor and ultimately decided to move those operations in house. KMC developed a trouble management center in Huntsville AL and since then the company says it has cut its cycle time in half between problems and resolutions. The most recent study indicates that 75% of customers described KMC's response time as very or somewhat fast, and 86% of respondents say KMC is meeting or exceeding expectations.

KMC has identified 11 attributes as important to customers, with customer service, reliability and the speed and accuracy of solving problems consistently rated by customers as the most important features of a telecom company.

LTD Territories: Florida

Exchanges: Tallahassee, Fort Myers

Impact: Business

Competitive Threat: Medium

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WorldCom will offer MMDS services in Tallahassee FL this year

Summary Analysis

WorldCom announced it will rollout MMDS in eight additional markets this year, including Tallahassee FL. Using MMDS fixed-wireless technology, WorldCom will offer high-speed Internet service to small and medium sized businesses at speeds ranging from 384 kpbs to 1 mbps. Besides Tallahassee, the other markets in which WorldCom plans to launch services include Kansas City MO, Hartford CT, Springfield MA, Montgomery AL, Pensacola FL, Lafayette LA, and Minneapolis. WorldCom already provides MMDS service in Memphis TN, Jackson MS, Baton Rouge LA, Chattanooga TN, and Bakersfield CA. The Pensacola market launch will reportedly extend to Sprint's Fort Walton Beach area as well.

Product Information

WorldCom typically offers MMDS speeds at three speeds. Its 384 kbps is a symmetrical service priced at $200 per month. Asymmetrical services are available at two speeds, with 768 kpbs/512 kbps service costing $400 per month and 1 mbps/512 kbps service costing $600 per month. The installation charge for any of the three speeds is $1,000. WorldCom claims that in many instances it can install the service in less than a week.

Competitive Impact/Implications

WorldCom filed applications for FCC approval to provide service in Tallahassee a year ago. It originally planned to launch services by the end of 1Q01 and is somewhat late to enter the market. Both Sprint and CLEC Electronet already offer DSL to businesses in Tallahassee.

LTD Territories: Florida

Exchanges: Tallahassee, Fort Walton Beach

Impact: Business

Competitive Threat: Medium

Comcast cable modem penetration in Tallahassee approaches 6%

Comcast has signed up 4,000 cable modem customers in Tallahassee since its launch in February, representing about 6% of its 70,000 cable television subscriber base. Comcast's national average penetration for its @Home Internet service is about 7%. Sprint offers DSL service in Tallahassee in competition with Comcast's @Home service.

Comcast is currently offering a promotion for new @Home customers in Tallahassee, giving them the first three months of service for $9.95 per month. During the promotion, installation is only $49 instead of the normal $149 charge. No contract is required to obtain the promotion.

Comcast is offering a different promotion in Sprint's Leesburg market, targeting students. It is offering new customers two free months of service and free self-installation. The free months of service will be credited in the first and third billing periods. The self-install option is available only to existing cable customers. A technician installation is currently $49, though it normally is $149. In addition, new customers will receive 30 days free homework assistance for students through the online Interactive Learning Network.

Comcast recently announced it would end its exclusive agreement with Excite@Home in December. Excite is experiencing severe financial problems and its future is unclear. Comcast has not commented on what it would do if Excite goes out of business and it needed to use another ISP service.

LTD Territories: Florida

Exchanges: Tallahassee, Leesburg

Impact: Consumer

Competitive Threat: Medium

WorldCom allowed to keep Intermedia Communications

The Justice Department has reversed its previous order and will now allow WorldCom to keep Intermedia Communications (ICI), the Tampa-based CLEC it acquired in July in order to gain control of ICI's web-hosting subsidiary Digex. WorldCom had originally been ordered to sell ICI's CLEC operations within six months of acquisition. Because of the economic problems of the telecommunications industry as a whole, however, Worldcom has been unable to find a buyer.

The Justice Department has now agreed to let WorldCom keep most of ICI's operations if it will sell its Internet division based in Greenbelt MD. That division is responsible for ICI's Internet backbone, and was the part that had been of most concern to the Justice Department in light of Worldcom's own Internet backbone, which is already the largest in the world.

Worldcom will likely now begin evaluating overlapping responsibilities between its staff and ICI's. Many of ICI's employees are based in its Tampa headquarters and may be vulnerable to lay-offs. WorldCom and ICI both operate as CLECs in the Orlando market. The reversal of this order could result in a strengthening of Worldcom's position in the Orlando market. It will now have the opportunity to absorb ICI's network where it had no facilities and shut down duplicate operations to streamline its cost structure.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Business

Competitive Threat: Medium

Orlando Telephone Company deploys new DSL equipment

Orlando Telephone Company announced plans to deploy DSL-access concentrators from RC Networks, a private firm based in San Diego. Orlando Telephone will use the RC8000Plus product, a concentrator that can enable services such as VoDSL, VoIP, video and VPN. It is designed for use in multi-tenant applications and also works with some wireless broadband solutions.

Orlando Telephone Company is a facilities based CLEC that provides local service, long distance, data, and other services to hotels, businesses, and residential multi-dwelling units throughout Central Florida in both Sprint's and BellSouth's service territory. It is a privately held company with approximately 4,500 customers. Its parent company, Orlando Business Telephone, offers PBX, key systems, and cabling services.

Orlando Telephone Company has been a significant threat to new apartment buildings and residential developments in the Kissimmee, Winter Garden, and Winter Park markets. It has been offering high-speed data services in select developments. It also specializes in handling special events such as conferences requiring telecommunications services in hotels and convention centers. The company has previously indicated about 60% of its business comes from short-term special events.

LTD Territories: Florida

Exchanges: Kissimmee, Reedy Creek, West Kissimmee, Winter Garden, Winter Park, Saint Cloud

Impact: Consumer, Business

Competitive Threat: Medium

Verizon halts SmartPark sales in Tampa FL

Verizon laid off its four member SmartPark sales team in Tampa and temporarily suspended new businesses while the program is being evaluated. The SmartPark program provides fiber-based services to office buildings and some residential developments. There are 63 SmartParks in the Tampa area. Current service contracts signed by GTE prior to the merger that changed its name to Verizon will still be honored, even if the program changes. Tampa is in BellSouth's service territory.

SmartPark was a program GTE started several years ago to address MTU and MDU issues, such as higher bandwidth requirements and high-speed data. While primarily an office park solution, GTE also utilized the concept in some mixed residential/business use developments that it considered trials.

Verizon appears to be evaluating the former GTE's SmartPark program in light of other similar programs offered by Verizon. It owns another company, Verizon Avenue, which appears to be gearing up to offer MDU and MTU solutions in major markets throughout the United States. Verizon purchased OnePoint Communications in December 2000 and renamed it Verizon Avenue. Verizon Avenue launched its first new services since the acquisition in June in New York City, and appears to have plans to launch services in other large Verizon markets.

Verizon Avenue is certified as a CLEC in Florida and is reportedly negotiating an interconnection agreement with Verizon, which may be an indication Tampa is one of its target markets. Though Verizon Avenue seems to be focused on Verizon's in-territory MTU/MDU opportunities, Sprint's serving territory almost surrounds the Tampa market. Sprint's adjacent markets include several fast growing areas, including the south part of Lake County and Osceola County. New MDUs and MTUs close to Verizon's territory or straddling the border between Sprint's and Verizon's territory may be increasingly vulnerable if Verizon Avenue proofs to be Verizon's new MDU/MTU solution.

LTD Territories: Florida

Exchanges:

Impact: Consumer, Business

Competitive Threat: Low

Mobile Internet system available in Leesburg FL

TeleZap, based in Marietta GA, is now offering what it describes as mobile, wireless high-speed Internet service in Leesburg FL. TeleZap has installed four towers in Leesburg to provide coverage to the central part of town and plans to expand services to additional adjacent cities. The service is apparently designed to work from home or business, or from a vehicle. It will cost residential users $45. The company demonstrated the service to Lake County law enforcement officials and also appears to be targeting hospitals and doctors.

It is not clear what type of wireless technology is being used to offer this service, but it seems to be utilizing an unlicensed band. The company appears to consist of the owner. The service reportedly provides wireless, symmetrical Internet access at speeds up to 10 times faster than DSL.

TeleZap is unlikely to be a strong competitor for high-speed data for residential customers in the Leesburg area. Sprint offers DSL in this market, and Comcast has been heavily promoting its cable modem service as well. While it isn't known how the TeleZap service actually works, it appears to be more of a mobile solution for law enforcement or other dispatch services. While TeleZap may attract a niche market, the company's ability to fund its expansion is questionable at this point.

LTD Territories: Florida

Exchanges: Leesburg

Impact: Consumer, Business

Competitive Threat: Low

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Time Warner cable modem rates increase $5 in Orlando FL

Time Warner has increased its Road Runner cable modem service from $39.95 to $44.95. The new rate changes will impact new cable modem customers located in Time Warner's Orlando and Tampa cable system. The monthly charge for non-cable subscribers subscribing to Road Runner will remain $49.95, as will the $49.97 price for a standard technician installation. The monthly rates include the lease charge for the cable modem. The company's digital cable and cable modem package has also increased from $79.95 to $91 per month. In addition to the price increase, Time Warner has also added a new feature to its cable modem service. The new feature includes dial-up access for customers who travel and personalized home pages.

Time Warner is the dominant cable provider in Central Florida. Tampa and Orlando are two of Time Warner's largest cable systems in the nation. It is also one of the largest competitive threats to Sprint's Central Florida DSL and ISDN services.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Consumer

Competitive Threat: Medium

ITC DeltaCom shifts focus from wholesale to retail

ITC DeltaCom announced new measures designed to conserve cash and to increase revenues. The Georgia-based CLEC plans to lay off 20% of its non-customer impacting staff, reduce capital spending by an estimated $150 million through the end of 2003, reduce operating expenses by an additional $2 million in annualized expenses by the first quarter of 2002, and increase its focus on retail services.

ITC DeltaCom's original business strategy was managing utility networks and offering wholesale services to other CLECs and carriers. It then began offering services to large sized businesses, and last year expanded more into data. ITC DeltaCom is expecting to have revenues of around $415 million this year, with a EBITDA of approximately $45 million, making its financial position stronger in many ways than most other CLECs. However, cash flow is apparently a concern. Wholesale projections are likely lower due to the number of CLECs going out of business. ITC DeltaCom admits its data division has struggled as well, with demand not living up to expectations. It anticipates better growth rates from retail business customers will allow it to grow revenues in 2002 by 15% to 20%, and that it's cost cutting measures will ensure it is fully funded and generating positive cash flow by 2003.

ITC DeltaCom has an agreement with Florida Power & Light that gives it access to a large amount of fiber throughout Florida. It has a DMS500 switch located at a Florida Power Corporation substation in Ocala. It has an interconnection agreement with Sprint, and operates in most of Sprint's Florida markets, including Winter Park, Tallahassee, and Fort Myers.

LTD Territories: Florida

Exchanges: Ocala, Fort Walton Beach, Tallahassee, Fort Myers, Winter Garden, Winter Park, Naples, Kissimmee, Port Charlotte

Impact: Consumer

Competitive Threat: Medium

Yipes purchases Broadband Office's building access rights

Yipes announced it has purchased the broadband access rights to 3,500 office buildings nationwide from bankrupt Broadband Office. The deal, which has already been approved by the bankruptcy court, gives Yipes access to buildings owned by nine major real estate companies, including Duke Realty and Highwoods Properties. Within Florida, Yipes currently offers broadband service only in the Miami area. It also offers services in over 20 major cities throughout the U. S., including Dallas and Houston.

The Broadband Office bankruptcy filing in May surprised many analysts who believed the CLEC had one of the strongest set of backers in the industry, including the real estate companies Duke and Highwoods as well as venture capitalists. Broadband Office had appeared to be targeting the Winter Park area at the time of its bankruptcy.

The access rights that Yipes purchased from Broadband Office include buildings in Winter Park, Altamonte Springs, Maitland, and Tallahassee, giving it the ability to enter these Sprint markets. Yipes offers LAN, WAN, Ethernet, and high-speed Internet services to businesses.

LTD Territories: Florida

Exchanges: Winter Park and Tallahassee

Impact: Business

Competitive Threat: Medium

Supra targets business and residential customers in Orlando

Supra Telecom, a CLEC based in Miami, announced it is now offering local service to businesses and residential customers in Orlando. The company claims to have over 100,000 customers in southeast Florida, a level it claims to have achieved by focusing on residential customers and offering lower prices than BellSouth.

Supra recently launched an advertising campaign in Orlando, claiming consumers could save up to 50% off local service by switching from BellSouth to Supra. Supra is advertising several packages for business and residential customers:

Residential Packages	Description	Monthly Rate

Total Solution	Local service (1 line), voice mail, features	$22.95
Total Solution 2 lines	2 residential lines, voice mail, features	$38.30
Internet Service	Unlimited dial-up access	$6.95
Business Packages		
Total Solution Plus	One business line, voice mail, features, free local toll	$39.95
Flat Rate Business Line	One business line, voice mail, free local toll	$23.30
Internet Access	Unlimited dial-up access	$6.95

Supra is also advertising that customers can keep their same phone number, they won't incur any charges to switch, no contract is required, and service will still be provided over BellSouth's network.

Supra's original business plan was to become a facilities based CLEC throughout Florida and much of the rest of the United States. It began offering local service in 1997, and was very aggressive with BellSouth about issues such as collocation space in BellSouth's central offices. It gained the dubious distinction in 1998 of becoming the first CLEC in Florida to be fined for slamming local service. Supra's initial plans were scaled back a couple of years ago, and it has not been very visible outside of the Miami area since then.

It appears to be focusing on BellSouth's customers in the Orlando market initially, but it does have an agreement with Sprint that allows it to offer service in Sprint's territory as well. Supra appears to be operating strictly as a reseller. It is offering a limited number of products, particularly for businesses. However, it may do well with consumers. It is advertising a 50% discount in full-page ads in the local newspapers.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee

Impact: Consumer

Competitive Threat: Medium

US LEC offers Internet service for ISPs

US LEC announced it has rolled out a new product designed for wholesale ISPs customers. The Internet access and transport service, called "US LECnet ISP", provides broadband access up to the DS3 level and is backed by a service level agreement. The new service is available in Orlando, Raleigh, Atlanta, and Philadelphia.

US LEC also announced an expansion of its "US LECnet" service for retail business customers to bandwidths above the T1 level. The service will now offer Internet access to businesses in increments of 64 kbps up to 45 mbps (DS3) in all US LEC markets.

US LEC operates in Sprint's portion of the Orlando market, as well as Fort Myers and Naples. It offers a range of local services for businesses, including DSL, web hosting, private line, and frame relay.

Atlanta. It plans to construct rings in those five cities as well. Epik's network also reaches to other Sprint markets including Tallahassee and Fort Myers.

LTD Territories: Florida

Exchanges: Winter Park, Winter Garden, Kissimmee, Tallahassee, Fort Myers

Impact: Carrier

Competitive Threat: Medium

Time Warner's DeFuniak Springs FL cable system up for sale

Time Warner, in an attempt to reduce its non-strategic assets, has placed several of its rural cable systems up for sale. The Florida cable systems up for sale are located in Plantation and DeFuniak Springs. The DeFuniak Springs cable system is located in Sprint's franchised market, and serves approximately 11,000 homes in DeFuniak Springs and adjacent areas.

Analysts speculate Time Warner will receive between $2,000 and $3,000 per subscriber and could receive from $200 million to $300 million from the sales. Ninety percent of Time Warner's customers are located within clusters of 100,000 subscribers or more. The systems it has put up for sale do not fit into that definition.

LTD Territories: Florida

Exchanges: DeFuniak Springs

Impact: Consumer

Competitive Threat: Low