

Beacon Properties, L.P.

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

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Re: Telecommunications Services Inside Wiring Customer Premises Equipment, CS
Docket No. 95-184

Dear Mr. Caton:

This letter addresses specific concerns that Beacon Properties Corporation has regarding your Notice of Proposed Rulemaking released on January 26, 1995 and the potential impact that such rulings would have on our properties and tenants. The following provides a brief background on Beacon Properties Corporation and our utilities policy, a discussion of current issues that we have experienced in working with telecommunications service providers, and specific comments relative to your proposed regulations:

Background

Beacon Properties Corporation has major commercial property holdings across the eastern United States. We pride ourselves on consistently providing high quality space and amenities to our tenants, while maintaining parity with market pricing. In order to accomplish this, we constantly seek innovative methods to manage our properties and associated resources. For example, we currently purchase wholesale natural gas and electricity. This has the dual benefit of allowing us to provide our tenants with utilities at market rate or lower pricing, thus enhancing the level of other services we can provide to them through the savings we effect.

We are members of a highly competitive industry and, as such, it is imperative that we preserve as much control over our properties as possible. The trends in natural gas and electricity deregulation have allowed us such opportunities. It is our hope and urging that regulations promulgated by the FCC concerning telephone and cable wiring will provide similar opportunities.

Experience with Competition

As a company, we have a significant amount of experience with competing local service providers. Many of our buildings are served by multiple providers. Initially, we took a "hands off" approach and allowed the service providers to do what was necessary to meet our tenants

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needs. We were generous in providing them with unimpeded access to the premises for installation and maintenance and expected little, if any, compensation for our efforts. Time and the continual increase in the number of service providers has proven this strategy flawed. Increasingly, we find ourselves in difficult, if not adversarial, positions with the service providers and, all too often, our tenants, because:

- Service providers tend to evaluate service on a single tenant basis without specific regard as to how they will serve other tenants in the future. Such a strategy has resulted in repeated unnecessary intrusion into common and tenant spaces as these service providers build out their service in a piecemeal fashion hopping from one tenant space to another.
- Space is limited in all buildings, old and new. We simply do not have enough equipment space or riser space in most of our buildings to provide for multiple service providers unless significant parts of the in-building telecommunications equipment can be standardized.
- The burden for ongoing maintenance is considerable. With multiple service providers accessing our buildings we have to be more diligent and devote much more effort to verifying credentials, monitoring work, and performing follow-up checks.
- The telecommunications industry is changing rapidly and fundamentally. Albeit to a lesser degree, the commercial real estate industry is also transforming into a much more sophisticated, end-to-end service provider. As such, we are reluctant to give the type of indefinite easements and licensing agreements that we once allowed. We now try to limit all license agreements to a maximum three year period, to preserve our flexibility for the future. Although newer service providers accept this, the RBOC's have been resistant.

Based on these and related concerns, Beacon Properties Corporation is developing a policy that will allow us to monitor and control the activities of service providers within our properties. We see this as the only way to control our scarce space resources, minimize impact on tenants, and provide them with unimpeded access to the range and quality of telecommunication services that they require.

Specific Comments

Your notice raises several specific concerns. Generally, they parallel those expressed by BOMA, the Building Owners and Managers Association, with the following clarifications:

1. It is critical that the FCC establish a policy that protects *private property rights* and does not confer any actual or virtual rights of eminent domain, nor adopt a stand that provides a basis for individual states to do the same. The only leverage we, as property owners and managers, have to keep the service providers in check and provide a competitive environment for our tenants to purchase services, is our ability to control access to our property. If we lose this control, and no one controls the terms of access and build-out, the

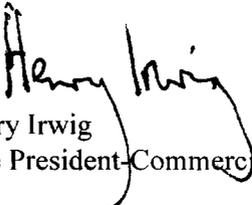
limited amount of space will be quickly consumed by two or three major providers who will then, once again, be in an environment of limited competition.

2. *Demarcation points* should be standardized at the property line. All trenches, ducts, conduits, wiring, etc. on the property should be excluded from the network, and should be governed by contract between the property owner and service provider.
3. *Standardized connections* and service components are a key goal for the future. Your regulations should encourage service providers to develop standards for multiplexing units, interior wiring, and associated components. This is certainly feasible as we move more and more to end-to-end digital communications. Furthermore, this is our only hope of allowing true open competition given our limited space requirements.
4. All *wiring on the property* should be governed by contract between the service provider and the property owner. Again, we feel that this is critical to our ability to control the service providers and provide effective service to our tenants. We also need this control to allow proper flexibility for changes necessitated by expansion, remodeling, and other changes that we might choose to undertake. We are ultimately responsible for monitoring compliance with building codes and environmental regulations as they impact our property. In order to do that, we must have control over everything that encroaches upon the property.
5. *Tenant wiring* is customarily the responsibility of the tenant either from the demarcation point, or from a "tenant demarcation" in their space. This is also an issue that should be addressed by contract, this time in the form of a lease between the property owner and the tenant. We give tenants considerable latitude in what they do within their space, but we still maintain controls over everything so that we can minimize residual impact on other tenants and common space.

SUMMARY

We appreciate the opportunity to submit these comments and trust that they will provide insight as you proceed through the regulatory process. We would be glad to extend on any particular points, and provide specific examples of our concerns from our prior experiences with multiple service providers.

Sincerely yours,


Henry Irwig
Vice President-Commercial Properties