



ACCREDITED MANAGEMENT ORGANIZATION®

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March 14, 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

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FCC MAIL ROOM

RE: Telecommunications Services -- Inside Wiring, Customer Premises Equipment,
CS Docket 95-184

Dear Mr. Caton:

We write in response to the FCC's Notice of Proposed Rulemaking released on January 26, 1996, regarding telephone and cable wiring inside buildings. We enclose four (4) copies of this letter, in addition to this original.

We are concerned that any action by the FCC regarding access to private property by large numbers of communications companies may inadvertently and unnecessarily adversely affect the conduct of our business and needlessly raise additional legal issues. The Commission's public notice also raises a number of other issues that concern us.

Background

Kucera Management, Inc. is in the commercial real estate business. We manage 21 small and medium sized properties (totaling 985,789 square feet) for a variety of partnerships. These partnerships fit the SBA definition of "small landlord" (annual revenue of less than \$5,000,000).

The FCC's request for comments raises the following issues of concern to us: access to private property; location of the demarcation point; standards for connections; regulation of wiring; and customer access to wiring.

1. Access to Private Property

We are sure you will appreciate that modern telecommunications is critically important to our commercial tenants. No business can survive in today's economy without effective and up-to-date telecommunications services. For that reason, it is equally important for us to ensure that our tenants receive all the services they desire at a reasonable cost. The commercial real estate business is fiercely competitive, and if we did not provide our tenants with access to the latest telecommunications services, we could not survive ourselves.

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Government intervention, however, is neither necessary nor desirable to ensure that telecommunications service providers can serve our tenants. Indeed, we believe that such intervention could have the unintended effect of interfering with our ability to effectively manage our properties. Building owners and managers have a great many responsibilities that can only be met if their rights are preserved, including coordination of services between tenants and service providers; managing limited physical space (telephone rooms and risers); ensuring the security of tenants and visitors; and compliance with safety codes. Needless regulation will not only harm our interests, but those of our tenants, and the public at large.

A building owner must have control over the space occupied by telephone lines and facilities, especially in a multi-tenant building, because only the landlord can coordinate the conflicting needs of multiple tenants and multiple service providers. Although this has traditionally been more of an issue for commercial properties, such coordination may become increasingly important in the residential area as well. Large scale changes in society -- everything from increased telecommuting to implementation of the new telecommunications law -- are leading to a proliferation of services, service providers and residential telecommunications needs. With such changes, the role of the landlord or manager and the importance of preserving control over riser and conduit space will only grow. For this reason, we believe that the best approach to the issues raised in the request for comments is to allow building owners (if they choose) to retain ownership and control over their property -- including inside wiring -- so long as they make sufficient capacity available to meet the needs of the occupants of a building.

A building has a finite amount of physical space in which telecommunications facilities can be installed. Even if that space can be expanded, it cannot expand beyond certain limits, and it certainly can not be expanded without significant expense. Installation and maintenance of such facilities involves disruptions of the activities of tenants and damage to the physical fabric of a building. Telecommunications service providers are unlikely to consider such factors unless they are held responsible and accountable for any ill effects.

We are also concerned about the security of our buildings and our tenants. Telecommunications service providers have no such obligation. Consequently, any maintenance and installation activities must be conducted within the rules established by a building's manager, and the manager must have the ability to supervise those activities. Given the public's concerns about personal safety, we simply cannot allow service personnel to go anywhere and anytime they please in our buildings without our knowledge.

Finally, we are responsible for compliance with local safety and building codes. We are the front line in their enforcement. We cannot ensure compliance with such requirements if we do not have control over who does what work in our buildings, or when and where they do it. Limiting our control in this area will unfairly increase our exposure to liability and adversely affect public safety.

In short, we are fully capable of meeting our obligations to our tenants. As competitors in the marketplace, we will continue to make sure they have the services they need. It is not necessary for the government to interject itself in this field. Any action by the government is likely to prove counterproductive.

2. Demarcation Point

The Notice also asks for comments regarding the need for a common demarcation point and the location of such demarcation point. We believe that the only criterion for the location of the demarcation point should be the nature of the property and the specific technology involved. There should be a uniform demarcation point for all commercial properties and a different demarcation point for residential properties. In the case of commercial buildings, the demarcation point should be inside the premises, preferably at the telephone vault or frame room. For residential properties, the demarcation point should be outside the building if the building is an apartment building where there is no resident superintendent, and, in any event, outside each resident's premises.

3. Connections

The Notice asks whether the FCC should issue technical standards for connections. We believe that government action in this regard is unnecessary. The telecommunications industry has already established standards that are widely followed. We believe that it is in the interests of the companies and their customers that they continue to be followed.

4. Regulation of Wiring

We have no comments on the merits of any particular scheme for regulating inside wiring, because we are not service providers but users of telecommunications. In general, however, we think it is important to note that there are substantial differences between residential and commercial buildings, and while it may make sense to account for the convergence in technologies, it probably does not make sense to adopt uniform rules for all kinds of property.

We are also concerned that the government might impose a huge new expense on telecommunications service providers and building owners by requiring retrofitting of existing buildings. We believe such matters should be left to the ongoing discussions regarding amendments to the Model Building Code. Except where safety is involved, amendments to the building and electrical codes are seldom retroactive.

We also note that the Notice treats residential and commercial buildings as distinct entities. Mixed use buildings, however, are becoming increasingly common and must be considered in any regulatory scheme.

5. Customer Access to Wiring

We have no objection to permitting a customer to install or maintain its own wiring or buy the wiring from a service provider, provided that the rights of the owner of the premises are taken into account. A tenant's rights in wiring should not extend beyond the limits of the leased premises. The landlord must retain the right to obtain access to the wiring and control the type and placement of such wiring. We also believe that the owner of the premises should have a superseding right to acquire or install any wiring. In any case, a tenant's right to acquire or install wiring should be governed by state property law and the terms of the tenant's lease. We must retain the right to control activities on our own property.

In conclusion, we urge the FCC to consider carefully any action it may take. Thank you for your attention to our concerns.

Sincerely,

A handwritten signature in cursive script that reads "Don Tait".

Don Tait, CPM®
Vice President and Chief Operating Officer
Kucera Management, Inc., AMO®

DT/cv