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RECEIVED Public Service Commission

MAY 15 1996

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May 15, 1996

BY FEDERAL EXPRESS

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

DOCKET FILE COPY ORIGINAL

Re: Implementation of the Local Competition Provisions in the  
Telecommunications Act of 1996 - CC Docket No. 96-98

Dear Mr. Caton:

Enclosed are the original and seventeen copies of the Florida Public Service Commission's comments in the above docket. Please date-stamp one copy and return it in the enclosed self-addressed stamped envelope. A diskette of the comments has also been furnished to Janice Myles of the Common Carrier Bureau.

Sincerely,

Cynthia B. Miller  
Associate General Counsel

CBM/jb  
Enclosure

cc: International Transcription Service  
2100 M Street, NW  
Suite 140  
Washington, D.C. 20037

Handwritten initials "DMG" and a date stamp "MAY 15 1996".

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

In the Matter of: **RECEIVED** )  
 ) CC Docket No. 96-98  
Implementation of the Local Competition )  
Provisions in the Telecommunications Act ) FCC 96-182  
of 1996 )  
FCC MAIL ROOM )

COMMENTS OF THE  
FLORIDA PUBLIC SERVICE COMMISSION

On April 19, 1996, the Federal Communications Commission (FCC) issued its Notice of Proposed Rulemaking (NPRM) requesting comments on the implementation of the Local Competition provisions in the Telecommunications Act of 1996. The FCC established a comment filing date of May 16, 1996 for all competition issues (other than dialing parity, number administration, notice of technical changes, and access to rights of way.) This response deals with those competition issues. The Florida Public Service Commission (FPSC) is pleased to provide comments on these issues of major importance. We have organized our comments to follow, as closely as possible, the structure and paragraph numbering of the NPRM. The numbers in parentheses at the beginning of paragraphs refer to paragraph numbers in the NPRM.

**SUMMARY AND OVERVIEW**

The FPSC recognizes the need for a cooperative working relationship between the states and the FCC to implement the Telecommunications Act of 1996. In implementing the Act, we urge the FCC to consider that different states are at varying stages of market and network evolution. Also, state commission staffing levels vary from state to state. These factors directly affect the

level of autonomy which a particular state may desire or be able to accommodate in implementing the Act. These differences underscore the importance of having alternative, yet philosophically compatible, approaches to executing the Act.

We recommend that a state should be able to choose one of two approaches. Under the first approach, a state would work in partnership with the FCC under a national framework. This framework would consist of three levels of Federal oversight: (1) specific detailed standards, (2) minimum standards, and (3) broad guidelines which codify the Act. We also believe there is a fourth level where complete state flexibility is needed. Under the second approach, the FCC would develop a detailed national model which (1) a state could choose to adopt and implement, or (2) the FCC could use in the event a state does not act. This system of dual approaches appears to support the FCC's objective to establish "parallel" federal and state roles.

Since Florida is well on its way in the transition towards competition, our comments are directed towards developing the national framework embodied in the first approach. The following summarizes the various topics which we recommend covering under each of the four levels:

Level 1 - Specific Detailed Standards

- Technical standards/engineering specifications  
e.g., transmission speeds for exchange of traffic,  
switching and signaling protocols

Level 2 - Minimum Standards

- Categories of unbundled network elements
- Allowable uses of interconnection and network access

Level 3 - Broad Guidelines which Codify the Act

- Rate structure
- Resale restrictions
- Technically feasible points of interconnection
- Physical collocation standards

Level 4 - Complete State Flexibility

- Specific compensation, terms, and conditions for interconnection, transport, termination, unbundled network elements, collocation, and resale
- Rate ceilings based on proxies
- Imputation requirements
- Discrete unbundled network elements
- Sub-loop unbundling
- Installation and maintenance intervals for unbundled network elements and resold services

(5) The FPSC notes that, although it is true that a majority of states have not taken major steps to implement local competition, this does not accurately reflect the breadth of action states have begun. The 19 states cited in this paragraph that have made significant progress in implementing local competition represent the majority of the access lines, customers, and telecommunications traffic in the U.S.

In the summer of 1995, about a year before implementation of the Telecommunications Act of 1996, Florida passed a procompetitive law that contains many of the same themes contained in the federal telecommunications law. Since that time, Florida has set in motion its own local exchange telecommunications competition program. Examples of Florida's aggressive efforts to make local competition a reality include the following.

In terms of entry, Florida has already authorized over thirty competitive local exchange companies to operate. These grants of authority have been issued to companies, or their affiliates, currently in the long distance business (AT&T, MCI, Sprint), the cable television business (Time Warner, Continental), alternative access business (TCG, Metropolitan Fiber Systems), the local exchange business (BellSouth) and even local government (City of Lakeland).

Regarding number portability, we have ordered remote call forwarding as the primary call forwarding mechanism on a temporary basis. Although our state legislation requires the development of a national solution prior to the state adopting a permanent number portability mechanism, the Florida task force on number portability continues to explore alternatives for a permanent number portability mechanism.

Through either negotiated agreements or Public Service Commission orders, all four of the largest local exchange

companies have established interconnection arrangements dealing with terminating the calls of competing local companies.

Resale terms have also been established on both a negotiated basis and on a FPSC ordered basis.

Shared Tenant Service business has been expanded from the previously restricted service which only allowed commercial service in a single building to now include multiple buildings and also include residential customers.

#### **Scope of the Commission's Regulations**

(27-34) The FCC should only implement "essential" rules in this short statutory time frame. As some key members of Congress have emphasized, much of the Act is self-executing. The FCC should be wary of delineating too much detail in ways that may cause unnecessary problems for itself or for states proceeding on the path to increased competition. Such detail could inadvertently hamstring the FCC in its future policies. The FPSC suggests this approach with the understanding that explicit rules in a short six-month period without experiential data may lead to suboptimal solutions to a number of major issues.

The FPSC believes that the FCC should avoid explicit rules where not absolutely necessary. Explicit rules will limit the states' ability to respond to the unique characteristics of their

markets; they should therefore be reserved for instances where there is no other way to implement the requirements of the Act. There are a myriad of experiences among the states. For example, states experiencing rapid population growth will have different needs and be able to respond to market changes differently than states with a low-growth or stagnant population (dealing with changing carriers and "stranded" investment is but one aspect of these differences).

Another area is technology. Some states are technologically advanced, with large deployments of SONET, CCSS7, etc., and are 100% equal access capable. Other states are not as technologically advanced.

Further, if the FCC were to set national pricing standards without regard to state specific considerations, the effect could inevitably alter the pricing of all other services, including local service. This could result in the FCC indirectly affecting what it states, in paragraph 40, will continue to be subject to state authority. We do not believe that one inflexible set of rules will encompass the needs of the entire country's population.

As mentioned previously in the introduction, the FCC's rules should vary with their specificity. There are some instances where specific rules are necessary, others where minimum standards would be more appropriate. There are also instances where broad guidance or total state flexibility would better serve the intent of the Act. The FPSC's comments will delineate which provisions of the FCC's rules should fall into each category.

(39) The NPRM states that the FCC tentatively concludes that it would be inconsistent with the 1996 Act to read into sections 251 and 252 an unexpressed distinction by assuming that the FCC's role is to establish rules for interstate aspects of interconnection and the states' role is to arbitrate and approve intrastate aspects of interconnection agreements. The NPRM states:

Because the statute explicitly contemplates that the states are to follow the Commission's rules, and because the Commission is required to assume the state commission's responsibilities if the state commission fails to act to carry out its section 252 responsibilities, we believe that the jurisdictional role of each must be parallel.

The FPSC agrees that our roles must be parallel. A partnership between the states and the FCC, where each shares in the responsibility of executing the Act and neither dictates to the other, is crucial to the successful implementation of nationwide local competition.

We recognize the inherent jurisdictional tension in the Act. While Section 251 authorizes the FCC to enact implementing regulations, Section 251(d)(3) clearly authorizes State commission regulation, policies and orders that: (A) establish access and interconnection obligations of local exchange carriers; (B) are consistent with the requirements of the section; and (C) do not substantially prevent implementation of the section and the purposes of the part.

The NPRM continues: "Section 2(b) of the 1934 Act does not require a contrary tentative conclusion." That section of the 1934 Act states:

[N]othing in this Act shall be construed to apply or to give the Commission jurisdiction with respect to . . . charges, classifications, practices, services, facilities, or regulations for or in connection with intrastate communication service by wire or radio of any carrier . . .

Yet the FCC tentatively concludes that Section 251 applies to charges in connection with "intrastate communication service" and that the Congress intended for Section 251 to take precedence over any contrary implications in Section 2(b).

We disagree. Statutory construction principles give significance to the fact that Section 2(b), at one point, was eliminated in the legislation but was restored. The NARUC lobbied hard for this point. Yet the FCC NPRM downplays its restoration.

The new Telecommunications Act of 1996 envisions a partnership of the FCC and the States. As FCC Chairman Reed Hundt stated at the Winter NARUC meetings in Washington D.C. on February 27, 1996, "we will join arm in arm with the states and will proceed into the great unknown in a partnership." He said, "we should not get hung up on jurisdictional issues." He emphasized that the FCC and states need to build a partnership. Also, FCC Commissioner Susan Ness, at the NARUC meetings, said the 1996 Act "has intensified the need for Federal-State cooperation." She stated it would be a mistake for the states to return to square one. She also stated the FCC would not micromanage.

The FPSC respectfully suggests that the Telecommunications Act of 1996 represents a fundamental change in the regulation of telecommunication carriers. This is the biggest change since 1934.

A "one size fits all" approach stifles innovative ideas that exist within the states, and may actually impede development of competition. The FPSC believes the public interest is best served by allowing a variety of approaches in the initial implementation of the Act. Experience will prove what works and what does not. It would be incredibly short-sighted not to allow this kind of creative innovation.

In sum, an overly preemptive FCC approach would be at odds with Congressional intent and the plain statutory language. The FPSC believes some preemptive approaches could violate the Telecommunications Act of 1996 and the United States Constitution. Florida has complementary state laws with the same goals as the Federal Act and our regulatory scheme would serve as a parallel regulatory mechanism. The FPSC seeks a meaningful partnership with the FCC in moving toward less regulation and allowing markets to work.

**(39-40)** Section 252(e)(5) states that the FCC should act if a state will not. This implies there will not be FCC preemption if the state acts. The overall emphasis seems to be that the States have jurisdiction over all matters not explicitly given to the FCC or some other agency, but there is a caveat that a state forfeits its jurisdiction to the FCC for failure to act. The FCC has the authority to promulgate explicit rules by which it will act when it receives jurisdiction resulting from a state's failure to act.

In those few places where there may be questions about jurisdictional division, Congressional intent and the overall procompetitive theme of the Act should control.

Therefore, the FPSC believes that intrastate rates are explicitly under the jurisdiction of the states unless a state relinquishes its jurisdiction to the FCC by failing to act.

(41) The FCC seeks comment on the relationship between sections 251 and 252 and the FCC's existing enforcement authority under Section 208, which gives the FCC general authority over complaints regarding acts by "any common carrier subject to this Act, in contravention of the provisions thereof." The FCC then questions whether it has authority over complaints arising from violations of Sections 251 or 252, and whether any other forum should be used instead. The FCC ponders whether there is a relevant distinction between complaints concerning the formation of interconnection agreements and complaints regarding the implementation of the agreements.

The FPSC, in response to these questions, takes the position that it is perhaps less a question of legal authority and more a question of practicality. Both state commissions and the FCC do have general authority relating to complaint resolution. However, we strongly urge that the state commissions are best suited to use this authority relating to complaints pursuant to Sections 251 and 252. Section 252 clearly places the state commissions in the primary role over the agreements. Yet, there is even a stronger practical basis. The FCC does not hold hearings around the country

and consequently does not have a hands-on knowledge of the operations of the telecommunications companies. The diversity of operations due to geography, rural/urban nature, the technical sophistication and other historic relationships is not well-known to the FCC. The FCC is in the policymaking role and is not traditionally an adjudicative forum for matters to be resolved.

Section 251 provides for the duties of the telecommunications carriers and places the FCC in the role of establishing regulations to implement the section. That section also preserves state access regulations so long as they are consistent with the section and do not substantially prevent implementation of the requirements of the section. Section 252 gives the state commission review authority over agreements. In Section 252, the FCC is only to act if a state fails to act to carry out its responsibility. Thus, in Section 252 the FCC is limited in its authority to resolve complaints relating to the agreements.

The majority of states are now implementing telecommunications competition statutes and are well-versed in the local issues arising therefrom. We urge that the state commissions should be the forum for complaint resolution. Practically, the FCC is not well-suited to handle these complaint issues. In addition, Section 252 appears to expressly limit any FCC authority relating to the agreements.

Moreover, many state commissions are beginning to develop mediation or arbitration dispute resolution processes. These will be well-suited for complaint resolution.

## **Interconnection**

(51-52) The FCC seeks comments on whether the lack of national guidelines would "slow down the development of competition" and impair the states' ability to complete arbitration within 9 months of the date an interconnection request was made. The FPSC believes that explicit national guidelines could hamper the development of competition and the negotiation process currently in place in Florida. We believe Florida's procedures provide for a more rapid resolution of interconnection requests. Florida statutes require that competitive LECs negotiate with the incumbent LEC for at least 60 days for interconnection, unbundling and resale. If negotiations should fail, then either party may petition the FPSC for resolution. The FPSC must then make a determination within 120 days from the date of the petition.

In footnote 10 of the NPRM the FCC identifies 19 states that have developed local competition rules. It should be pointed out that these 19 states account for the majority of the access lines in the United States. Therefore, any explicit national guidelines could have an adverse effect on the competitive process in those states.

(53-54) The FCC is requesting comments on the relationship between the term "interconnection" as it is used in section 251(c)(2) and the requirement to establish reciprocal compensation arrangements for the "transport and termination" of telecommunications in 251(b)(5).

The FPSC believes that interconnection should pertain only to the facilities and equipment used to link different carriers' networks together. This view is supported by the pricing standards set out in Section 252(d)(1) which address just and reasonable rates for interconnecting facilities and equipment and network elements.

Transport and termination pertains to the traffic that is being transmitted through interconnecting facilities for termination somewhere on another carrier's network. This is consistent with Section 252(d)(2) which addresses reciprocal compensation arrangements for transport and termination of traffic and states that appropriate costs are associated with one carrier's network facilities having to transport and terminate traffic from another carrier's network.

#### **Technically Feasible Points of Interconnection**

(51, 56-59) The FCC seeks comments on what constitutes a technically feasible point of interconnection within the incumbent LEC network. The FPSC agrees that a definition of "technically feasible" should be flexible and progressive enough to evolve with technology. From an engineering perspective, we believe that in a modern network there will be few instances where interconnection will not be technically feasible. However, the FPSC recognizes that when approving various interconnection schemes, consideration should be given to the following factors:

- individual network design characteristics

- possible degradation of network quality and reliability
- network security
- cost effectiveness
- efficiency
- space limitations for equipment

Guidelines governing the technical feasibility of interconnection should be broad enough to allow states to deal with state-specific issues. For example, some local exchange companies are more technically advanced in terms of deployment of fiber optics, digital switches, SONET, and SS7, etc. In addition, state law may govern a specific approach to interconnection and to the extent the state law is consistent with the Act, it should be accommodated.

### **Collocation**

(71-73) The FCC requests comments on where in the incumbent LEC's network physical collocation should take place. The FPSC believes that physical collocation should be allowed at the LEC premises where it is technically feasible and where there are no space limitations. This includes central offices, tandems, remotes, and structures that house LEC network equipment. The FPSC does not believe it is necessary to establish any additional requirements than what is identified in the Act and at a minimum the FCC should codify the language in the Act. We believe the Act provides

sufficient guidance in the implementation of collocation, and each state should develop its own physical collocation requirements.

The FCC is requesting comments on whether it should readopt its prior standards governing physical collocation that were established in the Expanded Interconnection proceeding. The FPSC is concerned that readoption of the old physical collocation requirements will trigger the same series of legal "taking" arguments as experienced in the prior Expanded Interconnection proceeding, thus forcing the Commission to withdraw its order. However, if the FCC revisits its decision associated with collocation it should be reconsidered based on the requirements of the Act. We believe the FCC should modify its initial physical collocation decision for those instances where a state may prefer to adopt the FCC's expanded interconnection guidelines instead of conducting their own proceeding, or where a state does not proceed to implement the collocation requirements of the Act. Any national guidelines on physical collocation should be viewed as model rules. States that choose to adopt the FCC's guidelines should be allowed the flexibility to add further physical collocation requirements as needed. In developing these national expanded interconnection guidelines, the FCC should consider the following questions:

- Should physical collocation be negotiated or tariffed?
- What types of equipment and facilities can be physically collocated?

- Can space be reserved for future use by the LEC?
- What is switching equipment?
- Should LECs plan for interconnector demand when building new central offices?
- What is warehousing and should it be allowed?
- How many points of entry into a collocation structure should there be?
- How should space be allocated?
- Can competitors interconnect with each other inside the LEC central office?
- Do collocators have to interconnect with the LEC network?

#### **Unbundled Network Elements**

(77,80) We agree with the FCC's tentative conclusion that section 251 requires network elements that incumbent LECs provide should be unbundled and made available to requesting carriers under subsection (c)(3). We also agree with the FCC's tentative conclusion that incumbent LECs should unbundle a minimum set of network elements, and, to the extent necessary, establish additional or different requirements in the future as services, technology, and the needs of competing carriers evolve. However, we believe that the identification of specific network unbundled elements should be handled by the state commissions and the carriers within the state. While the FPSC believes the FCC should

allow the states to establish the specific network elements, we believe the FCC should identify the categories that should be required. Listed below are the categories that the FPSC believes should be adopted:

- (1) loops,
- (2) ports, and
- (3) access to signaling systems and operational databases.

We advocate generic categories because we do not want the FCC to order specific elements that some LECs in Florida may not be able to offer. For example, some LECs in Florida do not offer ISDN. If the FCC were to include a 4-wire ISDN loop as a minimum unbundled element, these LECs would not be able to comply with the rules. Instead, requiring only the generic categories to be unbundled on a national level allows states to identify the specific elements that should be unbundled by each LEC. In addition, sub-loop unbundling should be determined by each state because some LEC networks are more technically advanced than others.

If the FCC establishes national rules for unbundled network elements, they should allow for variation among states. We believe that states need the flexibility to address specific requests for unbundled elements and thus should be granted such flexibility. There are many differences between the networks of the various LECs in Florida. Some of the LECs do not have the technical capabilities to offer all potentially requested unbundled elements.

We believe that as long as the state action is consistent with

the 1996 Act, allowing variation in approaches among states will help achieve the goals of the 1996 Act.

### **Network Elements**

(83) The FCC seeks comment on the definition of a "network element." The Act defines a network element to be a facility or equipment used in the provision of a telecommunications service as well as features, functions, and capabilities that are provided by means of such facility or equipment. The FCC believes this definition could constitute a single network element, or comprise several network elements. We agree with the FCC's flexible interpretation of "network element." We believe that the flexible definition should be applied to determine which network elements should be unbundled.

(85) The FCC has asked for comments on the relationship between section 251(c)(3), concerning unbundling, and section 251(c)(4), concerning resale of incumbent LEC services. We believe that under the Act requesting carriers may order and combine network elements via 251(c)(3) or purchase existing services via 251(c)(4) in order to compete with the incumbent LEC for the same type of services. The potential difference in services and pricing structure will only provide carriers with options when determining how to establish their networks and services.

### **Access to Network Elements**

(86) We agree with the FCC's interpretation that "access" to network elements "on an unbundled basis" in Section 251(c)(3) requires the incumbent LECs to provide, for a fee, requesting carriers with the ability to obtain a particular element's functionality. An example is a local loop's function of transmitting signals from a LEC central office to a customer's premises, separate from that of other functionalities or network elements, such as the local switch. We also agree that the term "unbundled" suggests that there must be a separate charge for each purchased network element.

(87) A request-based approach is preferable for determining which network elements beyond the required minimum should be unbundled. Although the Act only requires that the element be technically feasible, we believe each requested element should be both technically and economically feasible. We have considered requests for unbundling and determined several elements, as shown below, that are both technically and economically feasible to be unbundled.

- 1) 2-wire and 4-wire analog voice grade loops;
- 2) 2-wire ISDN digital grade loop;
- 3) 4-wire DS-1 digital grade loop;
- 4) 2-wire and 4-wire analog line ports;
- 5) 2-wire ISDN digital line port;
- 6) 2-wire analog DID trunk port;
- 7) 4-wire DS-1 digital DID trunk port; and

8) 4-wire ISDN DS-1 digital trunk port.

The above list of unbundled network elements may be too detailed for inclusion in the list of elements that should be available on a national basis. As discussed earlier, some LECs in Florida may be unable to offer some of these elements because of technical limitations. In addition, we required the resale of loop concentration capabilities, upon request and where facilities permit, and allowed ALECs to collocate loop concentration equipment in LEC central offices. We agree with the FCC's tentative conclusion that LECs have the burden of proving that it is technically infeasible to provide access to a particular network element. We also agree with the FCC's tentative conclusion that the unbundling of a particular network element by one LEC evidences the technical feasibility of providing the same or similar element on an unbundled basis in another, similarly structured LEC network.

**(88)** We believe that the absence of the term "economically feasible" in Section 251(c)(3) could bring about problems in determining which elements should be unbundled under the 1996 Act. Section 364.161, Florida Statutes, states LECs should unbundle, "to the extent technically and economically feasible." We believe that the economic practicality of unbundling should be addressed and taken into consideration when determining which elements should be unbundled. We do not believe that omission of "economically feasible" from subsection(c)(3) of Section 251 implies that Congress intended the carriers to unbundle network elements without considering the economics of unbundling.

(89) The FCC seeks to determine what requirements should be established to govern the terms and conditions that would apply to the provision of all network elements. We believe incumbent LECs should provide network elements using the appropriate installation, service, and maintenance intervals that apply to LEC customers and services. Since these requirements vary by state, the state commissions are in the best position to evaluate disputes associated with a complaint of this type. Further, the FPSC has a service evaluation bureau that evaluates, through field tests, LEC network elements, quality of service, installation procedures, and maintenance intervals. The FPSC service evaluation bureau follows strict state guidelines and rules for making sure LECs maintain quality service in Florida. Not all state commissions have such service evaluation bureaus that perform field tests. In addition, of those that do the requirements are not all the same. For example, various states have different service requirements associated with service order installation, answer time, call completion, and trouble repair that LECs in the specific states must comply with. Because of these current differences, we believe any national service requirement should be only minimum standards in order to avoid the possibility of degrading service quality in states with higher standards. It should be noted that NARUC has model telecommunications service requirements which could serve as a guide in establishing national standards. States should be able to adopt stricter standards than the national minimum.

(90) We interpret the meaning of the requirement in section 251(c)(3) that LECs provide unbundled network elements "in a manner that allows requesting carriers to combine such elements in order to provide . . . telecommunications service" to mean that if a requesting carrier needs a slightly different network element in order to provide a particular service, this element should be treated as a separate network element. We believe this interpretation is consistent with section 251(d)(2)(B) which requires the FCC to consider whether the failure to provide access to an element would impair the ability of a requesting carrier to provide a desired service.

#### **Local Loops**

(94, 95) We agree with the FCC's tentative conclusion that the unbundling of local loops is technically feasible. However, we do not believe the FCC should require that the incumbent LEC must, upon request, provide individual transmission links from central offices to the customer's premises regardless of the technology involved. As discussed earlier in paragraph 77, we believe that the FCC should only require the category of loops to be unbundled because not all LEC offices are equipped to provision the same types of loops. For example, some of the offices may not be able to provide ISDN loops, and therefore the FCC should not set specific requirements for unbundled loops. The specific type of loops to be unbundled should be left to the states to determine.

(97) We agree with the FCC's tentative conclusion that further unbundling of the local loop should be required (sub-loop unbundling) where technically and economically feasible. However, we believe sub-loop unbundling should be determined by each state because some LEC networks are more technologically advanced than others. For example, some Florida LECs use antiquated pair gain equipment and are not capable of unbundling loops from their feeder and distribution networks. Other LECs have a variety of equipment and can provide sub-loop unbundling were facilities permit. Because of these differences, we believe that it would be difficult to establish national guidelines for sub-loop unbundling.

#### **Local Switching Capability**

(101) The FCC has asked for comment on the definition of "port." Currently, we are conducting a proceeding in which several ALECs have requested several types of ports to be unbundled. In this proceeding, we defined a "port" as a line card and associated equipment on the LEC switch which serves as the hardware termination for the customer's exchange service. The port generates dial tone and provides the customer a pathway into the public switched network. Each port is typically associated with one or more telephone numbers which serve as the customer's network address.

With this definition of a port, a requesting carrier could purchase a loop, a port, and local switching separately but could combine them to offer a specific service. For example, if an ALEC

wanted to offer ISDN to a customer but did not have its own loop to the customer's premises, it would have to purchase the loop from the incumbent LEC. The ALEC's switch provides the actual ISDN service, while the loop leased from the LEC provides transport or connection to the end user customer.

#### **Databases and Signaling Systems**

(107, 108) We agree with the FCC's tentative conclusion that requiring incumbent LECs to unbundle their signaling systems and databases is consistent with the intent of the 1996 Act. We believe that access to signaling systems and databases will be necessary to foster competition. In addition, we believe that carriers should have access to the LEC's signaling and databases at the same points that are determined for interconnection of a carrier's and LEC's networks for exchange of traffic.

#### **Commission's Authority to Set Pricing Principles**

(117-119) We agree with the FCC's conclusion that the 1996 Act provides the statutory authority to adopt pricing rules to ensure that rates for interconnection, unbundled network elements, and collocation are just, reasonable, and nondiscriminatory. We would also agree that the Act provides the statutory authority to define what are "wholesale rates" for purposes of resale, and what is meant by "reciprocal compensation arrangements" for transport and termination of telecommunications. However, we do not believe that the Act gives the FCC explicit authority to establish pricing