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Let tenants shop for phone service

When the Legislature rewrote Florida's telecommunications laws in 1995, it freed phone companies from regulation and stripped the Public Service Commission of much of its power to police the industry. In exchange, consumers were promised more competition and lower phone rates. Four years later, competition, particularly for local service, is virtually non-existent. A proposal being considered by the Legislature would open the door to greater competition in at least one market segment.

The legislation, sponsored by J. Dudley Goodlette, R-Naples, and a similar Senate proposal, would apply only to multitenant buildings — apartment complexes, shopping malls, office buildings and other property where tenants rent space. It would prohibit any "exclusive contract" between a property owner and a telecommunications company. In other words, it would forbid property owners from giving any single phone company exclusive rights to provide service to tenants, provided a building is equipped with the space and facilities to support phone service by more than one company.

The bill would give tenants greater freedom of choice, while protecting the rights of property owners concerned that their buildings could be damaged by the installation of

additional phone lines or equipment. Landlords would have the right to reject a phone company's request to run new lines into a building if the structure is unable to accommodate additional lines or if the installation "would unreasonably interfere with the aesthetics of the building."

In addition, the bill would give property owners the right to charge a telecommunications company or a tenant a reasonable fee for the installation or removal of equipment, or for other costs associated with providing new phone service. It also would give a property owner the right to impose conditions on any agreement with a phone company to protect the safety, security and aesthetics of the building. Any disputes would be settled by the PSC.

Goodlette's bill deserves approval, especially with lawmakers pushing a separate measure that would raise the basic rates for any phone customer who has an add-on feature such as call waiting. Because that rate-hike measure is expected to pass, it's only fair to provide consumers with an opportunity to shop around for the least expensive service. Goodlette's bill would encourage competition, technological innovation and new investment in Florida's telecommunications infrastructure. Texas and Connecticut already have enacted similar laws. Florida should join them.

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ASSISTANT WHIP AT LARGE
POLICY COMMITTEE

August 5, 1999

The Honorable William E. Kennard
Federal Communications Commission
The Portals
445 12th Street, S.W.
Suite 8-B201
Washington, D.C. 20554

Dear Chairman Kennard:

I understand that many consumers that work or live in multi-tenant buildings are experiencing difficulty in obtaining access to their telecommunications carrier of choice. This threatens the realization of widespread telecommunications competition.

I would like to congratulate the Federal Communications Commission (FCC) for addressing this obstacle to telecommunications competition in its recently released Notice of Proposed Rulemaking. Nevertheless, it has come to my attention that several Commissioners have expressed some concern as to whether the FCC possesses the requisite authority to order multi-tenant building owners to allow telecommunications carrier access to their buildings so that the consumers therein can receive the benefits of competition that Congress intended. I believe that Congress has already provided the FCC with adequate authority to resolve the building access issue in an equitable manner.

The FCC retains substantial authority under the Communications Act over interstate radio and wire communications - authority that includes facilities and services incidental to transmission. To the extent that occupants of multi-tenant buildings are restricted in their access to radio or wire communications from their carrier of choice due to a landlord's control over transmission facilities within a building, the FCC already has jurisdiction to remedy the problem.

The FCC also has authority to provide telecommunications carrier access to rights-of-way that are used by utilities. As the FCC properly recognized in its NPRM, to the extent that transmission facilities (such as wires) or even rights-of-way (such as open conduits or riser space or the right to access a rooftop) within a building are controlled by a utility (such as an incumbent local exchange carrier), the FCC can require the utility to provide telecommunications carriers nondiscriminatory access to those intra-building facilities pursuant to Section 224. Indeed, it is my understanding that some ILECs and electric utilities presently locate their own antennas on rooftops in order to transmit telecommunications and video signals. If ILECs already engage in such activity, I see no reason why the FCC cannot allow CLECs to do the same pursuant to Section 224.

The Honorable William E. Kennard
August 5, 1999
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Finally, the FCC's existing authority under Section 207 of the Telecommunications Act provides more than ample ancillary, and even direct, bases of FCC authority to resolve the building access issue.

Given the specific grants of authority afforded the FCC by the Communications Act, I believe the agency already possesses the tools to resolve the building access issue so that commercial and residential occupants of multi-tenants buildings nationwide can enjoy the benefits of telecommunications competition. I would encourage the FCC to use that authority to reach a resolution that will ensure that the benefits of competition extend to commercial and residential tenants in multi-tenant buildings in balance with the property rights of building owners to find a fair, equitable solution.

With best wishes, I am

Sincerely yours,



Chip Pickering



ORIGINAL

Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Implementation of the Local Competition
Provisions in the Telecommunications Act
of 1996

) CC Docket No. 96-98
)
)
)
)
)

Interconnection between Local Exchange
Carriers and Commercial Mobile Radio
Service Providers

) CC Docket No. 95-185
)
)

COMMENTS OF WinStar COMMUNICATIONS, INC.

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May 26, 1999

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SUMMARY

WinStar, an early entrant into the fixed wireless competitive carrier market, submits these comments to urge the Commission to find that riser cable and conduit (hereafter collectively referred to as "MTE wiring") inside multiple dwelling or multiple tenant environments ("MTEs") should be considered an unbundled network element ("UNE") under Section 251(c)(3) of the 1996 Act. The Commission has long recognized that in both the telephone and video distribution markets inadequate access to MTE wiring is a serious impediment to the full development of competitive markets. WinStar's recent experience, sadly, confirms this reality. While tens or hundreds of millions of dollars can be spent to design, build, and market a state-of-the-art fixed wireless local exchange service, the "last 100 feet" between the point of entry into an MTE and individual subscribers is often an impenetrable barrier due to the refusal of ILECs, and, to a lesser degree, MTE owners and management companies to afford access to MTE wiring at reasonable, rates, terms and conditions, or to their refusal to afford any access.

Declaring ILEC-owned MTE wiring to be a UNE will help ensure that WinStar and many other competitive carriers that deploy their own local loops can offer their services to customers on terms and conditions that are reasonable and equitable. WinStar therefore urges the Commission to conclude that MTE wiring is essential; is not proprietary within the meaning of Section 251(d)(2)(A) and accordingly need not be found "necessary"; and that lack of access to MTE wiring would materially degrade the timeliness, quality, availability, and cost of service that CLECs can provide and therefore "impairs" their ability to provide service within the meaning of Section 251(d)(2)(B).

WinStar also urges the Commission to take other steps to assure that MTE wiring does not hinder CLECs' ability to provide the competitive services that Congress intended the 1996 Act to

foster. The Commission should revise demarcation point requirements to eliminate ILEC abuse and facilitate technical access to end users. In this connection the FCC should "revisit its telephone demarcation point rules and policies." The current rules for establishing the demarcation point often enable ILECs to maintain their stranglehold on MTEs by making access difficult or impossible for competitive carriers who have been asked by a tenant to provide service to a MTE. The rules should require ILECs -- on a national basis -- to reconfigure MTE wiring to establish a single demarcation point at the minimum point of entry, which should typically be the closest practical point to where the telephone company's wire crosses the property line, within a prescribed maximum provisioning time frame. Such reconfiguration also will enable competitive carriers efficiently to connect their equipment to the MTE wiring via a cross connection at the network interface device ("NID"). The Commission should also assure that building owners or managers are not able unreasonably to block CLEC access to MTE wiring.

Similarly, the Commission should conclude that contracts which purport to give ILECs or any other entity exclusive rights to use such wiring are unlawful so that CLECs may have access to such wiring. WinStar submits that all of the determinations it seeks are appropriately adopted and enforced on a national basis.

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Implementation of the Local Competition Provisions in the Telecommunications Act of 1996)	CC Docket No. 96-98
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Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers)	CC Docket No. 95-185
)	

COMMENTS OF WinStar COMMUNICATIONS, INC.

WinStar Communications, Inc. ("WinStar"), by undersigned counsel, submits its initial comments in the above-captioned matter. In the *Second Further Notice of Proposed Rulemaking* ("*NPRM*") released April 16, 1999, the Commission responded to the Supreme Court's decision in *AT&T Corp. v. Iowa Utilities Board*, 119 S.Ct. 721 (1999), in which the Court upheld all but one of the Commission's local competition rules. The Court rejected, in part, the Commission's implementation of the network element unbundling obligations set forth in Section 251(c)(3) of the Telecommunications Act of 1996¹ and vacated Section 51.319 of the Commission's rules.² The Court directed the Commission to consider further the "necessary" and "impair" standards of Section 251(d)(2) in connection with the determination of which network elements must be unbundled. In its *NPRM* the Commission seeks public comment on how to interpret these statutory phrases and

¹ Telecommunications Act of 1996, Pub.L.No. 104-104, 110 Stat. 56 (codified in scattered sections beginning with 47 U.S.C. Section 151) ("1996 Act").

² 47 C.F.R. § 51.319.

which specific network elements the Commission should require incumbent LECs to unbundle under Section 251(c)(3).

I. ACCESS TO MTE WIRING IS NECESSARY TO ACHIEVE THE PRO-COMPETITIVE GOALS OF THE ACT

To achieve the broad purposes set forth in the Telecommunications Act of 1996, wiring within MTEs must be designated as a UNE so as to assure the wide availability of such crucial facilities to the CLEC industry, including fixed wireless CLECs such as WinStar. MTE wiring³ has been previously addressed by the Commission. To date no regulatory action has been taken sufficient to open the important MTE submarket to CLECs in any broadbased manner, specifically through ensuring that CLECs deploying their own end user loops have access to in-building riser and riser conduit necessary to physically reach consumers in MTEs.⁴ Yet, MTEs constitute an extraordinarily significant element of the marketplace. For example, approximately one-third of the residential units in the U.S. are in MTEs.⁵ A large proportion of medium and small businesses also are also located in MTEs. Moreover, because it is generally more economical to provide service within MTEs as compared with single tenant structures, servicing MTEs likely will be a crucial

³ As used herein "MTE" encompasses both residential subscribers in multiple dwelling units and business subscribers in structures housing commercial activities.

⁴ See *Telecommunications Services Inside Wiring -- Customer Premises Equipment*, CS Docket No. 95-184, Report and Order and Second Further Notice of Proposed Rulemaking, 13 FCC Rcd. 3659 (rel. Oct. 17, 1997) ("*Inside Wiring Report and Order*").

⁵ U.S. Census Bureau, Census of Housing, "Units in Structure" (1990 figures), available at <http://www.census.gov/hhes/housing/census/units>. Moreover, the Commission has found that MTEs represent a growing percentage of such housing. See *Inside Wiring Report and Order* at ¶ 36.

initial path to commercial and economic viability for CLECs, as well as for new entrants in the multi video program distribution markets.⁶

Experience unequivocally demonstrates that without a law or regulation specifically providing for building access, CLECs will be forced to fight long, time consuming, resource-draining battles to gain access to consumers. This wasteful delay frustrates the critical competitive objective of the 1996 Act to encourage true end-to-end alternative facilities-based competition. WinStar was the first fixed wireless CLEC to enter the local market. As it began its integrated switched network buildout in the late Fall of 1996, it rapidly encountered limitations on its ability to access house riser facilities and to place its equipment on rooftops (two essential components to serving end users in multi-tenant buildings). Since its entry into the market, WinStar has continually run into substantial – at times insurmountable – roadblocks when attempting to reach a customer requesting service. That roadblock, in particular, is accessing "the last 100 feet." Access to existing riser cable including wire, conduit, and alternative pathways is frequently denied or, at best, made available at high cost and on a highly discriminatory basis. As a facilities-based carrier, WinStar is able to build highly efficient networks that provide state-of-the-art telecommunications services. In addition, WinStar is not subject to the economic inefficiencies or antiquated technology often associated with ILEC services. Resale or relying on access to traditional unbundled network elements, in the long run, simply will not result in innovative services nor in a competitive marketplace sustainable other than through the artificial hand of regulation.

⁶ The Commission has recognized the importance of wiring access in the multichannel video programming distribution environment, as well as in the case of telephone access. *See Inside Wiring Report and Order* at ¶¶ 35-38.

Absent the deployment of at least a second (and ultimately a third) alternative physical pathway to the end user, it is a virtual certainty that truly sustainable local exchange competition can never be realized. WinStar, as the CLEC that pioneered the wireless, fiber-equivalent, local loop, represents the most readily available means of provisioning an alternative local loop to the end user. As such, the fixed wireless local loop (such as is being deployed by WinStar, Teligent, OpTel, ART, Nextlink, and various successful LMDS bidders) is capable at once of breaking the last mile bottleneck even while making broadband services available on a ubiquitous basis to a greatly expanded universe of small and mid-sized businesses, as well as MTE residential consumers, nationwide.

WinStar agrees with Chairman Kennard that "[w]ireless can and will be a head-to-head competitor against all telecom providers" and that wireless telephony is "poised to break open the wireline monopoly to competition."⁷ WinStar currently is using its fixed wireless technology to compete head-to-head with wireline technology by delivering, innovative, efficient and cost-effective alternatives to traditional ILEC wireline services. Facilities-based competitive providers that do not merely copy the current infrastructure by reselling or purchasing ILEC loops will bring real competition to the United States telecommunications market. Absent competition from true end-to-end alternative providers such as WinStar, this country will never advance beyond the traditional ILEC-controlled, bottleneck wireline infrastructure, and many of the technical advancements envisioned by the Act may never be realized.

⁷ Speech of William E. Kennard to the Personal Communications Industry Association of America, Orlando, Florida (September 23, 1998).

If the FCC intends to bring the promise of local competition, including advanced telecommunications capabilities, to American consumers in the foreseeable future, it must take action to assure that residential tenants in multiple dwelling unit developments and commercial tenants in multi-tenant commercial properties will have access to the telecommunications service provider of their choice. The history of the telecommunications industry is that competition brings about technical advancements that improve the way we live and communicate. History also demonstrates that in order to open a monopolistic market, Congress and the FCC must affirmatively establish fair rules and guidelines to ensure the development and survival of competitors.

II. THE COMMISSION SHOULD ESTABLISH MTE WIRING AS AN UNBUNDLED NETWORK ELEMENT

Section 251(c)(3) is one of the key market-opening elements of the 1996 Act which requires ILECs to offer "nondiscriminatory access to network elements on an unbundled basis" to competitive providers. The purpose of this requirement is to "permit new entrants to offer competing local services by purchasing from incumbents, at cost-based prices, access to elements which they do not already possess" ⁸ However, this purpose is being frustrated today in the case of MTEs by some ILECs' refusal to offer access to facilities within MTEs on a meaningful, unbundled basis. In many buildings, it is difficult if not impossible for a CLEC to serve individual tenants without access to the house and riser cables and conduit owned by the ILEC, even if the CLEC can provide its own facilities (such as WinStar's wireless facilities) up to the entrance of the building.

⁸ *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98, First Report and Order, 11 FCC Rcd 15499, ¶ 231 (rel. Aug. 8, 1996) ("*Local Competition Order*").

Typically, the ILEC has installed and continues to own and/or operate a variety of facilities within an MTE, including building entrance facilities (connecting its outside plant to the "minimum point of entry," or MPOE, within the building), a common block where the building entrance facilities can be cross-connected to interior wiring, vertical riser cables to upper floors of the building, horizontal distribution wires connecting the risers to individual tenants' premises, and internal wiring closets and connector blocks. Depending on the age of the building and the practices of the particular ILEC, some of these facilities are on the customer side of the demarcation point. However, the facilities are still owned and/or controlled and maintained by the ILEC on a deregulated basis, and are used to provide telecommunications services to the tenants. They therefore fall within the definition of "network element" in Section 3(29) of the 1996 Act.

WinStar urges the Commission to find that MTE wiring is not proprietary and that the "necessary" condition of Section 251(d)(2)(A) therefore does not apply. There would not appear to be any significant doubt about the non-proprietary nature of MTE wiring. The hardware is predominantly basic wiring with a minimum amount of connecting equipment such as splitters. With respect to the "impair" standard of Section 251(d)(2)(B), WinStar urges the Commission to conclude that any limitations on access to such facilities which materially diminish the quality of the service, or delay the availability of the service, or adversely affect the cost of such service, should be considered impairments so as to invoke the statutory obligations set forth in the 1996 Act. The cost of overbuilding existing in-building wiring and conduit with new wiring is prohibitive as a practical business matter. Moreover, in a substantial percentage of cases the issue is not simply cost, but the building owner's or manager's refusal to permit it because of the unnecessary disruption caused by this construction activity.

WinStar notes that the Court's concern about the Commission's failure to take adequate account of the availability of elements outside the incumbents' networks is not relevant to the issue of MTE wiring. Wiring within MTEs is almost always owned by the ILEC and where it is not, the ownership is generally in the building owner who in most instances received ownership from the ILEC without charge, in consequence of the FCC's previous inside wiring orders. In either case, there is no third party with the means to supply a comparable facility. Although WinStar has encountered myriad objections, delays, unreasonable demands, and shifting of responsibility to other parties, in no case has the existence of the MTE wiring, its location, or its technical configurations been in doubt. The issues, therefore, are almost pure questions of policy: will CLECs have reasonable, equitable access to the MTE wiring, or will they be denied such access either outright, or by virtue of economically prohibitive terms or conditions.

The Commission should declare that (1) wiring, terminal blocks, and other facilities owned and/or controlled by ILECs within MTEs are network elements, regardless of which side of the demarcation point they happen to fall; and (2) the ILEC, upon request, must offer access to these network elements unbundled from other facilities, including the local loop.⁹ At least six state commissions already have implemented this level of unbundling, providing a model for the Commission and emulate.¹⁰ If widespread alternate local loop connectivity is ever to become a

⁹ Some ILEC facilities within MTEs otherwise may be part of the "local loop" element as previously broadly defined, but this does not prevent the ILECs from offering access to this discrete portion of wiring on a separate unbundled basis. See *Local Competition Order* at ¶ 259.

¹⁰ See *Joint Complaint of AT&T Communications of New York, Inc., et al. Against New York Telephone Company Concerning Wholesale Provisioning of Local Exchange Service by New York Telephone Company and Sections of New York Telephone's Tariff No. 900*, Opinion and Order in Phase 2, Case 95-C-0657, Opinion No. 97-19 (N.Y.P.S.C. Dec. 22, 1997). House riser also is

reality, the Commission must exercise its authority under Section 251(d)(2) to require unbundling of these in-building network elements, and allow the remaining state commissions to implement this unbundling as contemplated by Sections 251 and 252.

Similarly, the Commission must also clarify that ILECs must provide competitive access to in-building conduits and pathways. In some buildings, it may be technically and economically feasible, and preferable as a matter of engineering and provisioning, for CLECs to construct their own distribution wiring to tenant premises instead of purchasing unbundled access to ILEC wiring. However, carriers will be unable to take advantage of this opportunity if the ILEC physically controls the only available passageways through the building for placement of such wiring. Critically, wireless CLECs similarly need to be able to access all in-building rights-of-way controlled by the ILEC, including that owned by ILEC corporate affiliates such as a sister cellular company, which generally include easements, licenses, etc., granting rooftop rights along with associated pathways off the roofs.

The Commission should act promptly to designate rooftop and riser access as UNEs which will assure that tenants in MTEs can obtain access to the services offered by competitive carriers, beginning with fixed wireless CLECs over their own facilities. Commission rules should encompass (1) placement of antennas on MTE rooftops for provisioning of the local loop, (2) access to riser conduits or other pathways connecting the rooftop antenna to the "common block," typically in the basement, at which outside telecommunications facilities are cross-connected to interior wiring, and (3) direct access to the end user where good engineering practices permit. Fixed wireless CLECs,

available as an unbundled element in a least five other states: Florida, Georgia, Louisiana, Oregon, and Tennessee.

like WinStar, need to access facilities that will enable them to get from the roof of the building down through the common spaces and pathways (*i.e.*, unused mail chutes, open conduit space, elevator shafts, etc.) to the main Network Interface Device ("NID") and ILEC channel bank locations, and then back up to individual end users by means of the building's existing wiring to each individual customer. For example, if WinStar has a contract to serve a small company which occupies floors 4, 8, and 9 of a 30 story building, WinStar typically would need to run a coaxial cable from its rooftop transceiver to its terminating equipment and channel banks and then down to the main NID, typically located on the ground floor or the basement, and then cross-connect to the ILEC's "66 block" and back up to floors 4, 8, and 9 through the existing wire.

WinStar emphasizes that the problem faced by fixed wireless CLECs is that access to conduit, house riser, and rooftops, in many instances is not being made available on a timely, reasonable and nondiscriminatory basis. Both building owners and ILECs alike are exercising monopoly power when leasing rooftop space, wiring and riser access. Without reasonable access, competitive carriers, including fixed wireless CLECs, effectively are precluded from offering their competitively-priced services to building tenants and residents. As a consequence, tenants have been and will continue to be deprived of a timely choice of carriers and access to services and/or will pay significantly more for competitive services than otherwise would be the case. As such, the cost-savings that are intended to be passed along to the consumer will be redirected toward landlords to cover the inflated charges for rooftop, house wiring, and riser access.

III. THE COMMISSION SHOULD TAKE OTHER MEASURES TO ASSURE REASONABLE ACCESS TO MTE WIRING

A. The Commission Should Update Its Definition of the Demarcation Point to Better Achieve the Goals of the 1996 Act

The FCC adopted a three-pronged definition of the demarcation point in its 1990 inside wiring proceeding.¹¹ The original *Order* in the proceeding, as well as the 1997 *Order on Reconsideration*, provided for a variety of options as to the location of the demarcation point.¹² Unfortunately, because the rules permit flexibility in how a carrier, typically an ILEC, designates the demarcation point for multi-unit premises, the impact of these rules in practice can be devastating to a CLEC attempting to gain access to MTE inside wiring. The configuration of MTE wiring and the location of the demarcation point have been used aggressively by ILECs to frustrate a CLEC's ability to gain access to an MTE (e.g., US West's response to Optel in Arizona).

A clear and concise placement of a single demarcation point at the minimum point of entry in every MTE would facilitate the existence of true end-to-end facilities-based competition. To begin with, the ILEC's reconfiguration of the building to establish a single demarcation point at the minimum point of entry would ensure that all carriers, ILEC and CLECs, understood the "make up"

¹¹ See 47 C.F.R. §§ 68.213(a) and (b).

¹² *Review of Sections 68.104 and 68.213 of the Commission's Rules Concerning Connection of Simple Inside Wiring to the Telephone Network*, CC Docket No. 88-57, Order, 5 FCC Rcd 5228 (rel. Aug. 13, 1990) (stay denied *Review of Sections 68.104 and 68.213 of the Commission's Rules Concerning Connection of Simple Inside Wiring to the Telephone Network*, CC Docket No. 88-57, Report and Order and Further Notice of Proposed Rulemaking, 5 FCC Rcd 4686 (rel. June 14, 1990)); *Review of Sections 68.104 and 68.213 of the Commission's Rules Concerning Connection of Simple Inside Wiring to the Telephone Network*, CC Docket No. 88-57, Order on Reconsideration, Second Report and Order and Second Further Notice of Proposed Rulemaking, 12 FCC Rcd 11897 (rel. June 17, 1997).

of an MTE. A single demarcation point would stop ILECs from thwarting CLEC attempts to interconnect at the NID. Furthermore, such a configuration should assist all carriers in connecting individuals in an MTE.^{13/}

Without access to the MTE wiring that connects the carrier to the customer, CLECs will never be true end-to-end competitors unless they are willing to, and are capable of undertaking the extraordinary expense and burden of rewiring every building they wish to serve and to which they ultimately gain access. Yet absent access to MTE wiring, such widespread deployment of competitive facilities to the building likely will take decades rather than the handful of years that is otherwise possible. Moreover, under the current rules if more than one CLEC wishes to provide its own local loop to a given building, duplicative rewiring of the entire building has to occur, as is frequently the case today. This outcome is not viewed as desirable by the new entrant nor by the property owner, and is economically inefficient in a broader sense. Establishment of a single demarcation point at the minimum point of entry for all MTEs would be consistent with the goals of the 1996 Act by facilitating competitive access to individual consumers in an MTE and ensuring the existence of true end-to-end alternative providers.

B. Building Owners Must Afford Reasonable Access to MTE Wiring

Today, unequal building access is a primary obstacle to true local competition between fixed wireless and incumbent wireline carriers. Many building owners, for whatever reasons, have resisted allowing their tenants access to the facilities of competitive carriers – directly impeding the goals

¹³ A single demarcation point at the minimum point of entry and a CLEC's access to the NID will enable an occupant in the building to obtain access to any service provider through a single cross-connect at the NID.

of the 1996 Act. In many instances, building owners are treating access by CLECs and alternative video providers as a significant new revenue generating opportunity, and thus present them with discriminatory rate treatment or outright rejection. The benefits of the Act in fact were intended to flow to consumers, not private real estate interests. This turn of events is not fair to tenants, the intended beneficiaries of the 1996 Act. Chairman Kennard's vision of wireless providers competing full force with the wireline industry simply cannot and will not be realized if the FCC does not use its authority to open the bottleneck and enable all competitors to serve consumers end-to-end on their own network facilities. Opening the bottleneck requires the FCC (as the California PUC previously has done) to prohibit all exclusive building access arrangements, as discussed below, and to mandate access to the last 100 feet – including access to MTE wiring, which is an issue for all CLECs; and access to building rooftops, conduit and internal building pathways even when owned by non-carriers.

In of the *NPRM*, the Commission asks whether the UNE determinations it makes in this proceeding should be national in scope.¹⁴ WinStar submits that it is imperative for the Commission to find that the issues discussed in these comments are national in scope and should be addressed nationally.

In addition to imposing a nondiscrimination requirement, the FCC should extend its home run wiring rules to telecommunications carriers. The same problems that previously plagued the cable industry in the MTE marketplace currently plague the CLEC industry. In its *Inside Wiring Report and Order*, the FCC concluded that regulatory intervention was needed to foster the ability

¹⁴ *FNPRM* at ¶¶ 13-14

of a subscriber who lives in a MTE to choose among competing service providers.¹⁵ The FCC found that “one of the primary competitive problems in [MTEs] is the difficulty for some service providers to obtain access to the property for the purpose of running additional home run wires to subscribers’ units.”¹⁶ The record demonstrated that building owners objected to the installation of multiple home run wires in the hallways of their properties, citing aesthetics, space limitations, the avoidance of disruption and inconvenience, and the potential of property damage.

The FCC also found that building owners’ resistance to the installation of multiple sets of home run wiring in their buildings may deny MTE residents the ability to choose among competing service providers, thereby contravening the purposes of the Communications Act, and particularly Section 624(i), which was intended to promote consumer choice and competition¹⁷ It concluded that the impact was substantial and, therefore, adopted rules to ensure that consumers located in MTEs could have access to competitors. This is exactly the situation faced by consumers living in MTEs who wish to receive service from competitive local exchange carriers. There is no legitimate basis for treating wiring used by CLECs differently. Fortunately, Section 251 of the Act gives the Commission a regulatory tool applicable to CLECs which is not available in the case of the MVPD industry.

¹⁵ *Inside Wiring Report and Order*, 13 FCC Rcd. at ¶ 36.

¹⁶ *Id.* at ¶ 35.

¹⁷ *Id.*

C. Exclusive or Preferred ILEC Contracts Should be Declared Unlawful

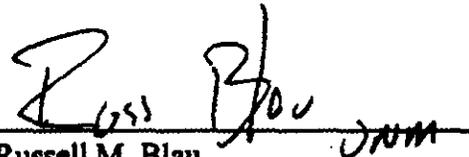
The Commission should prohibit ILECs from restricting access to interior wiring and in-building distribution facilities. The FCC should prohibit "preferred provider" and/or exclusive contracts between building owners and ILECs. Preferred provider and/or exclusive contracts are unlawful and completely contradict the competitive mandate of the 1996 Act and, therefore, in connection with the designation of UNE status for MTE wiring, should be banned. The Commission unquestionably has jurisdiction to adopt rules prohibiting the ILECs from entering into such arrangements -- as the California PUC already has done -- since an exclusive access arrangement would impair competition to provide interstate access services to tenants' premises and could render the UNE designation meaningless.

Exclusive contracts discriminate against other carriers and prevent those carriers from competing to provide interstate access service, while also preventing consumers living or working in MTEs from having a choice. In a blatantly cynical attempt to effectively thwart in-building competition even while extracting monopoly rents, exclusive contracts between ILECs and building owners have been in use since before the 1996 Act was passed, and often contain burdensome penalties for canceling the contract. Moreover, in the post-1996 Act environment, ILECs including BellSouth and U S West have been aggressively using preferred provider and/or exclusive contracts in what can only be described as a highly anti-competitive manner. Carriers, beginning with ILECs, with exclusive contracts to serve an MTE have a captive audience and little or no incentive to provide competitive, advanced services. Exclusive contracts are contrary to the public interest and to the goals of the 1996 Act, and the Commission should expressly declare them unlawful and prohibit ILECs or any other carrier from attempting to enforce any such agreement.

IV. CONCLUSION

The Commission's policy goal, as derived from the 1996 Act, is true end-to-end alternative facilities-based competition. An absolutely critical roadblock to that goal is MTE wiring, or the last 100 feet, one of the remaining vestiges of the old monopoly system. The roadblock has not been, and will not be, removed under the status quo, and time alone will not rectify it. The FCC must act affirmatively to allow for true competition. It required bold actions on the part of the FCC initially to break down many of the barriers as envisioned by Congress in the 1996 Act. This proceeding provides the FCC with an excellent opportunity to finish the job it started and remove this single most critical remaining barrier that stands between the benefits of a truly competitive environment and the American public.

Respectfully submitted,



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May 26, 1999

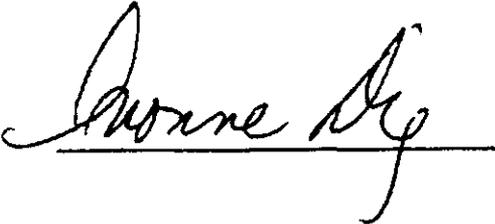
CERTIFICATE OF SERVICE

I, Ivonne J. Diaz, hereby certify that I have on this 26th day of May 1999, served copies of the foregoing Comments of WinStar Communications, Inc. on the following via hand delivery:

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A handwritten signature in cursive script, reading "Ivonne J. Diaz", is written over a horizontal line.

CERTIFICATE OF SERVICE

I, Crystal Rogers-Starkey, do hereby certify that on this 27th day of August 1999, copies of the foregoing Comments of Winstar Communications, Inc. were delivered by hand, unless otherwise indicated, to the following parties:

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