

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

In the Matter of	)	
	)	
Promotion of Competitive Networks	)	WT Docket No. 99-217
in Local Telecommunications Markets	)	
	)	
Public Notice Requesting Comment on	)	
Current State of the Market for Local and	)	DA 01-2751
Advanced Telecommunications Services	)	
In Multitenant Environments	)	
	)	

**VERIZON'S INFORMATION SUBMISSION**<sup>1</sup>

In its comments filed just over one year ago, Verizon urged the Commission to bar service providers from entering into exclusive *access* arrangements within both commercial and residential multi-tenant buildings. Such arrangements constrain competition and reduce the services available to tenants. Unlike exclusive access arrangements, exclusive or preferential *marketing* arrangements entered into between a service provider and the landlord are pro-competitive. Such arrangements afford customers information on another source of telecommunications services and products. They also create additional sales outlets, without any reduction in the many outlets for telecommunications service information customers already have. Moreover, restricting the landlord's ability to disseminate the advertising of a single

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<sup>1</sup> The Verizon companies ("Verizon") participating in this filing are the affiliates of Verizon Communications Inc. that are identified in the attached list.

carrier constitutes an unconstitutional restriction on commercial speech. *See* Comments of Verizon (filed Jan. 22, 2001).

Nothing in the intervening year has changed the environment or has eliminated the need for the Commission to bar exclusive access arrangements. During that period, Verizon has completed its acquisition of OnePoint Communications Corporation, which has been renamed Verizon Avenue Corp. Therefore, Verizon has direct experience as a separate competing entity providing common carrier services to tenants within residential multi-tenant buildings.<sup>2</sup> It continues to seek to enter into sales agency arrangements through which tenants may conveniently subscribe to telecommunications and information services through the landlord. Competitors to Verizon Avenue continue to have all of their traditional methods of publicizing their own services, including broadcast media, newspapers, direct mail, and telemarketing. Verizon Avenue does not attempt in any way to restrict any other provider's ability to provide services within the building. In this way, Verizon Avenue is simply an additional provider of services, using a non-traditional means of publicizing its services – the landlord as sales agent.

Of the questions asked in the Public Notice, Verizon has information only on numbers 1 and 5:

Question 1: *The number of MTEs [multi-tenant environments] to which competitive local exchange carriers (LECs) have requested access, along with information regarding the characteristics of those MTEs (e.g., number of units; types of use, including commercial, residential, and mixed use MTEs; urban vs. suburban).*

During 2001, Verizon Avenue sought access under contractual arrangements with landlords within over 800 multi-tenant properties. Typically, those properties are residential buildings with over 200 dwelling units in urban markets. The majority of the properties are within the

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<sup>2</sup> Verizon Avenue does not market its services within commercial multi-tenant buildings.

Verizon local telephone footprint, where Verizon Avenue is acting as an agent for the Verizon incumbent telephone company. The remainder are in areas served by other incumbents where Verizon Avenue is a competing carrier.

*Question 5: The average length of time from an initial request for MTE access until the successful conclusion of contract negotiations, along with information regarding how often, by how much, and for what reasons this varies.*

Negotiations between Verizon Avenue and landlords typically take between two and six months to complete. The resulting agreements typically provide both marketing arrangements and non-exclusive physical access to the properties. Among the reasons for the disparity in the time needed to complete the negotiations are:

1. The owner situation. New construction will generally take longer to negotiate than will an agreement replacing a prior relationship with another service provider.
2. The availability of alternatives. A landlord will generally take longer to make a decision on a contract when weighing competing sales agency bids.
3. Nature of landlord. It will generally take longer to finalize an arrangement with a national company with multiple levels of approval than with a smaller local company with fewer approval levels. Also, an experienced landlord will often be able to close a deal more quickly than one who has little experience in these types of arrangements.

4. Nature of the agreement. The more complex the arrangement and the more services involved the longer the negotiation process.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lawrence W. Katz", written over a horizontal line.

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March 8, 2002

THE VERIZON TELEPHONE COMPANIES

The Verizon companies participating in this filing are the following affiliates of Verizon Communications Inc.:

Contel of the South, Inc. d/b/a Verizon Mid-States  
GTE Midwest Incorporated d/b/a Verizon Midwest  
GTE Southwest Incorporated d/b/a Verizon Southwest  
The Micronesian Telecommunications Corporation  
Verizon Avenue Corp.  
Verizon California Inc.  
Verizon Delaware Inc.  
Verizon Florida Inc.  
Verizon Hawaii Inc.  
Verizon Maryland Inc.  
Verizon New England Inc.  
Verizon New Jersey Inc.  
Verizon New York Inc.  
Verizon North Inc.  
Verizon Northwest Inc.  
Verizon Pennsylvania Inc.  
Verizon South Inc.  
Verizon Virginia Inc.  
Verizon Washington, DC Inc.  
Verizon West Coast Inc.  
Verizon West Virginia Inc.