



SOME INACCURATE CRITICISMS OF BCPM

- **BCPM Does Not Compute Costs for Unbundled Network Elements.**
 - **FACT: BCPM Computes Costs for ALL Network Elements**
 - **FACT: BCPM Reporting Module can be programmed to display UNE Costs.**
- **BCPM Does Not Use Geocoded Locations.**
 - **FACT: BCPM Uses Geocoded Locations for Roads.**
 - **FACT: BCPM Uses Publicly Available Customer Location Data at the Census Block Level to Place Customers Along Roads Within “Grid-Cells”. Customers Live Along Roads.**
 - **FACT: BCPM Methodology Is Many Times More Granular and Accurate Than the Hatfield Methodology.**
- **BCPM Uses Proprietary Data From the SCIS Model.**
 - **FACT: BCPM Does Not Include Any Portion of SCIS.**
 - **FACT: All Switching Cost Inputs Are Adjustable by the User.**
 - **FACT: While SCIS Was Used in the Development of the Default Values Used by the BCPM Sponsors, Any Other Source (e.g., Dr. Gable’s Study) Can Be Used As Input.**
- **BCPM does not accurately estimate lines per serving area.**
 - **FACT: BCPM is designed to use actual line counts obtained from LECs to build appropriate network, consistent with the May 8th Order.**



CONCLUSIONS

- Hatfield 5.0 Fails to Meet Many of the FCC Criteria for Proxy Models, and Congressional Criteria for Network Design.
- BCPM More Accurately Locates Customers and Designs a Superior Least-Cost Forward-Looking Network.
- The FCC Should Select BCPM as the Model Platform for the Next Phase of its Inquiry Regarding Data Inputs.



CRITERIA FROM THE 1996 ACT

1996 ACT CRITERIA	BCPM3	HATFIELD 5.0
<p>Sec. 254(b)(1) Quality services should be available at just, reasonable and affordable rates.</p>	<p>YES</p>	<ul style="list-style-type: none"> • Builds only to current customers, and ignores need to serve new customers. • Sub-standard network design for voice and data services.
<p>Sec. 254(b)(2) Access to advanced telecommunications and information services should be provided in all regions of the Nation.</p>	<p>YES</p>	<ul style="list-style-type: none"> • Not capable of delivering 28.8 bps modem service and other advanced services to all customers.
<p>Sec. 254(b)(3) Consumers in all regions of the Nation should have access to services that are reasonably comparable to those provided in urban areas, at reasonably comparable rates.</p>	<p>YES</p>	<ul style="list-style-type: none"> • Remote rural customers will not have comparable service due to non-standard network design.
<p>Sec. 254(b)(5) There should be specific, predictable and sufficient mechanisms to preserve and advance universal service.</p>	<p>YES</p>	<ul style="list-style-type: none"> • Unrealistic "structure sharing" assumptions will result in insufficient funding in high-cost rural areas.

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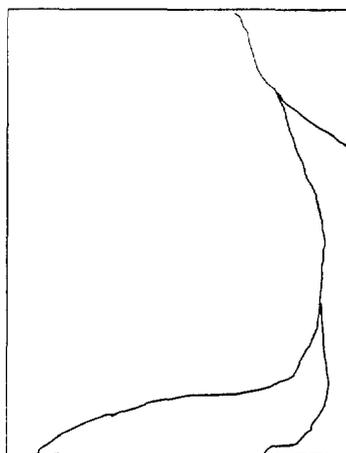
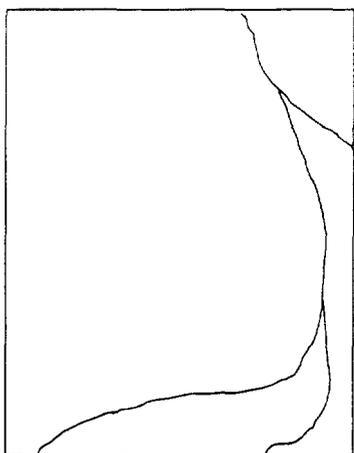
THE FCC'S MODEL CRITERIA

FCC CRITERIA	BCPM3	HATFIELD 5.0
1. The technology must be least cost, most efficient and should not impede the provision of advanced services.	YES	<ul style="list-style-type: none"> • Not capable of providing 28.8 bps modem speeds. • Not consistent with generally accepted network design standards.
2. All network functions must have an associated cost.	YES	YES
3. Only long-run forward-looking costs may be included.	YES	YES
4. Rate of return must be current FCC or State prescribed.	YES (To be further developed in Phase II)	YES (To be further developed in Phase II)
5. Depreciation rates must be within FCC-authorized range.	YES (To be further developed in Phase II)	YES (To be further developed in Phase II)
6. Must include cost of serving all businesses and households.	YES	YES
7. Reasonable allocation of joint and common costs.	YES (To be further developed in Phase II)	YES (To be further developed in Phase II)
8. The model and all underlying data, formulae, computations and software must be available to all interested parties. All data must be verifiable, engineering assumptions reasonable, and outputs plausible	YES	<ul style="list-style-type: none"> • METROMAIL data is proprietary. • Algorithm for converting METROMAIL data to geocoded points is proprietary. • Network engineering not standard. • Shifts more funds to densely populated areas.
9. Must be able to modify critical assumptions and engineering principles.	YES	YES
10. Must deaverage support to the wire center, and if possible, to the CBG, CB or grid cell.	YES	<ul style="list-style-type: none"> • Support only stated at wire center and density zone levels.

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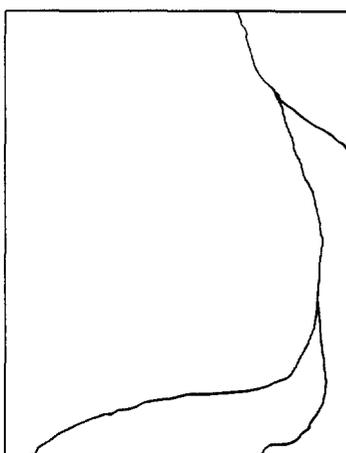
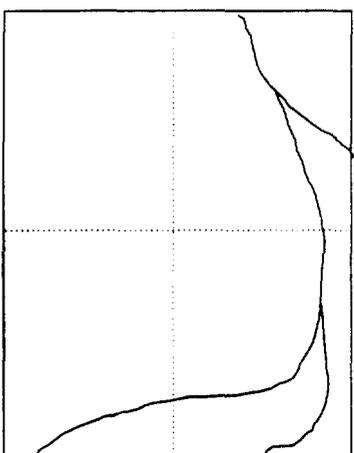
BCPM 3 Grid

Hatfield 5.0 Cluster



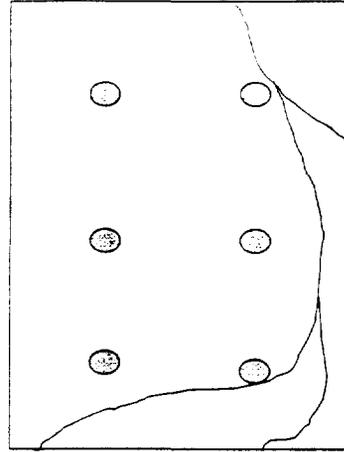
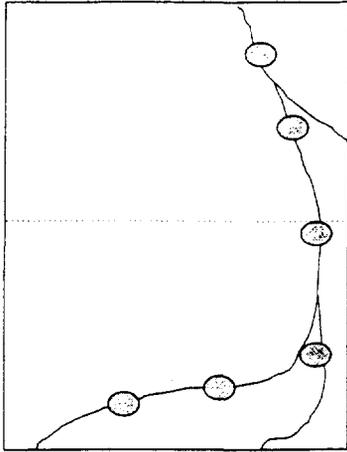
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Hatfield 5.0 Cluster



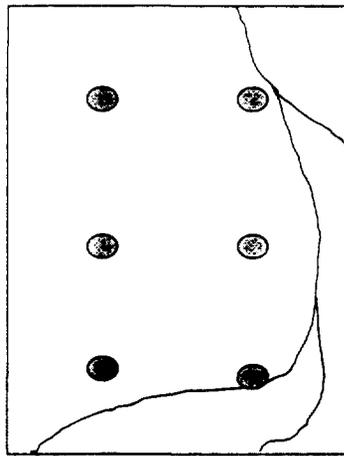
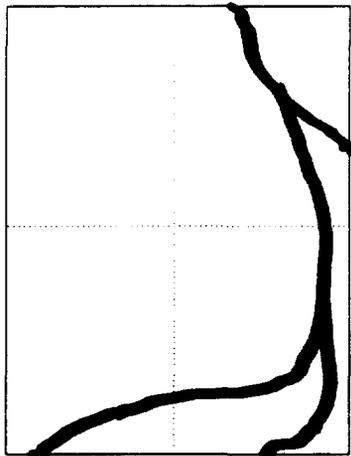
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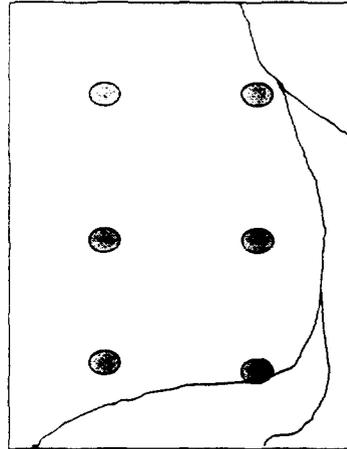
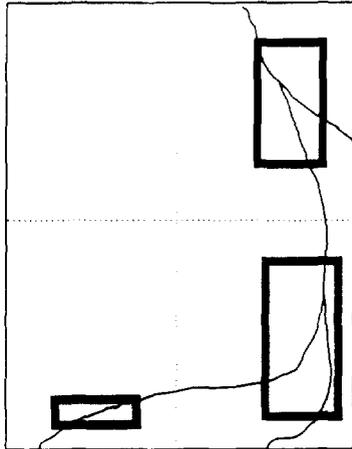
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