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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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

Petition of Bell Atlantic Corporation for Relief from Barriers to Deployment of Advanced Telecommunications Services	))))	CC Docket No. 98-11

MOTION FOR EXTENSION OF TIME

The Commercial Internet eXchange Association ("CIX"), by its attorneys, files this Motion for an extension of time of the March 2, 1998 comment deadline on the "Petition of Bell Atlantic." As the country's largest trade association for Internet Service Providers, CIX plans to participate actively in this proceeding. CIX asks that the Commission extend the deadline until April 1, 1998 or, in the alternative, until 30 days after public notice of the US West and Ameritech Petitions, with replies due 30 days after the new comment filing date.

CIX respectfully submits that grant of this Motion would serve the public interest. The Petition of Bell Atlantic requests that the Commission decide several significant issues of first impression, including the scope of the Commission's regulatory forbearance authority, the proper implementation of Section 706 of the Telecommunications Act of 1996, and the Bell Companies' entry into the interLATA services markets prior to Section 271 approval. While the Commission commenced a pleading cycle in this proceeding on January 30, CIX respectfully submits that the additional time requested would generate more considered responses from a broader range of the public to the many complex issues raised.

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Moreover, as reported recently by the New York Times and the Wall Street Journal (attached hereto as Exhibit 1), US West and Ameritech each intend to petition the Commission for relief similar to that requested in the Petition of Bell Atlantic. CIX believes that an extension of time, with the opportunity to consolidate comments on all the petitions, would better permit commenters and the Commission to respond to the Bell Companies' regulatory relief petitions in a comprehensive and effective manner. An extension of time would also permit interested parties to assess whether the petitions of Ameritech and US West raise additional facts or legal issues germane to the matters raised by the Petition of Bell Atlantic. We also note that just last week the Alliance for Public Technology requested for the Commission to broadly implement Section 706(b) of the Act.[1] While CIX has not yet had an opportunity to thoroughly consider the APT Petition, it further underscores the need for a comprehensive and thorough public debate on these critical advanced telecommunications issues.

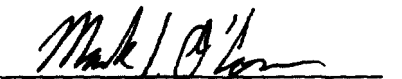
Finally, of significant importance to the further "deployment . . . of advanced telecommunications capability" and to "competition in the telecommunications market" (47 U.S.C. § 706(a)), additional time would allow for the consideration of Petition of Bell Atlantic in the context of broader industry developments. The recently announced alliance for the deployment of xDSL technologies between the largest personal computer companies and incumbent local exchange companies, including Bell Atlantic and the other Bell Companies, raise concern of the ramifications that the relief requested would have on the Internet market. See Exhibit 2. Thus, because the Petition of Bell Atlantic must be considered in light of these significant recent developments in the computer and

1 "Petition of Alliance for Public Technology" (filed Feb. 18, 1998).

Internet marketplaces, additional time would ensure more well-reasoned public input on these critical Internet policy and regulatory decisions.

Respectfully submitted,

COMMERCIAL INTERNET EXCHANGE ASSOCIATION



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February 23, 1998

EXHIBIT 1

Bells Seek Advanced Data Networks, As Entry Into Long-Distance Business

By STEPHANIE N. MEHTA
Staff Reporter of THE WALL STREET JOURNAL

The Baby Bells are trying a new route into the long-distance communications business they have long coveted: advanced data networks.

Some Bells are planning sophisticated data networks based on Internet Protocol, or IP, technology that would haul computer data at high speeds over long distances. And some of the giant regional phone companies have asked the Federal Communications Commission for special permission to transmit the long-distance data traffic in their vast home regions.

The gambit is intriguing. The Bells can't offer long-distance service until the federal agency concludes that they have opened their local markets sufficiently to competitors, and the new data networks could give them a back door into the long-distance business. Eventually such IP networks—using fiber-optic lines, data-packet switches, software and routers—could carry a tremendous amount of phone calls as well as data.

Corporate Filings

Last month, **Bell Atlantic** Corp., New York, asked the FCC for permission to carry long-distance data traffic over an internet backbone that it hopes to build in its region, citing a little-known section of the Telecommunications Act of 1996 that requires the FCC to take steps to speed the development of high-speed data services. In its filing, the carrier said long-distance restrictions impeded its "expansion and offering of high-speed, packet-switched data services, including Internet services."

U S West Communications Inc., Denver, and **Ameritech** Corp., Chicago, yesterday said they also plan to file similar petitions with federal regulators. The other Bells, **BellSouth** Corp., Atlanta, and **SBC Communications** Inc., San Antonio, haven't disclosed plans to seek special long-distance relief for data transmission.

Circumventing Requirements

The Bells insist that they aren't trying surreptitiously to get into the voice long-distance business. "It is conceivable that there will be incidental voice usage," concedes Edward D. Young III, Bell Atlantic's associate general counsel. But he added, "this is not a Trojan horse for circumventing the requirements of Section 271," the part of the telecom act that requires the Bells to open their local networks to competition before entering the long-distance business.

But analysts say the maneuver would do just that, especially if, as expected, consumers embrace the notion of making calls via the less-expensive Internet.

"The Bells certainly are pushing the envelope," said Sanjay Mewada, a senior analyst with the Yankee Group in Boston. "If data services can be offered on a long-distance basis, and you start 'packetizing' voice, ostensibly it's still a data call."

Still, getting regulatory relief for even the data portion of their businesses may prove to be more important in the long run for the Bells, which must upgrade services to businesses in their regions as well as to consumer customers. Local-carrier revenue from data traffic is expected to surpass voice-traffic revenue in the year 2011, according to Yankee Group research.

Rationale for Request

U S West, for example, said it needs to be able to carry long-distance data traffic in its 14-state region in order to assemble a low-cost, broadband data network for residential consumers. The Bell company now must hand a data "call" that originates in one of its states to a third-party carrier, which carries the traffic to its termination point, even if the call ends in another U S West state. By eliminating such middlemen, it can reduce costs.

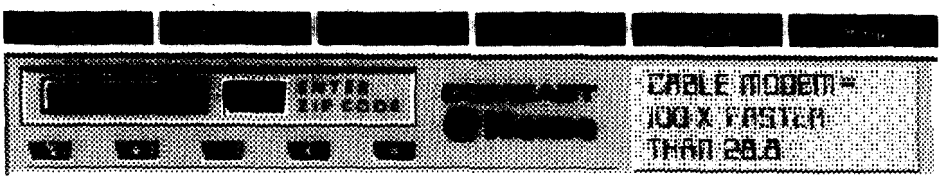
If the Bells win permission to carry data service throughout their home territories, it could spell trouble for long-distance giant **AT&T** Corp. That's because the Bells will go after AT&T's prized residential base with low-cost Internet access. They'll also go after small and midsize businesses, which might be inclined to purchase, say, a regional calling and data-services package.

It is unclear whether the FCC will grant the Bells data-only relief. "I want all telecommunications companies to have incentives to compete to bring new services to consumers," Chairman William Kennard said in a statement. "I am committed to exploring all suggestions on how to maximize investment and competition for these services."

But some industry executives said the Bells' petitions aren't likely to win approval. Scott Cleland, a telecommunications policy analyst with Legg Mason Wood Walker in Washington, noted the FCC is torn between encouraging the development of new and bigger data networks and "keeping the Bells' feet to the fire on opening up their local networks."

CyberTimes

The New York Times ON THE WEB



February 18, 1998

US West Seeks to Build Big Data Network

By SETH SCHIESEL

US West Communications Group plans to ask federal regulators for permission to build a big new data network, executives close to the company said Tuesday, joining a new attack on rules that keep the Bell local telephone companies out of the $80 billion long-distance market.

US West, which provides local telephone service in 14 western states, intends to file such a petition with the Federal Communications Commission within a week, the executives said.

Also Tuesday, the company announced agreements with six major computer and software developers and with a company that is building a new national fiber-optic network. Those deals, reinforcing the importance of data traffic to US West's prospects, are all aimed at helping it become a major provider of data communications services.

US West's petition with the FCC would come on the heels of a similar filing late last month by Bell Atlantic Corp. Federal law says no regional Bell may offer long-distance service -- voice or data -- in its region until it passes a special review by the FCC of whether the company has sufficiently opened up its local network to competition. No Bell has yet passed that test.

But the law also directs the commission to encourage the deployment of new technologies. Bell Atlantic relied on that provision when it asked the commission to allow it to build a high-speed data network throughout its region without having to pass the review. The FCC has not ruled on the request.

Now US West appears poised to make a similar proposal. Trying to offer long-distance data service would appear to fit well with US West's overall growth strategy. The company expects its data operation to exceed $2 billion in revenue within three years, up from about $320 million last year.

The company is allowed to sell data services within its traditional region, but it must hand off that digital traffic for transmission around the country to long-distance carriers such as Sprint Corp. Outside their traditional regions, the Bells may sell and transport voice and data services essentially without

restriction.

Moving to take advantage of that opportunity, the company announced an agreement with the Qwest Communications unit of Anschutz Corp. that is meant to give US West fiber-optic links to 25 cities. Qwest is building a national fiber-optic network. US West also said it had made deals with Digital Equipment, Hewlett-Packard, Microsoft, Novell, Oracle and Sun Microsystems to allow those companies to package their products with US West's data offerings.

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EXHIBIT 2

CyberTimes

The New York Times ON THE WEB

January 27, 1998

Internet Access Standard Approved

By THE ASSOCIATED PRESS

NEW YORK — Members of the Universal ADSL Working Group officially announced Monday a new way to send data over the Internet into consumers' homes, greatly increasing the speeds at which they might browse the World Wide Web.

Members of the group — which include Microsoft Corp., Intel, Compaq, Ameritech, Bell Atlantic, BellSouth, GTE, SBC Communications, Sprint and U S West — expect wide deployment of the technology by the end of 1999.

The group aims not only to accelerate the Web, but also to speed up acceptance of ADSL in households. Under the group's proposal, installation would be no more complicated than current phone installation and would cost about $45 a month.

ADSL, or asymmetric digital subscriber line, is a technology that uses existing phone lines for high-speed Internet access up to 30 times faster than today's modems. A new modem would be required, and telephone companies would need to install new equipment, but consumers would be able to transmit the complete works of Shakespeare in five seconds, watch movies online or download software in a blink.

Related Article
Three Giants of PC World Turn Focus to Speed
(January 26, 1998)

Once the service is installed, consumers would never need to dial their Internet service provider again; ADSL is "always on." Also, people can talk on the phone and surf the Web at the same time on the same line.

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- The ADSL Forum

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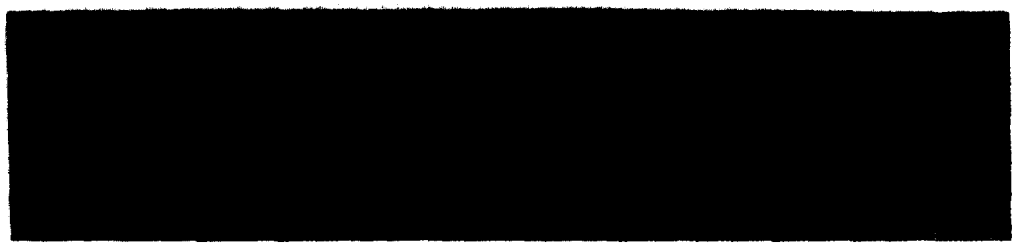

ADSL Forum Members

February 10, 1998

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CyberTimes

The New York Times ON THE WEB

January 26, 1998

Three Giants of PC World Turn Focus to Speed

By SETH SCHIESEL

On the first Monday of last month, Compaq, Intel and Microsoft summoned representatives of the nation's largest local telephone companies to a hotel in San Francisco.

There, the three giants of personal computing told the telephone carriers that unless they joined the companies' new consortium for providing faster links to the Internet over normal phone lines, they would be left in the tracks of the **digital** revolution, according to executives at the meeting.

Perhaps the most revealing element of the emerging high-speed Internet coalition is how desperate most of its members have been to join it.

The meeting was the technology companies' effort to insure that they would control access to the newest avenue to fast connections to the Internet. Their aim was to enlist allies in what is expected to be a long and bloody war of attrition between two technologies in their infancies -- cable modems and **digital subscriber** lines.

This struggle -- akin to the mid-20th century war between railroads and highways for control of the long-haul freight market -- will determine which technology brings the World Wide Web, or **digital** movies or any other informational freight, into people's homes.

But for the telephone companies to compete with the existing, and spreading, cable modem technology, they would have to agree on technical standards. That was what Compaq, Intel and Microsoft wanted them to agree to do in that early December meeting.

All but one of the phone companies signed on, and that one, Bell Atlantic, is expected to join in the near future.

Perhaps the most revealing element of the emerging high-speed Internet coalition is how desperate most of its members have been to join it. The gravitational force and hardball negotiating tactics of the group's three principals have only exacerbated those familiar business pressures: greed and fear.

By the time the new coalition is officially announced Monday afternoon, it will include dozens of technology companies of almost every size. Many of them will have joined the bandwagon only in the last few weeks.

That is a far cry from the situation late last summer, when Compaq, the world's largest maker of personal computers; Intel, the world's largest maker of microprocessors, and Microsoft, the world's largest maker of PC software, decided that today's modems were too slow and that they would band together to do something about it to guarantee a viable competitor to cable modems.

But there are some problems unique to telephone-based connection to the Internet. The Federal Communications Commission does not limit how fast data moves over telephone lines, but it does regulate how much electrical power may be fed into those lines. Surpassing the current limit, which keeps most modems from operating faster than 52,000 bits a second, is one of the many technical hurdles the consortium must overcome.

At the moment, about 100,000 households, less than 1 percent of Internet users, are hooked up to cable modems. A few thousand are hooked up to the new **digital subscriber** lines, the technology whose development the consortium wants to shape and accelerate. The remainder of those connected to the Internet at home -- about 15 million -- have connections through phone lines at speeds averaging perhaps 28,800 bits a second, about 1 percent of the speed of the other technologies.

The technology companies' need to increase that speed is directly tied to their need to expand their markets.

One of the main strategic questions computer companies face is how to persuade people who already own computers to buy new ones. That was easier when a computer's main function was to process data. Programs became more complicated and needed more powerful -- and expensive -- machines; computers needed to be replaced or upgraded to run the newest programs.

But the most important function most computers now perform is to communicate with other machines. And as long as the speed of connections to the Internet remains constant, people have less of a reason to buy new machines than they would if the links became faster.

Essentially, Compaq, Intel and Microsoft want the computers to be able to talk faster. In the short run, users will be encouraged to buy faster computers. In the long run, the companies will also determine how the computers talk to one another, giving them control over standards that in turn could give them significant leverage over future markets.

The new technology, which could allow consumers to link to the Internet up to 30 times faster than they can now, is known as **digital subscriber line**. Compaq in particular had been discussing **subscriber line** with other big technology companies at least since the summer of 1996. But the three did not come together as a group until last summer.

Related Article
3 Computer Giants Join Phone Companies To Connect to Internet at Warp Speed
(January 20, 1998)

They staged their first big "cattle call" in September at the Networld conference in Atlanta, executives involved with the coalition said. The three invited dozens of companies to present their versions of **subscriber-line** technology.

The computer companies' chief concern was that average consumers be able to use the new technology without requiring the installation of special equipment by trained technicians. An earlier high-speed protocol, known as ISDN, has floundered in part because it requires local telephone companies to dispatch an engineer to each place where it is to be used. The companies were adamant that everyday computer users be able to buy a **subscriber-line** modem and plug it in just as easily as they install existing modems.

The computer companies' concern with **subscriber line** came at an ideal time for the nation's big local telephone companies.

The regional Bells and large independent local phone companies like GTE Corp. have been experimenting with **subscriber line** at least since the late 1980s. But they had not deployed it widely for at least four reasons: They had no pressing reason to make the investment; there was no agreement on standards; there was little sense of cooperation from computer manufacturers, and perhaps most important, there was little confidence that the technology could be deployed quickly and easily enough to meet consumer demand and avoid a catastrophic backlog of orders.

With the emergence of the Compaq-Intel-Microsoft alliance, all four conditions were changed.

For the last few years, cable television companies have been saying that their networks are going to pave the information highway of the future, posing a direct threat to local telephone companies.

The new group was promising to standardize the technology and fully cooperate with the telephone companies. And perhaps most important, the computer companies said they would take responsibility for most marketing and retail distribution.

The phone companies would still have to spend up to $1,000 a **line** upgrading their equipment to handle the faster flow of data. But with retail prices for the service expected to be at least $40 a month, those costs could be recovered fairly quickly.

U S West was an early convert, having already deployed **subscriber-line**

technology in the Phoenix area earlier that year. Bell Atlantic was the only holdout, having made a bet on a rival **subscriber-line** technology. However, that company will probably join the group soon.

Negotiations have been more difficult on the hardware side of the coalition. Although it appears that some of the main technology for the group will come from Alcatel of France and Aware Inc., many other companies had to be given a role for fear that they would turn their market power against the group.

Lucent Technologies Inc., for instance, will play a big part, not least because of the simple fact that its equipment is in about 70 percent of the local switching offices in the United States.

The group wanted to announce its existence last month, according to executives who deal with it, but delayed to help insure that disagreements -- especially over patents -- would be dealt with inside the coalition rather than in courtrooms.

Besides the cable television operators, the most important company that could suffer because of the coalition is 3Com Corp., which will surely be part of the group. But 3Com's U.S. Robotics unit is a leading maker of modems, and Compaq and Intel are looking to make much of the **subscriber-line** equipment.

Many of the other companies that will be a part of the coalition will have jumped in for a simple reason. As one data networking executive said, "If you are going to have three enemies, they really shouldn't be Microsoft, Intel and Compaq."

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VENTURE PROMISES FAR FASTER SPEEDS FOR INTERNET DATA

HOME USERS WILL BENEFIT

New York Times, 1/20/98 @ A1

3 Giants of Computer Industry Are Teaming Up With Most Local Phone Companies

By SETH SCHIESEL

Three titans of the personal computer industry have joined with most of the nation's largest local telephone companies to enable consumers to receive Internet data over regular telephone lines at speeds much higher than are currently possible, according to executives involved with the alliance.

The Compaq Computer Corporation, the Intel Corporation and the Microsoft Corporation intend to announce the venture next week at a communications conference in Washington, the executives said.

The formation of the new group is one of the most significant early moves in what promises to be a years-long battle between telephone companies and cable television companies for control of how consumers get high-speed access to the Internet.

The executives said the three companies, which set much of the industry agenda, have teamed up with the GTE Corporation and with four of the five Bell companies to set technical standards for the next generation of access to cyberspace.

The group wants to have modems and software based on the new standards on store shelves by Christmas, the executives said. If the group succeeds in popularizing the technology, consumers could get data like World Wide Web pages from the Internet and other advanced services at speeds up to 30 times as fast as today's fastest modems deliver. Pages that now take minutes to view would appear on a computer's screen almost instantly.

The products envisioned by the consortium would essentially be new modems, either installed inside a computer or sitting alongside one. Most important, perhaps, they would plug into normal telephone lines but would remain connected to the outside world at all times without the need to dial a service and without interfering with normal voice conversations over the same line.

Such lightning-quick access to cyberspace has traditionally been possible only in offices or over cable modems, which are available in few parts of the United States. Giving home users such a fast on-ramp to the information highway could open the door to new sorts of services, including video over the Internet that approached television quality.

"Once you get this stuff, you will

Venture by 3 Computer Giants Promises Faster Internet Data Speed

Continued From Page A1

sell your first-born before you go back to a normal modem," said Howard Anderson, managing director of the Yankee Group, a technology consulting firm in Boston. "It's such a better service."

The technology embraced by the consortium, known as digital subscriber line, or D.S.L., has been under development in the telecommunications industry for years but has been held back by a lack of agreement on technical standards.

The Bell Atlantic Corporation, which serves local telephone customers from Virginia to Maine, is the one regional Bell that has shied away from the new Compaq-Intel-Microsoft consortium. People close to the talks between the company and the consortium said that Bell Atlantic was leaning toward a different sort of D.S.L. But the company has left the door open to join the group.

The consortium is strongly influenced by its founding partners, said executives who have dealt with it. Compaq is the world's largest maker of personal computers; Intel is the largest maker of microprocessors, the brains of personal computers; Microsoft is the largest maker of operating systems, the software that acts as the central nervous system of personal computers.

As computer users have become more sophisticated and as the Internet has become loaded with data-heavy graphics, traditional modems, the devices that enable computers to communicate over telephone lines, have not kept pace.

The result is often long delays while users wait for information to be received from the network. The cable television industry is pinning some of its hopes for growth on cable modems, which allow users access to the Internet using the cable network.

But only about 100,000 people have signed up for cable modems so far, according to analysts, and the service is available to only about 10 percent of the nation's homes.

People with a need for speed on line today can often order high-speed data lines from their local telephone company. But many of those options, like the lines known as I.S.D.N. connections, can be cumbersome and expensive and require installation by a telephone company technician.

Microsoft has been particularly expert at playing on both sides of the cable-telephone fence. Last year Microsoft invested $1 billion in the Comcast Corporation, the No. 4 cable company and a part-owner of At Home, a new company that provides Internet access over cable lines.

For many years engineers believed that the copper wires that carry voice conversations could not compete with dedicated data networks in the ability to transmit large amounts of digital information.

But recent advances in electrical engineering have challenged that assumption. Some engineers today think that standard copper telephone wires can carry as many as eight million bits of information a second, though the consortium is initially developing standards for modems that can carry only 1.5 million bits a second. A bit is the smallest amount of information a computer can process, either a zero or a one. Today's fastest standard modems are rated at 56,000 bits a second but are actually limited to transmitting 52,000 bits a second.

There are dozens of companies developing D.S.L. products, though few follow the same standards. The consortium is relying in part on technology developed by a small Massachusetts company, Aware Inc., though the group has not finished its technical protocols.

Several local telephone companies have already deployed D.S.L. in limited areas around the country. U S West, for instance, introduced D.S.L. in the Phoenix area last October. The service there requires an installation fee of about $200 and a monthly subscriber fee of at least $40.

That is about the same price as an At Home connection through Comcast in New Jersey, although cable modems can deliver speeds higher than 1.5 million bits a second.

Today's fastest modems cost about $150, while access to the Internet typically costs $20 a month.

The D.S.L. market has already attracted the attention of big makers of communications gear. Yesterday Lucent Technologies Inc., the former equipment arm of the AT&T Corporation, announced a D.S.L. product. It is unclear whether Lucent is a member of the consortium.

Lucent declined to comment, as did Compaq, Microsoft, Ameritech, Bell Atlantic, BellSouth, GTE, SBC Communications, U S West and Aware. Matt Wolfrom, a spokesman for At Home, predicted that D.S.L. would not succeed. Tom Waldrop, an Intel spokesman, said his company sought open D.S.L. standards.

For their part, Internet consumers can be comfortable that they are in the middle of a high-stakes battle between two big communications industries, one that controls telephones, the other that controls televisions.

"The real target of this is the cable modems," Mr. Anderson said. "Now the consumer has a viable choice."

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

Petition of Bell Atlantic Corporation for Relief from Barriers to Deployment of Advanced Telecommunications Services	))))	CC Docket No. 98-11

CERTIFICATE OF SERVICE

I, Mark J. O'Connor, hereby certify that a copy of the foregoing "Motion for Extension of Time" was sent this day via facsimile and U.S. first-class mail, postage pre-paid, to:

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February 23, 1998