

The Commission thus has the authority and responsibility to issue rules implementing these statutory requirements in the context of advanced services, and the rules it adopts are binding both on State Commissions arbitrating interconnection agreements and on federal courts reviewing State arbitration decisions.⁸² The Commission also has the same enforcement authority for those rules as for other rules it issues under Section 251, including the duty to determine whether BOCs have complied with those rules when it adjudicates applications under Section 271 and decides whether the "competitive checklist" has been satisfied.

The Commission's authority in this area is further confirmed by the Eighth Circuit's decisions in Iowa Utilities Board v. FCC, 120 F.3d 753 (8th Cir. 1997), and Southwestern Bell Tel Co. v. FCC, No. 97-3389 (8th Cir. Aug. 10, 1998). In Iowa Utilities Board, while the Eighth Circuit vacated the Commission's pricing rules, it upheld the Commission's authority to issue rules relating to the other statutory obligations generally at issue with respect to advanced services. Thus, for example, although the incumbent LECs had asked the Eighth Circuit "to vacate the FCC's entire First Report and

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State Commissions, but instead directs State Commissions, like this Commission, to use their existing authority to achieve that statutory goal.

⁸² See 47 U.S.C. § 252(c)(1) ("[i]n resolving by arbitration . . . any open issues . . . a State commission shall (1) ensure that such resolution and conditions meet the requirements of Section 251, including the regulations prescribed by the Commission pursuant to section 251. . . ") (emphasis added); 47 U.S.C. § 252(e)(6) (providing for federal court review of state commission decisions for compliance with the Act, including Section 252(c)(1)).

Order,"⁸³ the Court instead expressly noted that it was "uphold[ing] all of the Commission's unbundling regulations" except for the specific ones it vacated as substantively contrary to the Act,⁸⁴ -- thus upholding, for example, the regulations defining network elements,⁸⁵ regulations requiring LECs to provide nondiscriminatory access to those network elements at any technically feasible point,⁸⁶ and the regulations governing collocation for access to network elements,⁸⁷ without so much as questioning the Commission's authority to issue them.⁸⁸ The Court further affirmed the Commission's authority to "define[]" the overall scope of the incumbent LECs' resale obligation."⁸⁹ No tenable argument could therefore be made that the adoption of the types of rules proposed in the companion NPRM, for example, is not within the Commission's statutory authority.⁹⁰

⁸³ 120 F.3d at 819.

⁸⁴ Id., at 818 n.38.

⁸⁵ See, e.g., 47 C.F.R. § 51.319.

⁸⁶ See, e.g., 47 C.F.R. §§ 51.307, 51.311(a,b,d,e), 51.313.

⁸⁷ See, e.g., 47 C.F.R. §§ 51.321, 51.323.

⁸⁸ See also Southwestern Bell v. FCC, slip op. at 18 ("it is within the authority of the FCC to determine which of these network elements -- the facilities, the functions, or both -- incumbent LECs must make available . . .").

⁸⁹ Iowa Utilities Board, 120 F.3d at 819.

⁹⁰ As the Commission is well aware, the Eighth Circuit's jurisdictional holdings are presently before the Supreme Court, which will resolve the claims of the Commission, AT&T, and other parties who contend that the Eighth Circuit improperly narrowed the Commission's jurisdiction in areas such as pricing.

This does not mean, of course, that States are without authority or a crucial role of their own. The Act permits States to impose "additional . . . requirements" on telecommunications carriers that are "necessary to further competition in the provision of telephone exchange service or exchange access, as long as the State's requirements are not inconsistent with this part of the Commission's regulations to implement this part."⁹¹ Section 706 directs State Commissions to consider how they may use this authority to promote further deployment of advanced telecommunications service. But as the Local Competition Order found (§§ 53-62), it remains essential for this Commission to establish national regulations to establish a uniform, pro-competitive set of rules implementing the core obligations of the Act.

In that regard, the ILECs -- both in the forbearance petitions which the Commission has denied, as well as in their broader public relations campaigns -- have repeatedly argued that they should be regarded not as incumbent monopolists but instead as new entrants to an "advanced telecommunications market." That claim simply blinks reality. The only means by which the vast majority of American telephone customers can reach ISPs today, and by which ISPs can offer services to their customers, is via the ILECs' twisted pair copper loops. Far from posing an alternative to this bottleneck resource, xDSL technologies merely offer end users access to upgraded versions of these monopoly facilities -- just like ISDN. It is thus abundantly clear that ILECs are not entering a "new" market through xDSL technologies, but simply increasing the capacity of

⁹¹ 47 U.S.C. § 261(c).

their existing local exchange facilities. Far from being "new entrants," incumbent LECs will possess market power over xDSL services, as they do over other forms of local telecommunications today. This market power is precisely the factor that motivated Congress to impose the obligations of Section 251(c) of the Act.

2. The Commission Should Take Steps To Ensure Competitive Access To Inside Wire

The Commission seeks comment regarding access to the "last hundred feet" of the facilities used to reach a customer in order to provide advanced telecommunications capability, including critical access to customers' inside wire and demarcation points.⁹² The Commission asks whether current laws or regulations provide any basis on which to ensure that customers have choice of providers (as opposed to the building owner), and asks what are the advantages and disadvantages of mandating such access.

There can be no question that enhancing the ability of tenants to choose alternative providers of telecommunications services of all kinds -- not simply advanced telecommunications capabilities -- is manifestly in the public interest. Similarly, giving alternative providers a greater assurance of access to customers in multi-tenant or campus environments will encourage competitors to expand their services and geographic reach to serve these new customers. Accordingly, AT&T sees significant advantages in establishing policies that improve the access rights of individuals or businesses in multi-

⁹² See NOI, ¶ 53.

tenant situations. Nor are there any significant countervailing disadvantages to the creation of such access. Today, many buildings have multiple providers of local telecommunications services, which demonstrates the feasibility of such arrangements. Many tenants, in fact, view the availability of diverse and redundant providers of local telecommunications as an important consideration in selecting a location, particularly for telecommunications-intensive businesses.

While the benefits of diversity of supply are clear, unfortunately there remain impediments in the industry to the free exercise of choice by customers. Some of those impediments are imposed on their competitors by ILECs, by applying unreasonable restrictions on, or refusing to permit the use of, the "last hundred feet" in multi-tenant situations. Such practices can discourage competitive entry, since it may not be practical or economic for a new entrant to install redundant cabling, assuming that a landlord would permit such an installation in the first place. AT&T has experienced firsthand the frustrations and customer dissatisfaction that such ILEC behavior can cause.⁹³

⁹³ Several months ago AT&T's local exchange affiliate Teleport Communications Group ("TCG") won a contract with a developer of a residential high rise to provide services to the tenants. TCG installed lateral cable throughout the building, which was being renovated, and prepared to install services. The day before the landlord's tenants were scheduled to begin to move in, employees of the ILEC formed the telecommunications equivalent of a "soccer wall" around the wire closet in the basement of the building and refused to permit TCG's technicians to have access to the riser cable. Hours of heated telephone conversations and "escalations" to higher and higher levels of the ILEC's management were required before the standoff was resolved and installation could proceed. Meanwhile, TCG's technicians were forced to stand by for hours waiting for the conflict to be resolved before they could resume work, which was

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Other impediments are imposed by landlords and developers themselves. Some landlords simply refuse to give their tenants a choice of local telecommunications suppliers and will not negotiate with competitive local carriers. Other landlords will permit competitors to serve customers in their buildings, but only if the competitors agree to pay the landlord a percentage of the total revenues derived from customers in the building. Other landlords do not insist on a percentage of revenues but impose a fee based on the number of lines used or distance traveled. Most disturbingly, it is AT&T's understanding that the ILEC is rarely if ever asked to agree to the payment of a percentage of its revenues or a fee for the facilities used, giving the ILEC an instant and considerable advantage in competing with the new entrant.⁹⁴

Several states have adopted legislation in the last few years to improve the ability of customers and competitors in multi-tenant situations to obtain access to inside wire and rights of way.⁹⁵ While these state efforts are praiseworthy, they are as yet very

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not completed until a few hours before the tenants were to move in, creating unnecessary anxiety for the landlord.

⁹⁴ For example, a number of real estate operators, including many national real estate investment trusts, are currently circulating standard contractual terms governing use of "Cable Distribution Systems" in their buildings, and proposing to apply fees for the use of the wiring in the buildings. These standard contracts specifically state that these fees are only applied to "competitive providers" and not the ILEC.

⁹⁵ See Conn. Gen. Stat. Sec. 16-247l (Occupied buildings and access to telecommunications providers: Service, wiring, compensation, regulations, civil penalty) (1997); Tex. Utilities Code Sec. 54.260. (Property Owner's Conditions) (1998). Additionally, D.C. Code Sec 43-1455. (Access to buildings) (1998)

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limited in their geographic reach. At present few customers live in states where they have a statutory right to a choice of local providers in multi-tenant situations.

AT&T, therefore, encourages the Commission to take all actions within its jurisdiction to improve the ability of customers in multi-tenant situations to have choice. The Commission's goals should be to enhance the ability of tenants to receive advanced data services from a diversity of suppliers and to ensure that the use of inside wire is managed in a competitively neutral manner.

Certainly the Commission is well within its jurisdiction and power to impose fair conditions on ILECs to the extent that they own or control intra-building facilities in multi-tenant situations. ILECs should be required to make all intra-building facilities available to their competitors on reasonable prices, terms and conditions pursuant to the Act.⁹⁶ Such facilities can be fairly classified as network elements subject to the Act's requirements under Sections 251 and 252 for unbundling and fair pricing.⁹⁷ These requirements should be applied to facilities that the ILEC actually "owns" as well as

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permits the District of Columbia Public Service Commission to adopt building access regulations after investigation.

⁹⁶ The Act already imposes an obligation on all utilities to provide nondiscriminatory access to "any pole, duct, conduit, or right of way." Section 224(f).

⁹⁷ See Section 251(c)(3), 252 (d)(1). For example, BellSouth has commented to the Commission that "inside building wire, to the extent owned by a LEC and part of a LEC's network, is undoubtedly a network element subject to the Act's provisions." Comments of BellSouth, Telecommunications Services Inside Wiring, CS Docket No. 95-184, March 18, 1996.

facilities that the ILEC has rights to use.⁹⁸ ILECs should be prohibited from entering into exclusive arrangements with landlords and developers, or from otherwise asserting that contractual arrangements prohibit them from granting access to these facilities.⁹⁹ ILECs also should be prohibited from entering into contracts with landlords that are discriminatory, or that impose fees or revenue sharing obligations on other carriers different from those imposed on the ILEC.

3. The Commission Can And Should Rely On Its Universal Support Mechanisms To Facilitate The Deployment Of Advanced Telecommunications Capability To Schools, Libraries And Areas Of The Country That Are Not The Early Beneficiaries Of Advanced Services

The NOI recognizes the similarities between the goals of Section 706 and the provisions of Section 254 dealing with universal service.¹⁰⁰ Indeed, the Commission notes that Section 706 directs particular attention to elementary and secondary schools

⁹⁸ In its companion Section 706 Order, the Commission proposes the establishment of ILEC "data affiliates" which, under certain conditions, would not be subject to ILEC obligations. Section 706 Order, ¶¶ 85-117. To the extent that the Commission ultimately adopts this proposal -- which AT&T strenuously opposes -- the Commission should prohibit the transfer of any inside wire rights and facilities to a data affiliate, since that would vest in the data affiliate a bottleneck control over access to the customer. In such a case, the data affiliate would be deemed an "ILEC." Id., ¶ 107.

⁹⁹ The Commission has ample authority to preempt state or local legal requirements that have the effect of prohibiting carriers from providing telecommunications service. See 47 U.S.C. § 253(d). To the extent that ILECs assert that contracts entered into pursuant to state law permit them or the landlord to deny access to competitors, the Commission can and should preempt the enforcement of any such restrictions.

¹⁰⁰ See NOI, ¶ 72.

and classrooms and asks whether government programs, such as those initiated by Section 254, are sufficient to bring advanced telecommunications capability to these institutions to the extent that private investment falls short.¹⁰¹ AT&T believes that schools' and libraries' needs for advanced telecommunications capability is likely to be similar to those of businesses surrounding them. To the extent that schools' and libraries' ability to pay is not similar to businesses, the funding instituted by the Commission under the schools and libraries program of the federal Universal Service Fund ("USF") provides them with purchasing power so that they are capable of purchasing commercially provided telecommunications services.¹⁰²

Although AT&T is concerned that the existing USF program for schools and libraries, with a funding level capped at \$2.25 billion annually, may be unsustainable and establishes recovery mechanisms for USF obligations that are not competitively neutral (in that ILECs are permitted to flow through their USF assessments in access charges to IXCs), there is no question that this program will facilitate the deployment of advanced telecommunications capability. As the Commission acknowledges, under Section 254(h), it has made support available for telecommunications services, Internet access, and internal connections for schools and libraries, although it has not specifically

¹⁰¹ See id., ¶ 64.

¹⁰² Federal-State Joint Board on Universal Service, CC Docket No. 96-45, First Report and Order, 12 FCC Rcd. 8776, ¶ 424 (1997), pets. for review pending sub nom. Texas Office of Public Utility Counsel v. FCC, No. 97-60421 (5th Cir.) ("USO").

addressed whether such services constitute advanced telecommunications capability.¹⁰³ Although Internet access and internal connections are not "telecommunications" services, schools and libraries can use their USF funds to purchase advanced telecommunications services which will be used for many applications, including Internet access. This bandwidth can be purchased at the discretion of the eligible institution, at discounted rates.¹⁰⁴ The existing schools and libraries USF program, with its overly generous funding level, is more than sufficient to ensure the deployment of advanced services to schools and libraries. Thus, there is no need to provide ILECs with increased flexibility to accomplish this objective.

Equally important, the Commission developed the new universal service support system¹⁰⁵ with scrupulous care to ensure competitive neutrality in the distribution of USF funding among service providers. The Commission should not circumvent its universal service program by granting special treatment to ILECs under the rubric of Section 706 and thereby undermine CLECs' ability to compete with the ILECs.

The Commission also asks if customers' needs in rural areas for advanced telecommunications capability is different from those in other communities.¹⁰⁶ There is no reason to believe that the need for advanced telecommunications capability in rural areas is

¹⁰³ See NOI, ¶ 72.

¹⁰⁴ See USO, ¶ 425.

¹⁰⁵ See id., ¶ 587.

¹⁰⁶ See NOI, ¶ 65.

any different from urban areas, nor should their access to such services be any different. As is the case with schools and libraries, the provisions of Section 254 should be sufficient to ensure the deployment of advanced telecommunications capability to rural areas.

Section 254(b)(3) provides for the capability of rural areas to access advanced services at the same terms and conditions as urban areas, once those advanced services are incorporated in the definition of universal service. The Commission already has defined the process for incorporating additional services into that definition of universal service.¹⁰⁷ Although it may be appropriate to consider the goals of Section 706 in interpreting the word "evolving" in Section 254's definition of universal service,¹⁰⁸ given the existing robust debate over the size and scope of federal high cost support to rural areas under the USF, the Commission should exercise caution before including, as part of universal service, support for investments to deploy advanced services in rural areas.¹⁰⁹ Rather, the Commission should track the deployment of advanced

¹⁰⁷ See USO, ¶ 103. Section 254(c)(1) of the 1996 Act, defines "universal service" as "an evolving level of telecommunications services that the Commission shall establish periodically under this section, taking into account advances in telecommunications and information technologies and services." In establishing the definition of services to be supported by the USF, the Commission must consider "the extent to which such telecommunications services—(A) are essential to education, public health, or public safety; (B) have, through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers; (C) are being deployed in public telecommunications networks by telecommunications carriers; and (D) are consistent with the public interest, convenience, and necessity."

¹⁰⁸ See NOI, ¶ 73.

¹⁰⁹ For all areas (urban, suburban, rural), initial consumer access to advanced telecommunications services will normally be at centralized community locations

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telecommunications capability in urban areas and test how widespread their use is by urban customers before considering expanding the definition of services subject to high cost support. In all events, the Commission should not undermine the competitive neutrality provisions of Section 254 that require portability of USF funding by granting ILECs regulatory relief to provide advanced telecommunications capability to rural areas.¹¹⁰

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such as schools and libraries. This will precede any widespread access from residential locations. USF funding for schools and libraries will help provide this centralized access to advanced services. Only when a new advanced telecom service has been accepted in the marketplace by a majority of consumers in their homes (and it becomes necessary for an individual's social and economic well-being) should the Commission consider adding it to the definition of universal service such that advanced services to the home would be supported by the USF for all consumers.

¹¹⁰ The Commission should reject APT's proposals for Commission "partnering" programs with community-based organizations that are designed to create "demand pull." See NOI, ¶ 71. APT has offered no evidence that there will be a lack of demand for advanced services in particular geographic areas, and in all events Congress has already created a program -- the universal service system -- that is designed to compensate carriers for the additional costs of serving such areas. See Section 254. Section 254 also provides for, and the Commission is implementing, a separate program designed to make advanced services readily available in all areas of the nation through libraries and schools, as well as to rural health care providers. The Commission has no expertise in establishing the sort of program envisioned by APT, and likely has no statutory authority to do so. Therefore, APT's plan should be rejected.

APT's further proposal for "pricing reform" is likewise beyond the Commission's mandate. See NOI, ¶ 72. Because APT's proposal is principally concerned with the removal of subsidies from intrastate retail rates, such a proposal could be implemented only by the state commissions.

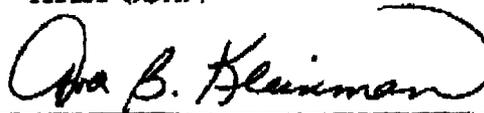
V. CONCLUSION

Based on the information provided here, and the record being developed in this proceeding, AT&T urges the Commission to discharge its mandate to promote the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans by vigorously enforcing the market-opening provisions of the Telecom Act against the monopoly incumbent local carriers, and otherwise allowing new entrants -- who do not possess monopoly power over telecom services -- to continue to invest and innovate without being subject to unnecessary regulation.

Respectfully submitted,

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Architectures of DSL Services

Incumbent Local Exchange Carriers

Exhibit A

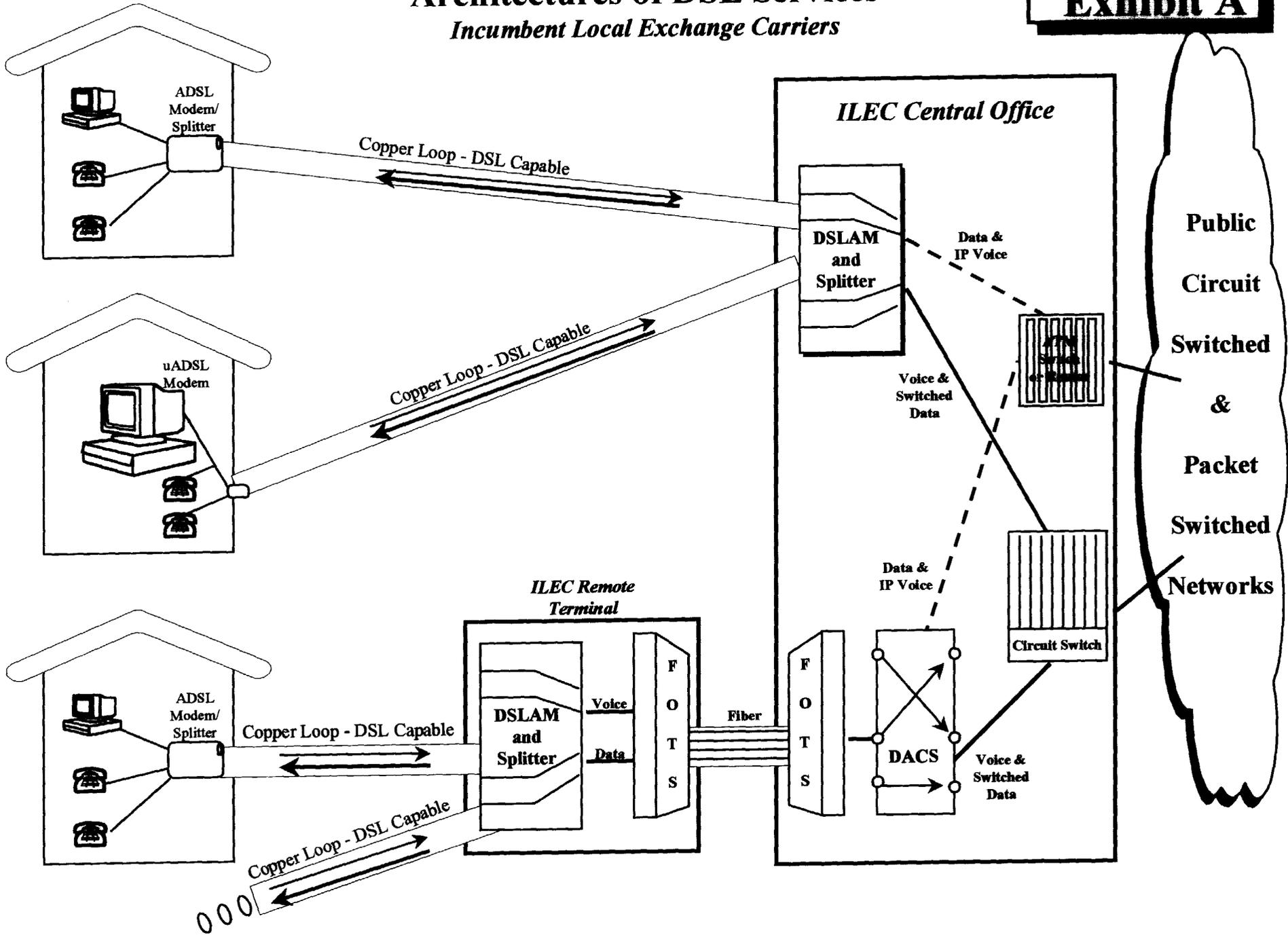


EXHIBIT B

Non-ILEC Deployment of Broadband Services and ILEC Responses

Company	Type	News Release Date	Deployment	ILEC	ILEC Earliest News Release Date	ILEC Deployment¹
Adelphia Cable	Cable	November 3, 1997	Florida: Palm Beach County Massachusetts: Plymouth, Adams/North Adams Pennsylvania: Coudersport, Mount Lebanon, Lansdale New York: Greater Buffalo	BellSouth	May 20, 1998	BellSouth: Birmingham, Charlotte, <i>Fort Lauderdale/South Florida</i> , Jacksonville, New Orleans, Raleigh
Advanced Cable Communications	Cable	May 4, 1998	Coral Springs, FL	BellSouth	May 20, 1998	BellSouth: Birmingham, Charlotte, <i>Fort Lauderdale/South Florida</i> , Jacksonville, New Orleans, Raleigh
Armstrong Cable Services	Cable	December 8, 1997	Connellsville, PA			
Bedford Cablevision	Cable	October 24, 1996	Bedford, VA			
Bresnan Communications	Cable	August 25, 1997	Marquette, Houghton, Hancock, Iron Mountain & Escanaba, MI Marshall, MN			
Cablevision	Cable	October 2, 1997	New York, Boston, Cleveland, Connecticut, Texas, Virginia	Bell Atlantic GTE	June 8, 1998 April 13, 1998	BA: 1998: Greater Washington, DC Area including surrounding parts of Virginia and Maryland, Greater Pittsburgh Area, Greater Philadelphia Area, New Jersey Areas: Bergen and Hudson Counties 1999: <i>Boston, New York City Area</i> GTE: June 1998: <i>Texas: Carrollton, College Station (Texas A&M University), Denton, Garland, Grapevine, Irving, Lewisville, Plano, San Angelo, Texarkana; Virginia: Dahlgren, Dale City, Harrisonburg (James Madison University)</i>

¹Items in *italics* indicate areas where the ILEC's service area overlaps that of the Cable Company/CLEC

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Company	Type	News Release Date	Deployment	ILEC	ILEC Earliest News Release Date	ILEC Deployment ¹
Cable York	Cable	July 16, 1997	York, PA	GTE	April 13, 1998	September 1998: Pennsylvania: Erie, Hershey, <i>York</i>
Century Communications	Cable	May 7, 1998	Los Angeles, Colorado Springs; Norwich, NY	SBC	May 27, 1998	SBC: September 8, 1998 Deployment California: <i>Los Angeles</i> , San Francisco, San Jose Sunnyvale USWest: August 1998: Arizona: Phoenix, Tucson; Colorado: Boulder, <i>Colorado Springs</i> , Denver, Fort Collins, Greeley GTE: June 1998: <i>California: Long Beach, Norwalk, Ontario, Palm Springs, Redondo, San Bernardino, San Fernando, Santa Barbara, Santa Monica, Thousand Oaks, Victorville</i>
				USWest	June 5, 1998	
				GTE	April 13, 1998	
Charter Communications	Cable	1997	Pasadena, Riverside, CA	SBC	May 27, 1998	SBC: September 8, 1998 Deployment California: <i>Los Angeles</i> , San Francisco, San Jose GTE: June 1998: <i>California: Long Beach, Norwalk, Ontario, Palm Springs, Redondo, San Bernardino, San Fernando, Santa Barbara, Santa Monica, Thousand Oaks, Victorville</i>
				GTE	April 13, 1998	

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Comcast	Cable	December 3, 1997	Baltimore, Detroit, New Jersey, Orange County, CA; Philadelphia, Sarasota	Ameritech Bell Atlantic SBC GTE	December 9, 1997 June 8, 1998 May 27, 1998 April 13, 1998	Ameritech: <i>Ann Arbor, Michigan</i> Bell Atlantic: 1998: Greater Washington, DC Area including surrounding parts of Virginia and Maryland, Greater Pittsburgh Area, <i>Greater Philadelphia Area</i> , New Jersey Areas: Bergen and Hudson Counties 1999: Boston, New York City Area SBC: September 8, 1998 Deployment California: <i>Los Angeles</i> , San Francisco, San Jose GTE: June 1998: <i>California: Long Beach, Norwalk, Ontario, Palm Springs, Redondo, San Bernardino, San Fernando, Santa Barbara, Santa Monica, Thousand Oaks, Victorville; Florida: Sarasota, St. Petersburg, Tampa</i>
Cox	Cable	October 28, 1997	Phoenix; San Diego, Orange County, CA; Omaha, NE; Newport News, VA.; Oklahoma City, OK; Meriden, CT; Las Vegas, NV	SBC USWest GTE	May 27, 1998 June 5, 1998 April 13, 1998	SBC: September 8, 1998 Deployment California: <i>Los Angeles</i> , San Francisco, San Jose USWest: August 1998: Arizona: <i>Phoenix</i> , Tucson; <i>Nebraska: Omaha</i> , GTE: June 1998: <i>California: Long Beach, Norwalk, Ontario, Palm Springs, Redondo, San Bernardino, San Fernando, Santa Barbara, Santa Monica, Thousand Oaks, Victorville</i>
Daniels Cablevision	Cable	January 12, 1998	Encinitas, CA			
Helicon Corp.	Cable	July 28, 1997	Uniontown, PA Barre, VT			

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Company	Type	News Release Date	Deployment	ILEC	ILEC Earliest News Release Date	ILEC Deployment¹
Jones Intercable	Cable	June 30, 1998	Washington, DC, Alexandria, Prince William County, VA	Bell Atlantic		1998: <i>Greater Washington, DC Area</i> including surrounding parts of Virginia and Maryland, Greater Pittsburgh Area, Greater Philadelphia Area, New Jersey Areas: Bergen and Hudson Counties 1999: Boston, New York City Area
Marcus	Cable	March 17, 1997	Ft. Worth, Highland Park and University Park, Texas			
MediaOne	Cable	May 23, 1997	New Hampshire, Maine, Connecticut, Rhode Island, Massachusetts, New York, Suburban Detroit, Ann Arbor MI, Chicago, IL, Jacksonville, Broward, County, & Dade County, FL; Los Angeles	Bell Atlantic Ameritech BellSouth SBC GTE	June 8, 1998 December 9, 1997 May 20, 1998 May 27, 1998 April 13, 1998	1998: Greater Washington, DC Area including surrounding parts of Virginia and Maryland, Greater Pittsburgh Area, Greater Philadelphia Area, New Jersey Areas: Bergen and Hudson Counties 1999: <i>Boston, New York City Area</i> Ameritech: <i>Ann Arbor, Michigan</i> BellSouth: Birmingham, Charlotte, <i>Fort Lauderdale/South Florida, Jacksonville, New Orleans, Raleigh</i> SBC: September 8, 1998 Deployment: California: <i>Los Angeles, San Francisco, San Jose</i> GTE: June 1998: <i>California: Long Beach, Norwalk, Ontario, Palm Springs, Redondo, San Bernardino, San Fernando, Santa Barbara, Santa Monica, Thousand Oaks, Victorville</i>
Range TV	Cable	February 9, 1998	Hibbing, MN			

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Company	Type	News Release Date	Deployment	ILEC	ILEC Earliest News Release Date	ILEC Deployment ¹
Service Electric and Blue Ridge Cable	Cable	July 31, 1995	Eastern Pennsylvania			
Sun Country Cable	Cable	June 9, 1997	Los Altos, CA Spokane, WA	SBC USWest	May 27, 1998 June 5, 1998	SBC: September 8, 1998 Deployment California: Los Angeles, <i>San Francisco</i> , San Jose USWest: August 1998: <i>Washington</i> : Olympia, Seattle-area, <i>Spokane</i> , Tacoma
TCA	Cable	February 23, 1998	Bryant and College Station, Texas			
TCI	Cable	November 1, 1995	Fremont, Castro Valley and Sunnyvale, CA; Hartford, CT; Texas, Seattle, WA; Ohio, Arlington Heights, IL East Lansing, MI	SBC USWest Ameritech	May 27, 1998 June 5, 1998 December 9, 1997	SBC: September 8, 1998 Deployment: California: Los Angeles, San Francisco, <i>San Jose</i> USWest: August 1998: <i>Washington</i> : Olympia, <i>Seattle-area</i> , <i>Spokane</i> , Tacoma, Wyoming: Cheyenne
Time Warner Cable	Cable	September 1, 1996	Akron, Canton, Columbus & Youngstown, Ohio; Binghamton, Corning, Elmira, Albany, Troy & Saratoga, NY; San Diego, CA; Tampa Bay, FL; Oahu, Hawaii; Memphis, TN; Portland, ME; El Paso, TX	GTE	April 13, 1998	June 1998: <i>Hawaii</i> : Hilo, <i>Oahu</i> , <i>Florida</i> : Sarasota, St. Petersburg, <i>Tampa</i>
Concentric	CLEC	March 23, 1998	San Francisco Bay area.	SBC	May 27, 1998	SBC: September 8, 1998 Deployment California: Los Angeles, <i>San Francisco</i> , San Jose

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Non-ILEC Deployment of Broadband Services and ILEC Responses

Company	Type	News Release Date	Deployment	ILEC	ILEC Earliest News Release Date	ILEC Deployment¹
Covad	CLEC	December 8, 1997	San Francisco Bay area. Will be expanding to NYC, DC, and Seattle.	SBC Bell Atlantic USWest	May 27, 1998 June 8, 1998 June 5, 1998	SBC: September 8, 1998 Deployment California: Los Angeles, <i>San Francisco</i> , San Jose Sunnyvale Bell Atlantic: 1998: <i>Greater Washington, DC Area</i> including surrounding parts of Virginia and Maryland, Greater Pittsburgh Area, Greater Philadelphia Area, New Jersey Areas: Bergen and Hudson Counties 1999: Boston, <i>New York City Area</i> USWest: August 1998: <i>Washington: Olympia, Seattle-area, Spokane, Tacoma; Wyoming: Cheyenne</i>
Epoch	CLEC	March 23, 1998 July 13, 1998-Boston	Northern California, Los Angeles, Boston	SBC Bell Atlantic GTE	May 27, 1998 June 8, 1998 April 13, 1998	SBC: September 8, 1998 Deployment California: <i>Los Angeles</i> , San Francisco, San Jose Bell Atlantic: 1998: Greater Washington, DC Area including surrounding parts of Virginia and Maryland, Greater Pittsburgh Area, Greater Philadelphia Area, New Jersey Areas: Bergen and Hudson Counties 1999: <i>Boston</i> , New York City Area GTE: June 1998: <i>California: Long Beach, Norwalk, Ontario, Palm Springs, Redondo, San Bernardino, San Fernando, Santa Barbara, Santa Monica, Thousand Oaks, Victorville</i>

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Non-ILEC Deployment of Broadband Services and ILEC Responses

Company	Type	News Release Date	Deployment	ILEC	ILEC Earliest News Release Date	ILEC Deployment¹
Flashcom	CLEC	May 29, 1998-California July 27, 1998-Boston	California-many communities Massachusetts Washington, DC area Coming soon to: Dallas, Atlanta, Seattle, Houston, Philadelphia, Detroit, Austin, Baltimore, Miami, Minneapolis, Phoenix, Raleigh, Sacramento, Portland, Tampa, Denver and others yet to be announced	SBC Bell Atlantic USWest Ameritech BellSouth GTE	May 27, 1998 June 8, 1998 June 5, 1998 December 9, 1997 May 20, 1998 April 13, 1998	SBC: September 8, 1998 Deployment California: <i>Los Angeles, San Francisco, San Jose</i> Bell Atlantic: 1998: <i>Greater Washington, DC Area</i> including surrounding parts of Virginia and Maryland, Greater Pittsburgh Area, <i>Greater Philadelphia Area</i> , New Jersey Areas: Bergen and Hudson Counties 1999: <i>Boston</i> , New York City Area USWest: August 1998: Arizona: <i>Phoenix</i> , Tucson; <i>Washington</i> : Olympia, <i>Seattle-area</i> , Spokane, Tacoma; Wyoming: Cheyenne Ameritech: <i>Ann Arbor, Michigan</i> BellSouth: Birmingham, Charlotte, <i>Fort Lauderdale/South Florida</i> , Jacksonville, New Orleans, <i>Raleigh</i> GTE: June 1998: <i>California: Long Beach, Norwalk, Ontario</i> , Palm Springs, <i>Redondo, San Bernardino, San Fernando</i> , Santa Barbara, <i>Santa Monica, Thousand Oaks, Victorville Florida</i> : Sarasota, St. Petersburg, <i>Tampa</i> ; <i>North Carolina: Durham</i> (Duke University)

¹Items in *italics* indicate areas where the ILEC's service area overlaps that of the Cable Company/CLEC

EXHIBIT B

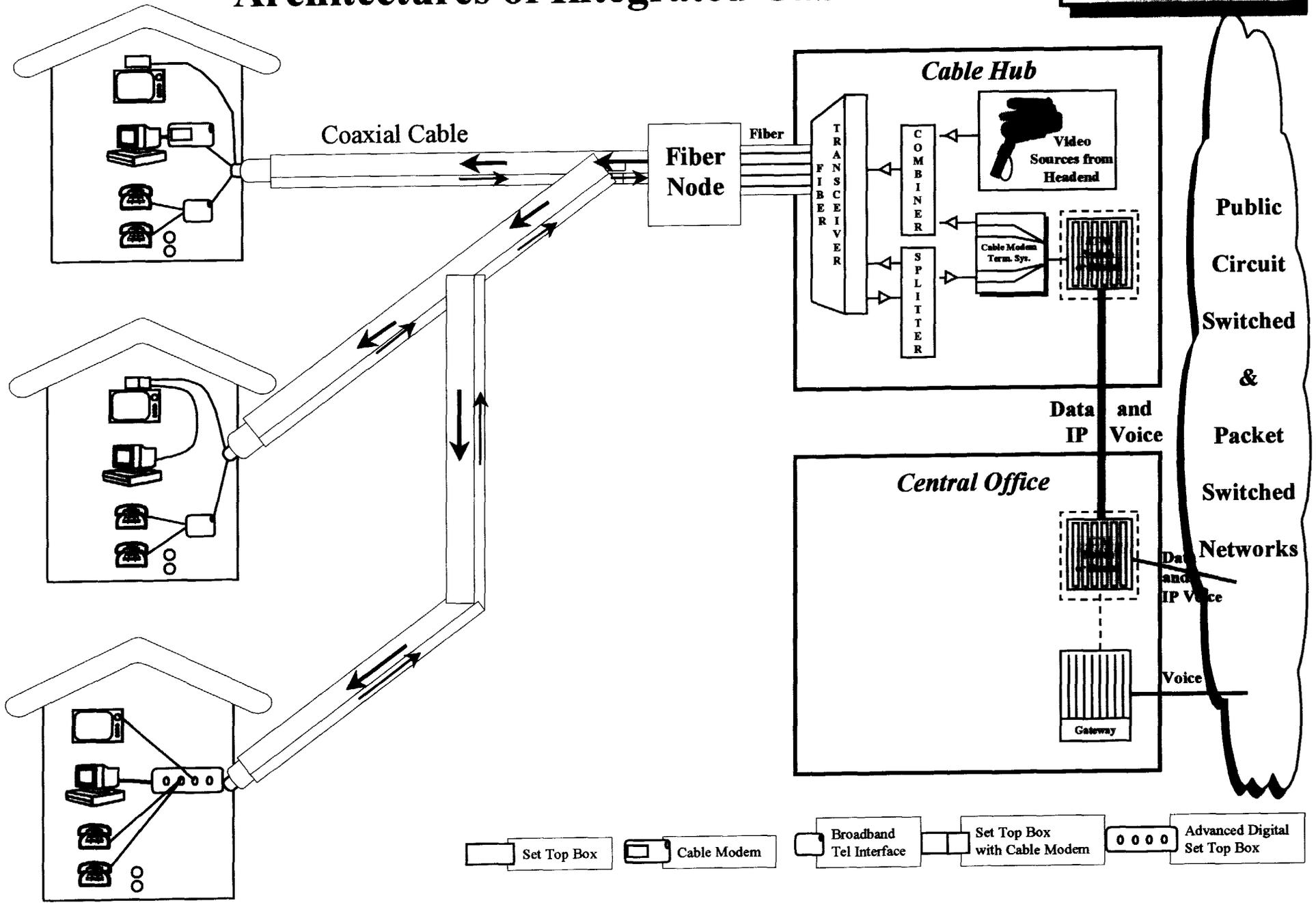
Non-ILEC Deployment of Broadband Services and ILEC Responses

Company	Type	News Release Date	Deployment	ILEC	ILEC Earliest News Release Date	ILEC Deployment¹
Internet Express Network	CLEC	July 1, 1998	Los Angeles, Orange County, San Diego	SBC GTE	May 27, 1998 April 13, 1998	SBC: September 8, 1998 Deployment California: <i>Los Angeles</i> , San Francisco, San Jose GTE: June 1998: California: <i>Long Beach, Norwalk, Ontario, Palm Springs, Redondo, San Bernardino, San Fernando, Santa Barbara, Santa Monica, Thousand Oaks, Victorville</i>
NorthPoint	CLEC	May 23, 1998	San Francisco, Silicon Valley Boston in June 1998	SBC Bell Atlantic	May 27, 1998 June 8, 1998	SBC: September 8, 1998 Deployment California: Los Angeles, <i>San Francisco</i> , San Jose Bell Atlantic: 1998: Greater Washington, DC Area including surrounding parts of Virginia and Maryland, Greater Pittsburgh Area, Greater Philadelphia Area, New Jersey Areas: Bergen and Hudson Counties 1999: <i>Boston</i> , New York City Area
Rhythms	CLEC	February 19, 1998	San Francisco, San Diego	SBC	May 27, 1998	SBC: September 8, 1998 Deployment California: Los Angeles, <i>San Francisco</i> , San Jose

¹Items in *italics* indicate areas where the ILEC's service area overlaps that of the Cable Company/CLEC

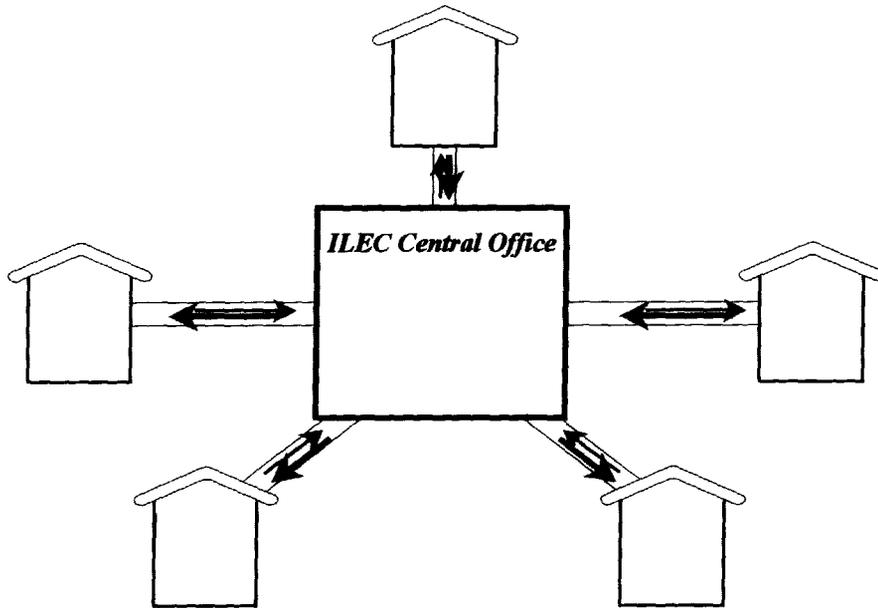
Architectures of Integrated Cable Services

Exhibit C



Comparison of Architectures

Architectures of DSL Services



Architectures of Integrated Cable Services

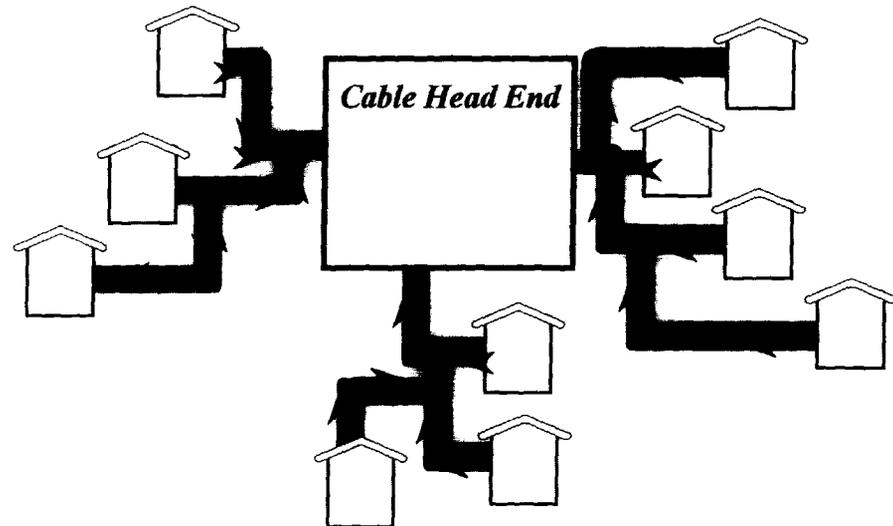


EXHIBIT E

Comparison of Prices In Areas Where Services Compete:
Cable v. ILEC Broadband Access Services

Company	Speed (downstream)	Pricing (includes Internet service)	ILEC	DSL Speed (downstream)	Pricing
Adelphia Cable	1.5 Mbps	\$39.95/month	BellSouth	1.5 Mbps	\$49.95/month
Advanced Cable Communications		\$49/month	BellSouth	1.5 Mbps	\$49.95/month
Armstrong Cable Services	500 Kbps	\$39.95/month			
Bedford Cablevision	4.0 Mbps	\$39/month			
Bresnan Communications	1.5 Mbps	\$39.95/month			
Cablevision	1.5 – 3.0 Mbps	\$44.95/month	Bell Atlantic	640 Kbps 1.6 Mbps 7.1 Mbps	\$39.95/month \$59.95/month \$109.95/month
			GTE	256 Kbps 384 Kbps 768 Kbps 1.5 Mbps	\$35/month \$55/month \$70/month \$100/month
Cable York	500 Kbps	\$29.95/month	GTE	256 Kbps 384 Kbps 768 Kbps 1.5 Mbps	\$35/month \$55/month \$70/month \$100/month