

DECLARATION OF MARK A. WEGLEITNER

I, Mark A. Wegleitner, hereby declare as follows:

1. I am Vice President, New Services Technology for Bell Atlantic Network Services, Inc. In this position, I am responsible for planning and managing the development of new services such as asymmetric digital subscriber line (ADSL) services, throughout Bell Atlantic's service area.

2. I am familiar with the Commission's Notice of Proposed Rulemaking in CC Docket No. 98-147, *Deployment of Wireline Services Offering Advanced Telecommunications Capability*. In that proceeding, the Commission has proposed that incumbent local exchange carriers could deploy advanced services in an affiliate that would be freed from certain unbundling, resale and interconnection requirements, and would be eligible for other limited regulatory relief. The Commission has also proposed that this "advanced services affiliate" be subject to structural separation rules similar to those set forth in Section 272 of the Telecommunications Act of 1996.

3. Bell Atlantic has deployed early generation ADSL equipment for trial purposes in wire centers in Northern Virginia, Boston, Ithaca, and Pittsburgh, and is now deploying next generation ADSL equipment for commercial service in the Pittsburgh, Philadelphia, Washington DC and Northern New Jersey areas. It plans to deploy ADSL in approximately 65 wire centers by early 1999, and in approximately 140 additional wire centers by the end of 1999. I estimate that if Bell Atlantic were to halt this deployment in its incumbent operating telephone companies

and deploy ADSL in an advanced services affiliate, it would not be able to offer ADSL service commercially until at least the second half of 1999, and the number of wire centers where ADSL would be available by the end of 1999 would be reduced by at least 30% from current projections. This estimate does not take into account any significant delays in securing certification from state commissions for the advanced services affiliate to the extent they are required.

4. The Commission's proposed rules would prohibit employees of the incumbent operating telephone companies from performing installation, maintenance and repair for the advanced services affiliate. Today these employees perform such functions for traditional services as well as for advanced services such as ADSL. Since the nature of the work is similar for voice and data services and is performed at the same locations, it is most efficient to have network operations work for voice and data services performed by the same employees. If Bell Atlantic were required to use separate employees solely for advanced services, it would sacrifice these efficiencies. I estimate that, as DSL penetration increases, the inefficiency introduced by the organizational restructure could lead to as much as a 50% increase in the total number of Bell Atlantic employees required to offer ADSL over the number of employees that would be required if these services were provided by the existing operating telephone companies. A similar duplication of resources would also occur if the advanced services affiliate were required to have separate product management, technology planning, sales and other employees.

5. I have analyzed the cost impact of offering ADSL as a stand alone service in an advanced services affiliate. Assuming no resale or other provision of voice services, this would require the affiliate to provision ADSL over a dedicated loop, rather than use the single loop for both voice and ADSL services, as incumbent and competitive carriers currently are able to do. My analysis assumes that the affiliate could share operations, marketing, development and other

functions with the incumbent, or obtain these functions at equivalent cost. Even with these assumptions, I estimate that such an arrangement could increase the cost of residential ADSL by 50% or more.

6. One of my responsibilities in my current position is to help ensure that new services provisioned over Bell Atlantic's network, and particularly its local loops, do not cause undue interference with other services. I have as part of this responsibility analyzed the potential interference caused by xDSL and other services. I have concluded that xDSL services operating at high signal power levels, can interfere with other services provided over loops in the same or even adjacent binder groups. In fact, I have concluded that loop technologies operating even at standard signal power levels may affect other services in the same or adjacent binder groups. To protect against this interference, Bell Atlantic requires carriers to disclose the power spectral density characteristics of the technology the carrier wishes to deploy on a particular unbundled loop. With this information, Bell Atlantic is better able to determine whether the technology will cause interference.

7. The alternative to spectrum management signal power limitations and assignment guidelines is to investigate and isolate interference after it begins to occur. There are two ways to do this. One is to shut down each loop one at a time in a binder group where interference is detected. When the offending loop is shut down and the interference ends, Bell Atlantic can identify that loop as the cause of the problem. This operation, however, takes the customer out of service for the period of the test. The other is to test the power level of each loop in a binder group. To be effective, this method may require testing at both ends of the loop. Currently, both these tests must be done manually, and are thus time consuming, expensive, and

often inexact. In addition, special test equipment is required, and the trouble may only be apparent when data is being sent or received. Until the problem can be remedied, other customers who receive services over loops in the binder group where interference is present will often have their service degraded or interrupted.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on September __, 1998

Mark A. Wegleitner