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November 5, 1998

HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Docket No. 98-147
Transwire Communications, Inc.
Ex Parte Presentation

Dear Ms. Roman Salas:

Pursuant to Section 1.1206 of the Commission's rules, this is to advise you that, in my capacity as counsel to Transwire Communications, Inc. ("Transwire"), I, along with representatives of Transwire and my associate, Renée Roland Crittendon, met today with staff from the Commission's Policy and Program Planning and Network Services Divisions of the Common Carrier Bureau (the "Bureau").

Present at this meeting were Transwire representatives, Terry Peck, President and Chief Executive Officer, and Sophia Corona, Chief Financial Officer. Also present were Bureau staff representatives, Stagg Newman, Director, Technology Analysis, Evan Kwerel, Senior Economist, Daniel Shiman, Economist, Jonathan Askin, Alan Thomas, and Gregory Cooke, Attorneys, and Johnson Garrett and Jennifer Fabian, Policy Analysts.

During this meeting, we discussed Transwire's position with respect to the Commission's proposed rulemaking proceeding in Deployment of Wireline Services

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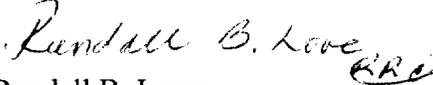
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FEDERAL COMMUNICATIONS COMMISSION
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Ms. Magalie Roman Salas
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Offering Advanced Telecommunications Capability. The subjects discussed included those already reflected in Transwire's written comments in this proceeding. Copies of the enclosed "Summary of Position Regarding Advanced Telecommunications," which summarizes the issues discussed, were distributed.

In accordance with the Commission's rules, I am hereby submitting one original and two copies of this letter and its enclosure for the above-referenced proceeding.

Sincerely,


Randall B. Lowe

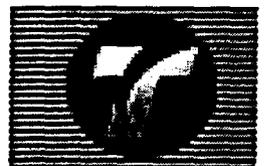
RBL/deb
Enclosure

cc: (w/o encl.)
Stagg Newman Alan Thomas
Evan Kwerel Gregory Cooke
Daniel Shiman Johnson Garrett
Jonathan Askin Jennifer Fabian

cc: (w/encl.)
Florence Grasso
ITS

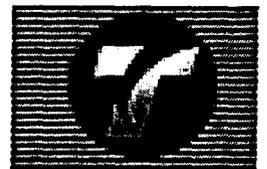
TRANSWIRE COMMUNICATIONS, INC.

Summary of Position Regarding
Advanced Telecommunications



SUMMARY OF POSITION

- EXPANDED COLLOCATION REQUIREMENTS
 - shared or cageless collocation
 - collocation of integrated equipment (e.g. switches)
 - unimpeded intercarrier cross-connections
- COPPER LOOP ACCESSABILITY AND USAGE
 - unencumbered access to the existing copperwire infrastructure
 - rules to protect and preserve the copper infrastructure
 - national standards on spectrum management and actual loop modulation
 - interference constraints as the sole determinant of what services may be offered over copper loops
- OSS ISSUES
 - rules to shorten collocation ordering and provisioning intervals
 - CLEC access to same information available to ILECs
 - effective framework for complaint resolution



**DETAIL OF POSITION
IN NPRM**

I. MEASURES TO PROMOTE LOCAL COMPETITION

A. Collocation Requirements

- Transwire believes the Commission should adopt specific and detailed national rules to prevent ILEC discriminatory and anticompetitive collocation practices.
- Transwire urges the Commission to adopt rules to allow cageless collocation, cross connection to cages of other collocated carriers and the removal of obsolete equipment.
- Transwire believes the Commission should adopt rules to allow collocation of integrated equipment.
- Transwire supports the use of concealed security cameras or badges with computerized tracking systems to ensure the integrity of the system while allowing ILEC technicians access to ILEC networks.
- Transwire urges the adoption of rules to require ILECs to provide collocation information within 24 hours from the time the request is made and set specific intervals by which time ILECs can be expected to provide the space.
- Transwire believes the Commission should develop a forum for prompt complaint resolution.
- Transwire believes that the Commission must ensure that state commissions create regulatory conditions that, at a minimum, meet the Commission's proposed national standards.

B. Local Loops

- Transwire believes the Commission is expressly authorized to require modifications to ILEC facilities to the extent necessary to accommodate interconnection or access to network elements.
- Transwire believes the Commission should adopt rules to ensure unencumbered access to the existing copperwire infrastructure. Such access to the local loop is critical to the rapid deployment of advanced telecommunications capability and services.

- Transwire urges the Commission to adopt rules to prevent ILECs from taking actions that render the copper useless and to adopt national rules and standards to simplify access to disenfranchised copper facilities.
- Transwire believes the Commission should require ILECs to provide competitive carriers with DLRs for each UNE prior to ordering and implementation.
- Transwire believes the Commission should adopt national standards on spectrum management to address actual loop modulation. Standards should specify what should and should not go over the loops.
- Transwire urges the Commission to require ILECs to permit any technology over its loops unless it can demonstrate that such technology causes interference. The Commission should also require that interference constraints be the sole determinant of what services may be offered over copper loops.
- Transwire believes the Commission should adopt rules to allow carriers to purchase the lowest cost functional loop available for a given technology and adopt rules to ensure access to “raw” copper loops at the cost applicable to such loops.

II. SEPARATE AFFILIATES

A. *Provisioning of advanced services through a separate affiliate*

- Transwire believes that ILECs’ should be required to offer advanced telecommunications services through separate affiliates in order to curb the ILECs’ anti-competitive practices. ILECs should not be permitted, in any event, to provide services on an integrated basis free from section 251(c) requirements.

B. *Section 251 Unbundling Obligations*

- Transwire believes that the Section 251(c) obligations should apply to all facilities and equipment necessary to provide advanced services, including DSLAMs and packet switches. Transwire also presses the Commission to require the advanced services affiliate to offer their advanced services to competitors for resale at wholesale rates in order to preserve the CLECs’ statutory right under Section 251(c)(4).

C. Separations Requirements

- Transwire believes that the Commission must uphold the “272-type” separations requirements, but bolster these requirements to make every effort to ensure true separation, including:
 - require a minimum percentage of outside directorships
 - mandate separation between the advanced services affiliate and other subsidiary or affiliate operations of the ILEC
 - prohibit virtual collocation by the affiliate
 - prohibit ILECs from funding the operations of its advanced services affiliate.
- Transwire believes that the Commission should prohibit all transfers (both “bottleneck and “non-bottleneck” facilities) between the ILEC and its advanced services affiliate. If the Commission allows *de minimis* transfers, such an exception should apply to the transfer of all assets (equipment, customer contracts, etc.)

III. RESALE OBLIGATION UNDER SECTION 251(C)(4)

- The resale obligations of section 251(c)(4) should attach to all advanced services marketed by incumbent LECs generally to residential or business users or to Internet service providers regardless of whether such services are classified as telephone exchange service or exchange access.
- Transwire agrees with the Commission that the dichotomy drawn between telecommunications services and exchange access services in the *Local Competition Order* is inapt in the advanced services context.
- Transwire disagrees with the BOCs’ assertion that exchange access services are fundamentally non-retail in character and thus not subject to the resale obligations. Transwire believes that to the extent an end-user may purchase such services directly from the ILEC, they are in fact retail in character and should be subject to section 251(c)(4).

IV. LIMITED INTERLATA RELIEF

- Transwire urges the Commission not to grant interLATA relief to allow the BOCs to carry packet-switched traffic across current LATA boundaries for the purpose of providing end users with high-speed connections to nearby Internet network access points.

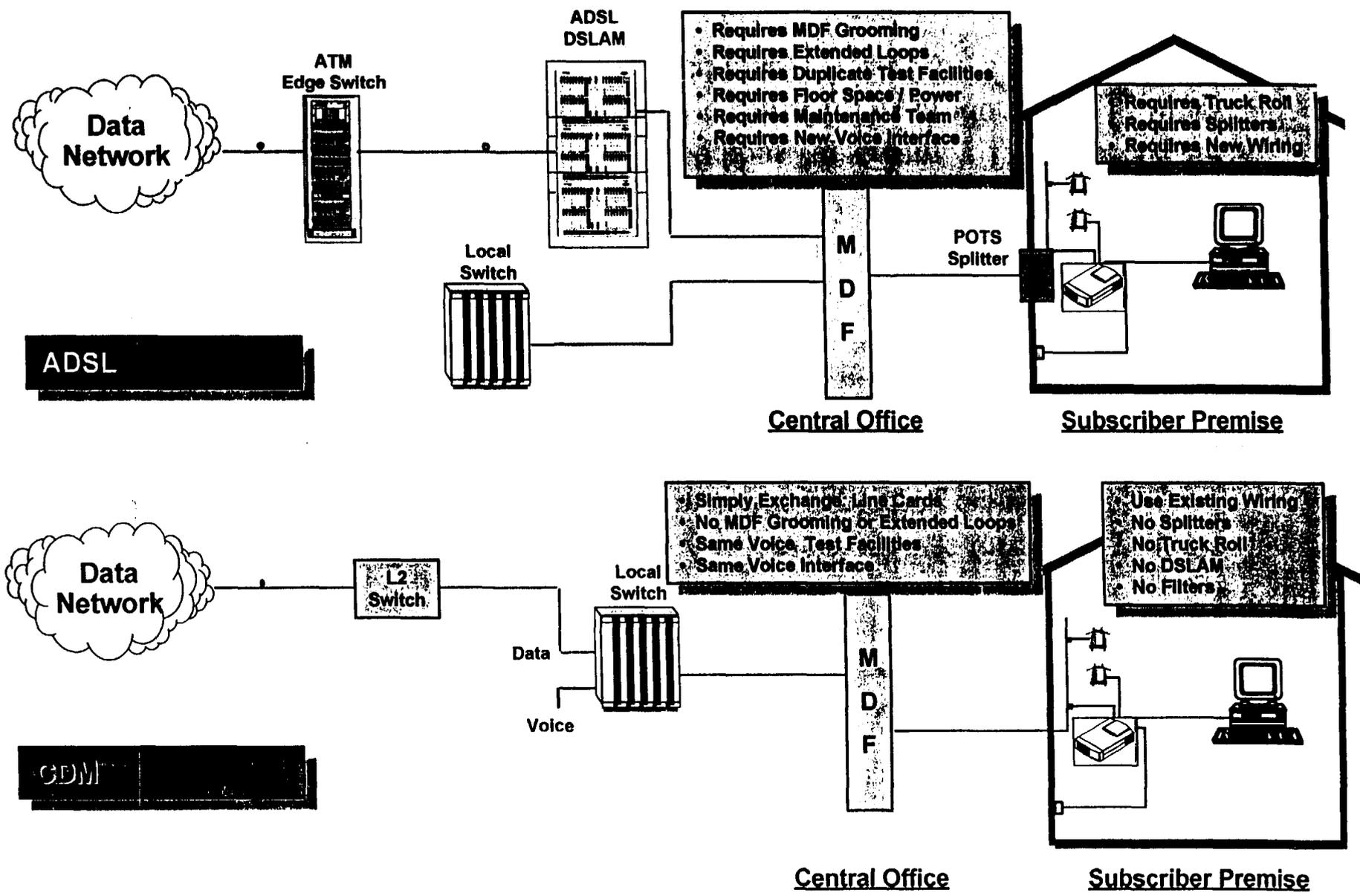
- Transwire believes that allowing such “modifications” undercuts the explicit statutory scheme for allowing BOC entry into the interLATA market, including advanced telecommunications services.
- Transwire believes that Congress made its position on this issue quite clear: compliance with the competitive mandates of the Act and section 271 are necessary prerequisites for the regional BOCs to enter the interLATA marketplace.
- Transwire notes that Congress also contemplated circumstances in which interLATA relief would be permitted and directly addressed the issue with an express and limited “incidental interLATA services” exception.
- In sum, Transwire believes that expanding the terms of the limited exceptions set forth in the Act by taking up *ad hoc* LATA modification requests would effectively override the express mandate of section 271.

**DETAIL OF POSITION
IN NOI**

- A. The Definition of Advanced Telecommunications Capability*
- Transwire believes that advanced telecommunications capability must be technologically neutral.
 - The Commission should establish minimum criteria based on today's standards for the parameters of "advanced telecommunications capability" and require parties offering new technologies to show that such technologies promote the advancement of telecommunications services.
- B. The Reasonable and Timely Deployment of Advanced Services*
- Transwire believes that the Commission should adopt policies which foster fair competition and allow market demand to dictate deployment. The Commission should not establish rigid criteria as to when advanced telecommunications capability is reasonably and timely deployed.
 - The Commission should establish competitive safeguards to ensure continued growth in the advanced telecommunications services market. In particular, while CLECs are as financially prepared as ILECs to offer advanced capability, deployment is not feasible if monopoly access network practices and other legal and functional barriers are not eliminated.
- C. Removing Barriers to Infrastructure Investment and Promotion of Competition*
- Transwire believes that the deployment of advanced telecommunications capabilities is being impeded by the anti-competitive practices of the ILECs.
 - Regulation is necessary to ensure access to the necessary facilities.
 - The networks of the incumbent local exchange carriers—the existing telecommunications infrastructure—must be open to broad and guaranteed access by competitors to ensure the timely deployment of advanced telecommunications capability to all Americans.
 - Transwire urges the Commission to define "network element" broadly to encompass as wide an array of facilities and equipment as feasible.
 - Transwire believes it is entirely consistent with section 706 for advanced broadband local access services and the network elements underlying advanced local access solutions to be available through section 251(c) unbundling and wholesale resale obligations.

- Transwire urges the Commission, in particular, to guarantee broad access to copper loops, which are a significantly expanding avenue for the provision of advanced services.
- The Commission should set a course for ultimate deregulation of the advanced telecommunications marketplace.
- Transwire urges the Commission to adopt only those regulations necessary to ensure open and ready access to the existing telecommunications infrastructure—the ILEC networks and OSS capabilities.
- Transwire believes that the Commission should vigorously pursue a pro-competitive regulatory regime devoted to surety and breadth of access to the existing telecommunications infrastructure, guaranteed interconnection with the infrastructure, and standard-setting to ensure that the quality of our telecommunications offerings are never compromised.

CDM operational costs are 40-50% lower than ADSL





Transwire

In response to the 1996 Communications Act, Transwire was formed to provide advanced telecommunication services to meet the exploding demand for bandwidth. The company has committed \$350 million to a state-of-the-art, high-speed, digital, meshed telephone and data communications network. The network, presently being deployed in Manhattan, features Nortel's breakthrough Consumer Digital Modem (CDM™) technology. Unlike ADSL, Nortel's solution serves a mass market by utilizing existing copper wire without the need for splitters, DSLAM bays or filters, but meets comparable performance criteria. This dual voice and data network backbone provides a secure, "always on" connection of 1.3 mbps "downstream" to the user and 320 kbps "upstream." These speeds are roughly 8 times faster than prevailing dual-channel ISDN products and 17 times faster than popular 56K modems being used today. Transwire's network will expand to 17 SMSAs by May 1999.