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August 13, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

VIA HAND DELIVERY

Magalie R. Salas, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Notice of *Ex Parte* Presentation by Net2000 Communications

***Implementation of the Local Competition Provisions in the Telecommunications Act of 1996* (UNE Remand) -- CC Docket No. 96-98**

Dear Ms. Salas:

The attached written *ex parte* presentation was sent today by facsimile to Jake Jennings, Sanford Williams and Anthony Mastando of the Commission's Common Carrier Bureau.

Pursuant to Sections 1.1206(b)(1) and (2), an original and two copies of this *ex parte* notification (with attachments) are provided for inclusion in the public record of the above-

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referenced proceeding. Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,

John J. Heitmann

cc: Jake Jennings
Sanford Williams
Anthony Mastando
International Transcription Services

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August 13, 1999

VIA FACSIMILE 202/418-1413

Jake E. Jennings
Special Advisor
Policy and Program Division
Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: ***Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*** **(UNE Remand); CC Docket No. 96-98**

Written *Ex Parte* Presentation by Net2000 Communications, Inc.

Dear Jake:

On behalf of Net2000 Communications, Inc. ("Net2000"), I am writing to provide additional information to supplement a Net2000 oral *ex parte* presentation made on July 15, 1999. As you may recall, during that meeting, Jason Karp, Director, Legal and Regulatory Affairs and Christopher McKee, Counsel, Legal and Regulatory Affairs, both of Net2000, expressed the view that the Signaling/Call-Related Databases ("SS7") and Operator Services/Directory Assistance ("OS/DA") UNEs continue to meet the impair standard for unbundling set forth in Section 251(d)(2) of the Act. Net2000 continues to hold the view that, although non-ILEC vendors are making available alternative SS7 and OS/DA offerings available, the products they offer are not yet comparable to the ILEC UNEs they seek to compete with.

Indeed, Net2000 submits that it is the ILECs' inability to provide initial access to SS7 and OS/DA UNEs in a timely manner (Net2000 was asked to accept lead times of up to 6

months) that often influences a CLEC's decision to opt for currently available alternatives. However, Net2000 submits that, in applying the impair standard of Section 251(d)(2), the Commission should use as a basis for comparison, ILEC UNEs provisioned in a reasonable and timely manner. ILECs' inability or refusal to comply with FCC and state unbundling rules and contractual unbundling obligations in a reasonable and timely manner should never lend to the assessment that inadequately developed wholesale alternatives are effective substitutes for UNEs. In short, ILEC non-compliance should not be rewarded.

As indicated in its July 15, 1999 *ex parte* meeting, Net2000 believes that ILEC SS7 and OS/DA UNEs offer ubiquity, cost and quality advantages over the alternative products currently offered by non-ILEC vendors. For these reasons, during that meeting, Net2000 expressed its view that it would be premature to eliminate SS7 and OS/DA UNEs. Indeed, Net2000 submitted during that meeting and continues to maintain that the continued availability of ILEC UNEs will put pressure on existing alternative vendors to continue to improve and develop their service offerings. New alternative vendors also may emerge to fill CLEC service needs.

To supplement its initial oral and written *ex parte* presentations, Net2000 offers the following comparison of ILEC SS7 and OS/DA UNEs to the UNE alternatives it currently uses. In particular, Net2000 focuses on the costs of additional transport links needed to achieve connectivity with alternative SS7 and OS/DA vendors. As indicated in the attached charts, the cost of transport to regional non-ILEC provisioning centers, in contrast to the cost of transport links to ubiquitous ILEC local SS7 STPs and OS/DA provisioning centers, often makes the use of regional, non-ILEC vendors far more expensive than the ILEC UNE alternatives.

If you have any questions with regard to this letter or the attached materials, please do not hesitate to contact me at 202/955-9888. In addition, please feel free to contact Jason Karp or Chris McKee at Net2000. Jason can be reached at 703/610-5798 and Chris can be reached at 703/610-7337.

Thank you for your time and consideration. Notice of this written *ex parte* presentation will be filed today with the Commission Secretary.

Respectfully submitted,

John J. Heitmann

cc: Sanford Williams
Anthony Mastando

Net2000 COMMUNICATIONS

Net2000 Communications
Ex Parte Presentation

Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 (UNE Remand)

CC Docket No. 96-98

Signaling/Call-Related Databases and Operator Services/Directory Assistance UNEs

August 13, 1999

SS7 Comparison

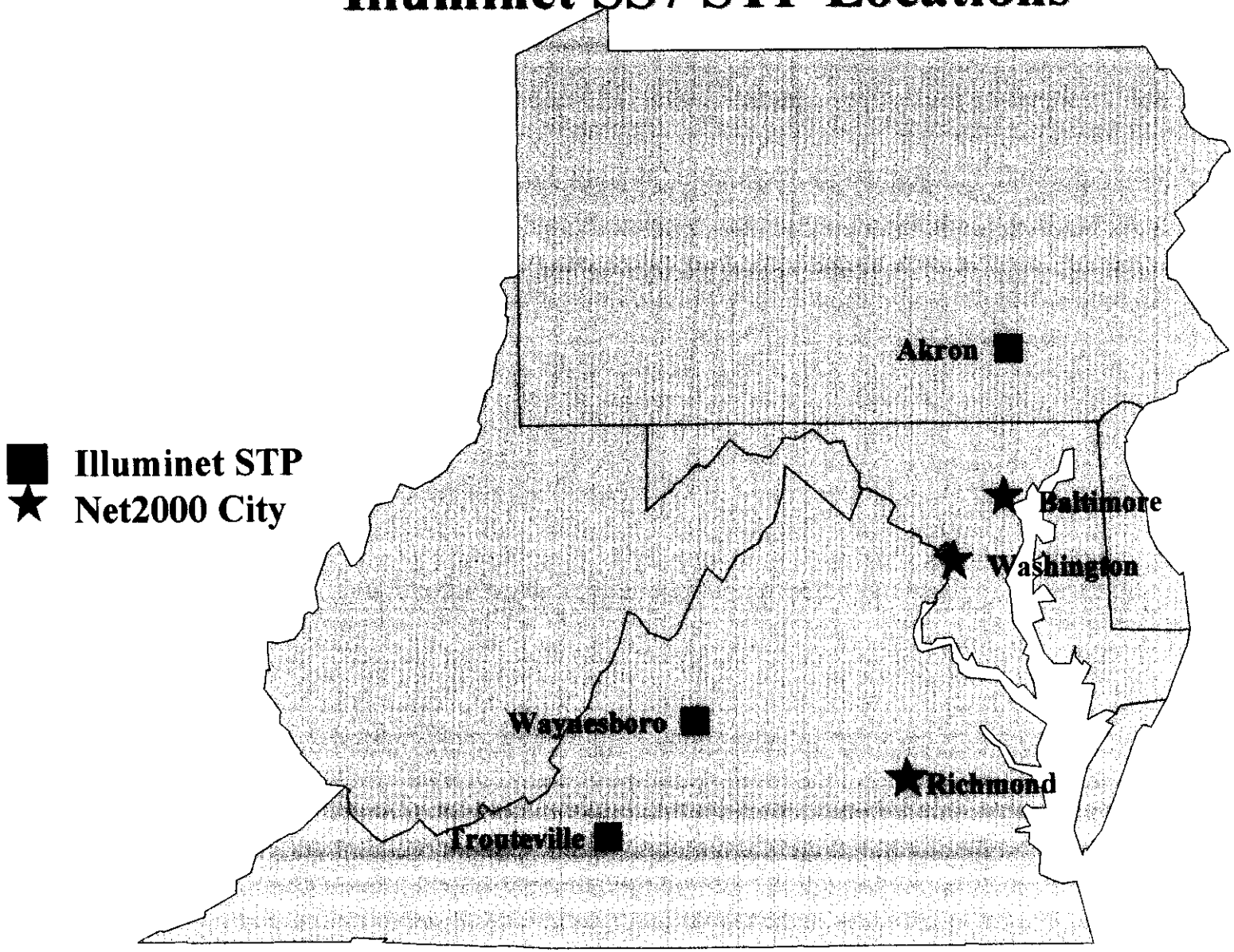
Illuminet

- Quicker lead time - SS7 connectivity can be achieved in approximately 3 months.
- 3 or more different vendors/networks required for SS7 connectivity. This leads to increased possibility of link failure and difficulties in identifying and resolving provisioning problems.
- Refining under-developed processes and developing expertise.
- Only alternative national full service SS7 and database provider.
- Spring 1998 outage paralyzed CLECs.
- Regional STP pairs require long transport links for connectivity.
- Charges a premium for ease of establishing connectivity and national access.
- Service elements are more expensive than BA UNE alternative - transport component makes it much more expensive.
- No negotiation on price and only minimal negotiations on terms.

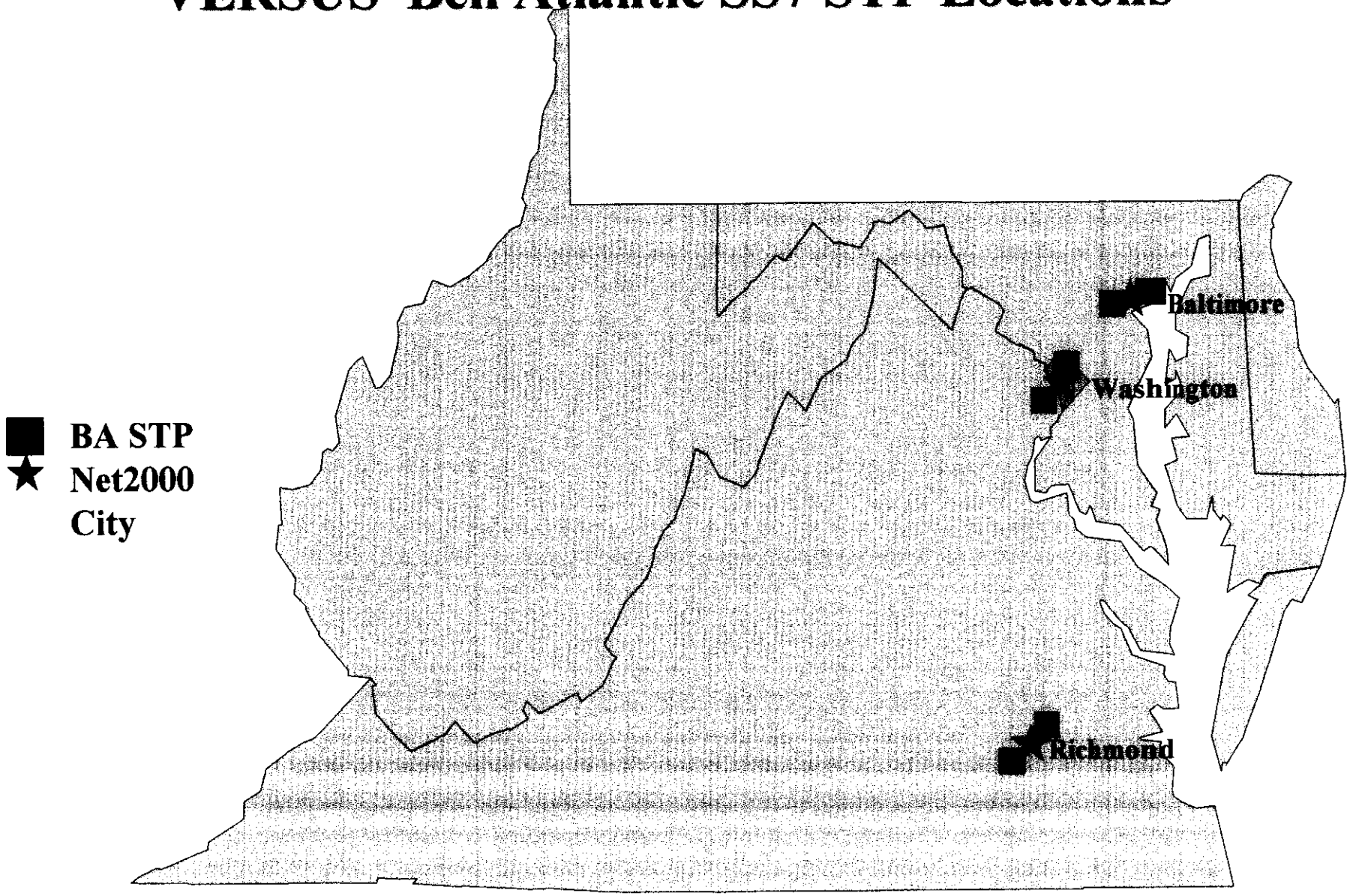
Bell Atlantic

- Long lead times - minimum 6-month delay before SS7 connectivity is provided.
- 1 vendor for connectivity and a single point of contact for potential network failure.
- Established processes and expertise.
- Only ubiquitous local SS7 and database provider.
- Demonstrated SS7 reliability.
- Local STP pairs reduce the cost of transport needed for connectivity.
- Less expensive service.
- No negotiation on price and only minimal negotiations on terms

Illuminet SS7 STP Locations



VERSUS Bell Atlantic SS7 STP Locations



SS7 Cost Comparison: Transport Component

- Illuminet's Regional STP pairs require long transport links for connectivity.
- Longer transport links lead to higher costs in smaller markets, where connectivity with a single pair of ILEC STPs would be required.
  - Richmond: connectivity with Illuminet STPs requires transport links of 100 and 175 miles (vs. 0 and 7 miles for BA) at a monthly recurring cost that is 250% higher.
  - Baltimore: connectivity with Illuminet STPs requires transport links of 90 and 180 miles (vs. 0 and 8 miles for BA) at a monthly recurring cost that is 72% higher.
- Regional STPs can lead to lower transport costs in markets where connectivity to multiple ILEC STP pairs is required.
  - Washington: connectivity with Illuminet STPs requires transport links of 141 and 130 miles (vs. 1, 4, 6 and 7 miles for BA) at a monthly recurring cost that is 15% less.

OS/DA Comparison

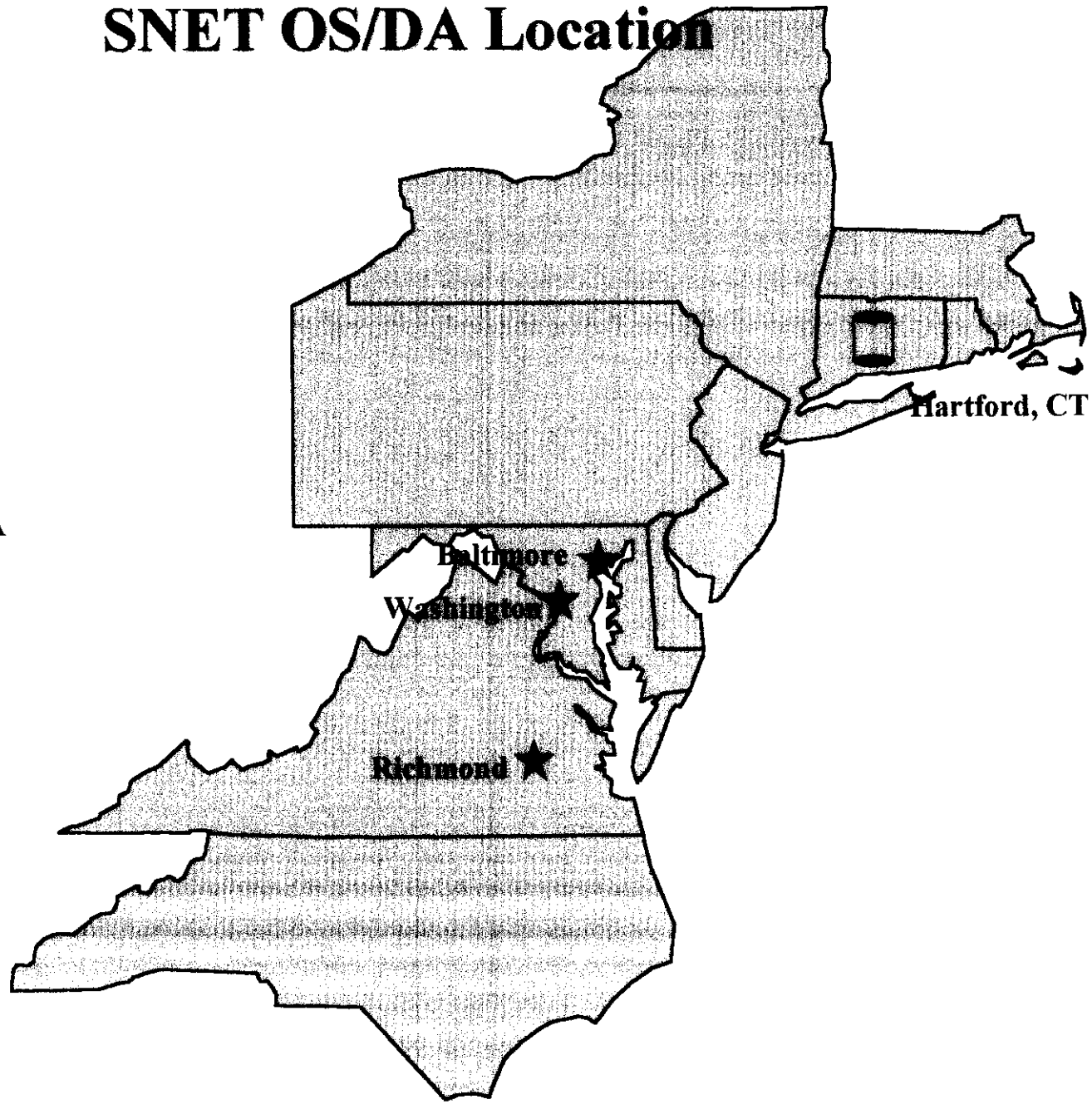
SNET

- Quicker lead time - OS/DA connectivity can be achieved in approximately 1 month.
- 3 or more different vendors/networks required for OS/DA connectivity. This leads to increased possibility of link failure and difficulties in identifying and resolving provisioning problems.
- Processes are under-developed (Net2000 customers had to discover that SNET requires that a 1 be dialed before 411 - Net2000 reprogrammed its switches so that customers could dial 411 as they do with BA).
- Training and service control deficiencies for wholesale product leads to inconsistent service experiences for customers *(i.e.,* branding and call answer times).
- Few alternative OS/DA providers.
- Long transport links required for connectivity to Hartford service center.
- No negotiation on price and only minimal negotiations on terms.
- Transport component makes SNET more expensive than the BA UNE alternative.

Bell Atlantic

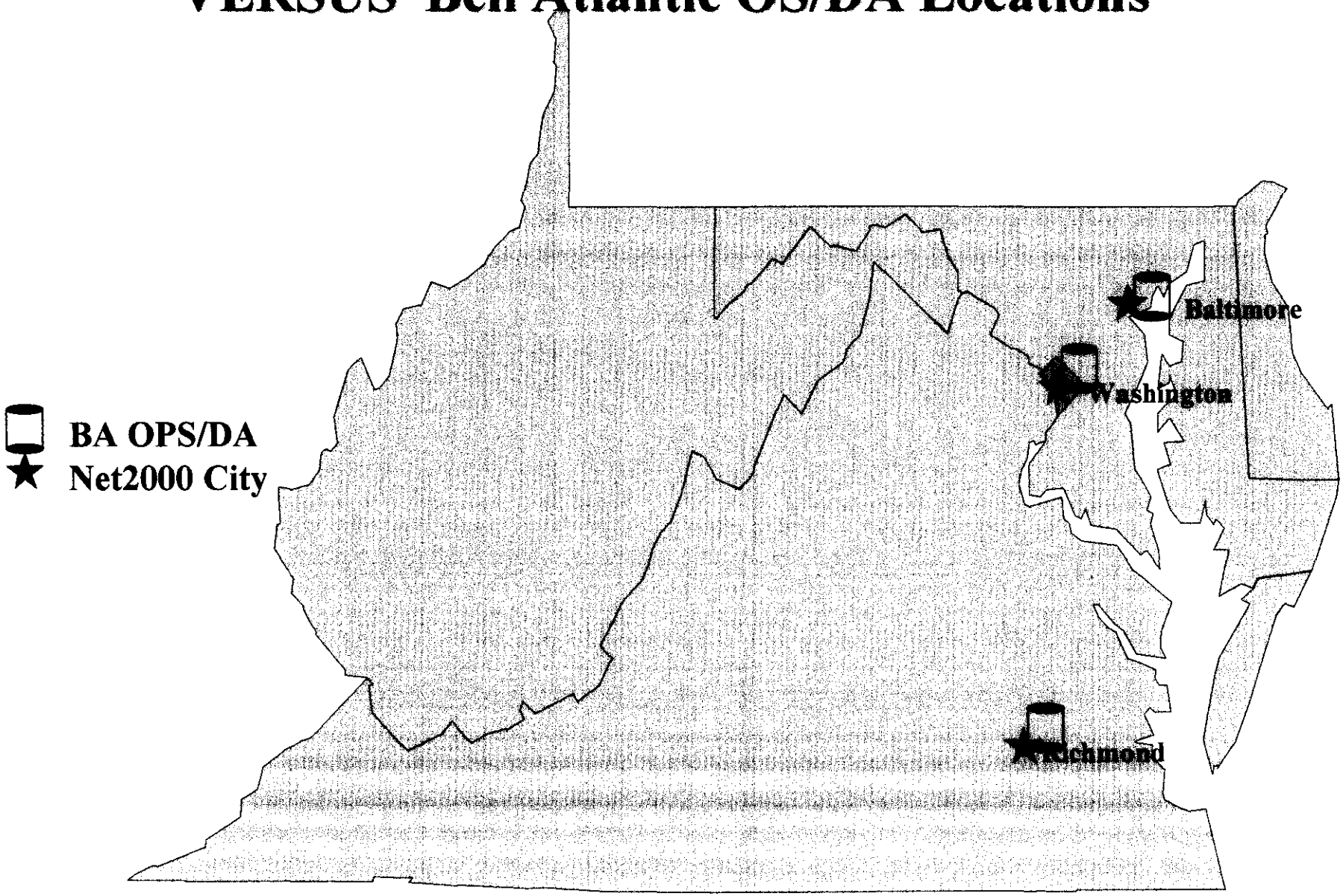
- Longer lead times.
- 1 vendor for connectivity and a single point of contact for potential network failure.
- Same dialing environment.
- Same local operations centers staffed by local people familiar with the area.
- No negotiation on price and only minimal negotiations on terms.

SNET OS/DA Location



SNET OPS/DA
Net2000 City

VERSUS Bell Atlantic OS/DA Locations



OS/DA Cost Comparison: Transport Component

- Connectivity to SNET's Hartford operations center requires expensive transport links that more than offset any cost savings offered on the actual service itself.
  - Richmond: connectivity to SNET OS/DA requires a 466-mile circuit (vs. a 0-mile circuit) at a cost that is 475% higher.
  - Washington: connectivity to SNET OS/DA requires a 356-mile circuit (vs. a 1-mile circuit) at a cost that is 331% higher.
  - Baltimore: connectivity to SNET OS/DA requires a 316-mile circuit (vs. a 0-mile circuit) at a cost that is 330% higher.