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May 24, 2000

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S. W. - Room TWB-204
Washington, D. C. 20554

Re: Ex parte, CC Docket No. 98-147/Deployment Of Wireline Services Offerings Advanced Telecommunications Capability; CC Docket No. 00-65, Application by SBC Communications Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance for Provision of In-Region InterLATA Services in Texas; CC Docket No. 96-98, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; CC Docket No. 00-50, Petition of NewPath Holdings, Inc. For an Expedited Declaratory Ruling on the Scope of Unbundled Access to the High-Frequency Portion of Loops; CC Docket No. 98-141, Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Ameritech Corporation, Transferor, to SBC Communications Inc., Transferee

Dear Ms. Salas:

On Tuesday, May 23, 2000, C. Michael Pfau and the undersigned of AT&T and James Casserly of Mintz Levin Cohn Ferris Glovsky and Popeo met with Jake Jennings, Jessica Rosenworcel, William Dever and William Kehoe of the Common Carrier Bureau's Policy and Program Planning Division and Douglas Sicker, Jerry Stanshine, Paul Marrangoni and Shanti Gupta of the Office of Engineering and Technology. The purpose of the meeting was to discuss AT&T's written comments in the Commission's line sharing reconsideration proceeding and in the Texas 271 proceeding regarding the provisioning of DSL service to customers served over the unbundled network element platform. The attached outline describes the topics covered during the meeting.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206 (b) of the Commission's rules.

Sincerely,

ATTACHMENT

| | | |
|--------------|----------------|--------------|
| cc: W. Dever | W. Kehoe | D. Sicker |
| S. Gupta | P. Marrangoni | J. Stanshine |
| J. Jennings | J. Rosenworcel | |

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ILEC Approach to DSL

The New Barriers Erected on The Path to Competition

Presentation to the FCC Staff

May 23, 2000

The Needs of UNE-P CLECs are Simple

- The ILEC must split the loop to allow the full functionality of the loop to be used by UNE-P CLECs, who pay the full cost of the loop
- ILEC must permit a UNE-P CLEC to provide both voice and “voice and data bundles” regardless of the loop infrastructure deployed
- ILEC must provide UNE-P CLECs with equivalent operational support to that delivered when line sharing with themselves, their data affiliate or with data CLECs
- ILEC must not use threats of DSL service withdrawal to limit voice competition

No New Rules are Required

- Splitters are not a separate UNE; rather they are part of the loop UNE because they are attached electronic devices needed to provide both voice and data services
 - UNE Remand - ¶ 175 (loop includes attached electronic devices)
 - SBC/Ameritech Merger Condition Order, n.682 (voice/data splitters that are not used only to provide data service may not be transferred to the advanced service affiliate)
- Thus, ILECs must deploy the splitter upon CLEC request, because it is technically feasible to do so

No New Rules are Required

- ILECs must unbundle the DSLAM in space limited RT architecture (UNE Remand - ¶ 313) thereby making equipped loops available at the Central Office
- Nondiscriminatory operational support required by the general terms of the Act
- DSL service termination, due simply to the replacement of the ILEC voice, is discriminatory and anticompetitive and precluded by Sections 251(c)(3), 201(b) and 202(a)

Nevertheless, the ILECs are not complying

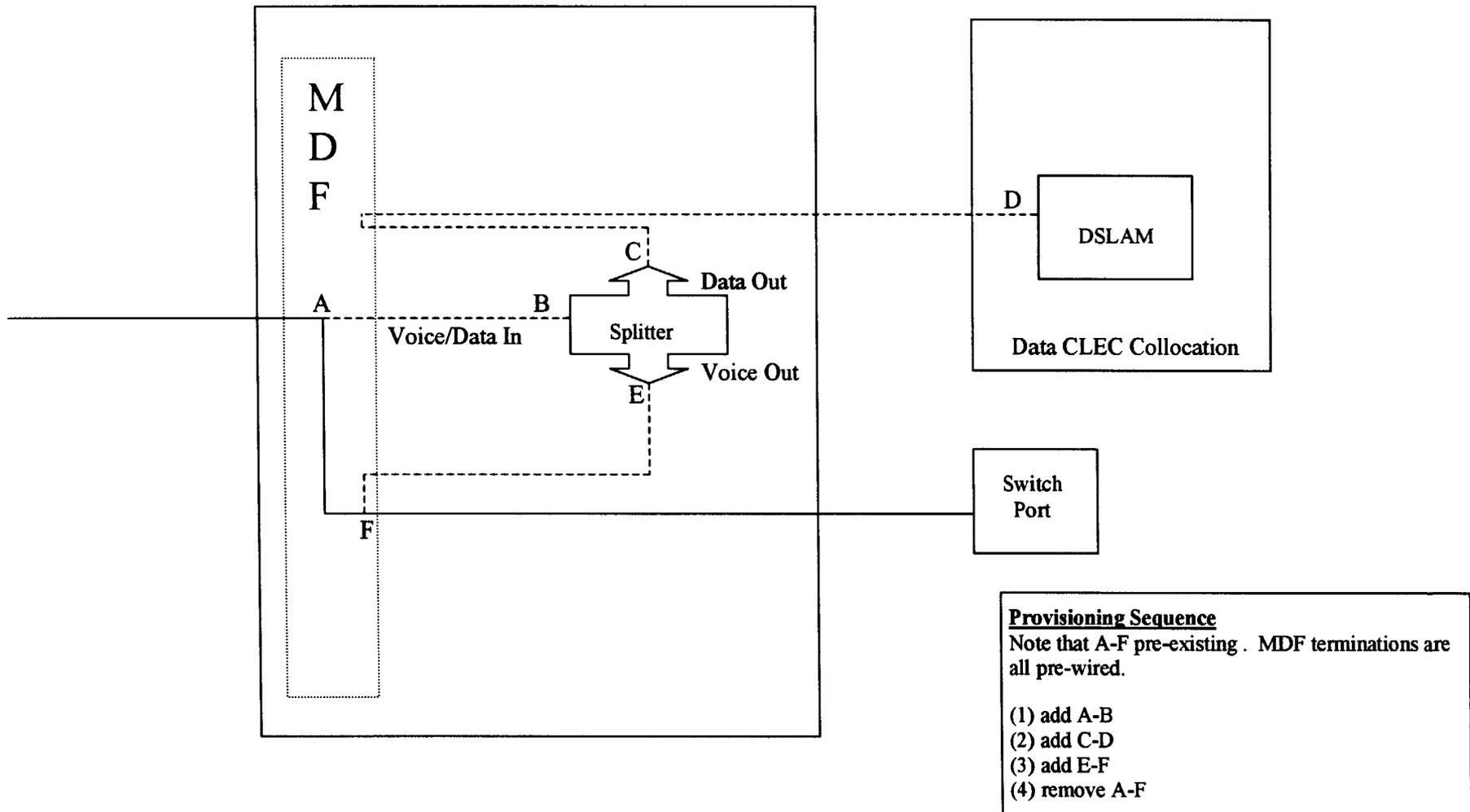
Basic Requirements

- ILEC splitter ownership and deployment
- Operational support for UNE-P+DSL
- Direct connection of the voice portion of an equipped loop to the unbundled local switching element
- Prompt fulfillment of support obligations
- Prohibition, at least during the interim, against ILEC/ILEC Affiliate withdrawal of DSL service when a customer migrates voice service to a UNE-P CLEC

Basic Requirements

- **ILEC ownership and deployment of splitters**
 - Maintains continuity of UNE-P combination (i.e., collocation is not traversed for voice service)
 - Better assures integrity of voice services
 - Cost effective (both in terms of space and equipment)
 - More assurance of equity in service quality
 - Minimizes impact upon voice service with change of DSL provider
- **Obstacles**
 - ILECs deny any obligation to own and deploy splitters based on the Line Sharing Order
 - Current deployment commitments are “voluntary”, subject to withdrawal and available only when line sharing with the ILEC

Basic Splitter Wiring



Basic Requirements

- **Demonstrated nondiscriminatory operational support ... most UNE-P+DSL requirements parallel support necessary to implement line sharing**
 - Non-disruptive procedures to add, change and remove DSL capabilities in the HFS of a UNE-P loop
 - Methods to assure only parties authorized by the UNE-P CLEC can add/modify services in the HFS
 - Continued maintenance support for UNE-P and coordinated testing for HFS as provided to DCLECs
 - Discrete performance results reporting
- **Obstacles**
 - ILECs deny obligation to support UNE-P+DSL and will not negotiate requirements
 - ILEC alternatives for voice+DSL are not built upon the UNE-P combination

Basic Requirements

- **Direct connection of the voice portion of an equipped loop to the ULS element**
 - Retains benefits of UNE-P for broad voice market entry
 - Technically feasible - identical to physical arrangements used for line sharing
 - Eliminates need for widespread collocation, allowing scarce collocation space to be better utilized
 - Better assures quality of voice service and network integrity
- **Obstacles**
 - ILEC refusal to acknowledge requirement to deploy equipped loops and self-serving interpretation of what constitutes delivery of an equipped loop

Basic Requirements

- **Prompt fulfillment of support obligations**
 - Clear reaffirmation of ILEC obligations and guiding principles for states to use in resolving arbitrations
 - Date certain for compliance - as soon as possible
 - Both are necessary to enable all market participants to compete, not just those willing to partner with the ILEC
- **Obstacles**
 - ILECs are unresponsive unless faced with a date certain requirement to comply
 - Protracted intervals to negotiate and arbitrate
 - Litigation delays because of states' uncertainty regarding Commission rules

Interim Requirements

- **Prohibition against ILEC/ILEC Affiliate withdrawal of DSL when a customer migrates voice service to a UNE-P CLEC**
 - ILEC less likely to lock up voice market while resolving implementation details
 - Reduces “rewards” of foot dragging
- **Obstacles**
 - ILECs not faced with a clear directive in this area, promoting foot dragging and anticompetitive behavior

Conclusions

- Reaffirm that prior Commission orders require ILECs to support of UNE-P carriers' right to provide both voice and data services on UNE loops
- Establish a date certain for full compliance as soon as possible, and always prior to 271 relief
- Provide a means for resolving compliance issues quickly without requiring to state-by-state arbitration
- Eliminate ILEC benefits from foot dragging