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May 11, 2001

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MAY 11 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary, Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: *Deployment of Wireline Services Offering Advanced Telecommunications Capability* -- CC Docket No. 98-147

Ex parte presentation pursuant to C.F.R. §1.1206(a)(1)

Dear Ms. Salas:

Catena Networks, Inc. ("Catena") met yesterday afternoon with Kyle Dixon, Legal Advisor in Chairman Powell's Office. Doug Cooper and the undersigned counsel for Catena attended the meeting on behalf of Catena. During the meeting, Catena addressed its products, their capabilities and the current status of deployment of those products in the network. Catena stressed that its products are the only economical way to make DSL services available to the 20 million customers in the United States served by certain legacy SLC-5 remote terminals. Attached are materials provided to Mr. Dixon describing Catena and the CNX-5 products currently available from Catena. In addition, during the meeting Catena described feedback it is receiving from marketing activities, including the reluctance of carriers to invest in equipment for advanced services in light of regulatory uncertainty and the risk that regulators will require the incumbent carriers to provide services and/or facilities to their competitors at below cost rates. Catena stressed the need for prompt resolution of the outstanding issues and accurate pricing signals.

Please contact the undersigned if you have any questions with regard to this submission.

Respectfully submitted,

Stephen L. Goodman
Counsel for Catena

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cc (w/o enc): Kyle Dixon

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CATENA NETWORKS

News Release

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Catena Networks Introduces First in Series of Solutions Enabling Mass-Market DSL and Seamless Migration to Converged, Packet-Based Public Network

CNX-5 Broadband ADSL System Gives Carriers a Fast, Cost-Effective, Scalable Way to Upgrade Digital Loop Carrier Systems

WASHINGTON, D.C. – January 30, 2001 – At COMNET 2001 in booth number 4108, Catena Networks introduced the first in a series of solutions that will enable the mass-market deployment of residential DSL and provide carriers with a seamless migration path to the converged, packet-based public network.

The Catena CNX-5 ADSL system for upgrading Lucent SLC® Series 5 (SLC-5) Digital Loop Carrier (DLC) Systems enables service providers to deliver Plain Old Telephone Service (POTS) and Asymmetric Digital Subscriber Line (ADSL) services on any copper pair, without reducing the number of available POTS lines.

The CNX-5 gives carriers a fast, cost-effective and scalable way to provide revenue-generating DSL services to the more than 20 million residential subscribers served by SLC-5 remote terminals.

Three of the 10 largest carriers in the U.S. have agreed to begin lab and field evaluations of the CNX-5 system in the first quarter of 2001.

The exploding demand for residential broadband services has created an urgent need for service providers to deliver DSL to customers served by these remote terminals. According to the research firm Telechoice, DSL deployments in the U.S. are expected to grow to nearly 10 million by 2002. A recent study by the Cahners In-Stat Group found that ADSL will capture more than 70 percent of the total DSL market by 2004. Further, RHK forecasts that by 2003, more than 50 percent of target ADSL residential subscribers will be served from remote terminals.

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However, current solutions for delivering DSL from remote terminals – ranging from bolt-on mini Remote Access Multiplexer (mini-RAM) systems to remote Digital Subscriber Line Access Multiplexers (DSLAMs) and adjunct cabinets – are expensive, inefficient and don't scale to support large volumes of users. These solutions require additional space in a remote terminal cabinet, or worse, an incremental investment in additional concrete pads and cabinets.

"To establish DSL as a mass-market service for consumers, carriers need a low-cost, scalable solution that addresses last-mile bottlenecks related to remote terminals," said Patrick Hurley, DSL analyst for Telechoice. "Solutions that allow service providers to inexpensively and easily upgrade their existing DLC infrastructure, like Catena's CNX-5 system, will help facilitate large-scale deployments of DSL service."

Bob Machlin, president and CEO of Catena Networks, said, "Catena's linecard integration of POTS and DSL enables broadband deployments today and facilitates a seamless, line-by-line transition to the new converged, packet-based public network of tomorrow."

The Catena CNX-5 system consists of an integrated 2 POTS and 2 DSL port channel unit, an ATM multiplexer card, and the CatenaView Element Management System (EMS), which are the only elements required to upgrade the SLC-5 to support DSL.

This simple, card-for-card upgrade eliminates the need for POTS splitters, cross-connects, external cabling, mini-RAMs, and additional pads and cabinets. In addition, service providers can expand DSL availability in two-line increments as residential demand for DSL increases.

By allowing service providers to handle all DSL service requests through remote provisioning from their network operations center via the CatenaView EMS, the CNX-5 dramatically reduces operational costs. Catena's programmable silicon technology also allows carriers to manage evolving ADSL standards by delivering new features via software downloads – not costly hardware upgrades. The CNX-5 effectively leverages carriers' investments in installed SLC-5 equipment and provides the industry's lowest capital, service activation and lifecycle cost solution.

The Elements of the CNX-5 ADSL Upgrade

The *Catena Enhanced Channel Unit* (ECU) is the linecard replacement that integrates POTS and ADSL interface technology within the existing SLC-5 chassis. For the technician, the installation of the ECU is the same as a standard SLC-5 POTS channel unit. The Catena ECU sports a red lever on the front of the unit for quickly and easily determining which lines are DSL-enabled.

To support DSL services on the SLC-5, the *Catena Enhanced Channel Test Unit* (ECTU) replaces the existing Channel Test Unit. By employing existing system resources to facilitate communications between the ECU cards and the ECTU, there is no need for external cabling, either between cards or to an external POTS splitter, thus simplifying installation.

Once installed and connected to backhaul facilities, the ECTU is ready to be provisioned for DSL services from the network operations center. The CNX-5 upgrade offers three backhaul options – T1, 4xT1 IMA, and DS-3 – that allow the carrier to start inexpensively and increase backhaul bandwidth as needed.

To provision and manage mass-market DSL services, the CNX-5 uses the *CatenaView EMS* and a complete Application Programming Interface (API) suite. Expandable to hundreds of thousands of lines, CatenaView can be distributed across client/server platforms. The API provides the interfaces necessary to electronically link the CNX-5 to upstream operation support systems and, by utilizing a TCP/IP-based protocol, enables interoperability regardless of platform, operating system, programming language, network hardware or software.

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Pricing and Availability

Catena's CNX-5 is currently shipping to service providers. Pricing for the complete CNX-5 ADSL system starts at $5,000. For more information on the CNX-5, contact Catena at 866-2CATENA or visit the company's web site at www.catena.com.

About Catena Networks

Catena Networks will enable the mass-market deployment of broadband DSL services and help carriers migrate to a converged access network that integrates their volume voice and DSL operations. With Catena's solutions, service providers can deliver integrated voice, data and video services to residential subscribers more quickly, cost effectively and profitably than ever before. Headquartered in Redwood Shores, Calif., the company operates a world-class research and development facility in Kanata, Ontario, Canada (near Ottawa) and has more than 240 employees across North America. Founded in 1998, Catena is a privately held company that has secured more than $100 million in venture financing. For more information, please access www.catena.com.

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