



NIXON PEABODY LLP
ATTORNEYS AT LAW

Suite 900
401 9th Street, N.W.
Washington, D.C. 20004-2128
(202) 585-8000
Fax: (202) 585-8080

Veronica M. Ahern
Direct Dial: (202) 585-8321
E-Mail: vahern@nixonpeabody.com

January 7, 2004

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: Supplement to Waiver Petition
Docket Numbers: 98-147, 01-338 and 96-98

Dear Ms. Dortch,

The Telecommunications Regulatory Board of Puerto Rico ("Board") hereby seeks to supplement its Waiver Petition, filed on December 30, 2003, in the above-captioned proceedings. This Supplement contains a required Summary of the Petition.

Please contact the undersigned should you have any questions.

Respectfully submitted,

Telecommunications Regulatory
Board of Puerto Rico

By Veronica M. Ahern
NIXON PEABODY LLP
401 9th Street, N.W.
Suite 900
Washington, DC 20004
(202) 585-8000

Its Attorneys

SUMMARY

The Telecommunications Regulatory Board of Puerto Rico (“Board”) hereby submits this Waiver Petition to rebut the Federal Communications Commission national finding of “no impairment” to CLECs without local circuit switching to serve Enterprise customers. This Petition, filed pursuant to 47 C.F.R. §51.319(d) of the Commission’s Rules, demonstrates that operational barriers are present in the local Puerto Rico telecommunications market which impair the ability of CLECs to serve Enterprise customers.

In an expedited proceeding conducted in Puerto Rico, the Board heard evidence on both operational and economic criteria that exist in the telecommunications market. Participating in the proceeding were Puerto Rico Telephone Company (“PRTC”), the incumbent local exchange carrier, as well as several competitive local exchange carriers: WorldNet Telecommunications, Inc., Telefonica Larga Distancia de Puerto Rico, Inc., and Centennial Puerto Rico License Corp. First, the Board defined the geographic market for Enterprise customers: San Juan, Ponce and Mazaquez, and one market comprising the rural portions of the Commonwealth. Next, the Board heard evidence on the market conditions in Puerto Rico, particularly with regard to “special circumstances” which could create impairment without access to local circuit switching. Indeed, the Board found that the two primary conclusions upon which the national “no impairment” finding is based on are not reflected in the market conditions in Puerto Rico because there has not been significant deployment of local wireline switches by CLECs in Puerto Rico and no CLECs are competing in Puerto Rico using UNE-L.

Further, the Board also found that requiring CLECs to compete using a facilities-based approach, while appropriate for a mature competitive market, is not yet appropriate in Puerto Rico.

In addition to these fundamental findings, the Board concluded that there are significant operational impairments in Puerto Rico markets. Specifically, PRTC is not ready or able to provide standalone UNE loops, collocation, or cross-connects. Nor is PRTC ready or able to provide other services necessary for CLEC switch deployment, such as local number portability and access to rights of way.

The Board found that these operational barriers are so significant that it is not necessary to consider, at this time, economic barriers, but will undertake such consideration if necessary in the future.

Based upon these findings, the Board respectfully requests that the FCC grant a waiver of its rules that would require the continuation of PRTC's provision of local circuit switching for Enterprise customers. Further, the Board will initiate a proceeding in two years to determine whether its findings regarding operational barriers continue to prevail.