

July 28, 2004

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Automatic Rate Increases in Potential Interim Rules for High Capacity Loops and Transport; CC Docket Nos. 01-338, 96-98, and 98-147

Dear Chairman Powell:

On behalf of Boston Ventures, Quadrangle Group LLC, and Whitney & Co. LLC we are writing to reinforce the desire expressed by Centennial Ventures, Columbia Capital, Kohlberg Kravis Roberts & Co., M/C Venture Partners, and Madison Dearborn Partners, LLC in their July 22nd letter, and by Wachovia Capital Partners in its July 21st correspondence—that the FCC make clear that facilities-based competitive carriers will continue to receive cost-based access to discrete components of the incumbent networks while the FCC considers final rules. Like the aforementioned investors, we are private equity firms that have made substantial investments in the telecommunications sector. Our portfolio companies include investments in competitive carriers, including competitive local exchange carriers (“CLECs”). Our portfolio companies serve numerous markets throughout the United States over a mix of their own network facilities and loop/transport facilities leased from incumbent local exchange carriers (“ILECs”) as unbundled network elements (“UNEs”). Our portfolio companies include Integra Telecom, NuVox Communications, and US LEC Corp. We are writing today specifically to reiterate the concern expressed by our colleagues regarding a critical aspect of potential interim UNE rules under consideration by the Commission-- the automatic rate increases for DS1 loops and EELs pending adoption of permanent rules.

Like the other equity investors who have weighed in on this critical issue, we have made substantial investments in firms that use their own facilities to serve business customers wherever it is feasible to do so. We committed this capital to, and have continued to invest in, competitive wireline telecommunications infrastructure in reliance on the FCC’s steady and consistent interpretation of the Telecom Act over the past eight years, which you also have articulated. The FCC has consistently recognized that it is unreasonable to expect new entrants to replicate the incumbent network in all respects,

/s/
Anthony J. Bolland
Boston Ventures

cc: Commissioner Kathleen Q. Abernathy
Commissioner Kevin J. Martin
Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Assistant Secretary Michael D. Gallagher
Christopher Libertelli
Matthew Brill
Daniel Gonzalez
Jessica Rosenworcel
Scott Bergmann
Meredith Attwell