FCC Presentation
10/04

Line Sharing Negotiations with Bells

- **Since Feb. ’03 Triennial decision**, Covad has pursued negotiations aggressively with all four Bell companies.
- **In April ’04, Covad and Qwest** signed a 3-year deal.
  - Agreement sets $5 MRC and $35 NRC for all line sharing charges (HFPL, OSS, conditioning, and installation) based on expected region-wide line volumes.
- **In Sept ’04,** Covad signed short term agreements with VZ and SBC that would extend linesharing until January ’05 and September, ’05 respectively.
- **Still needs long term agreements with FCC safe harbor rules.**
  - Covad needs assurance of FCC rules if Bells fail to agree to long term commercial deals.
  - Covad wants to sit at the negotiating table with the Bells and hammer out deals resolving line sharing for good.
- **FCC should make it clear that linesharing will be reevaluated in the *USTA II NPRM*.**

BellSouth FTTC Petition

- **Mass Market "Relief".** BellSouth seeks exemption from unbundling mass market Fiber-to-the-Premises loops.
  - BellSouth argues for an incentive to deploy fiber facilities delivering triple play of voice, video and data services to mass market consumers in MDUs.
- **Not Enterprise "Relief".** FCC shouldn't inadvertently relieve Bells of enterprise UNE loop obligations.
  - Residential customers don't buy T1 loops costing hundreds of dollars per month.
- **Narrow clarification** would remain consistent with TRO.
  1. Any unbundling exemptions adopted in clarification should be limited to greenfield, "new-build" scenarios.
  2. FCC should not reinstate "no facilities" policies through so-called clarification of packet-TDM distinction.
     - As demonstrated in Covad 6/2/04 technical ex parte, with the exception of Gigabit Ethernet, almost all existing loop facilities contain underlying TDM transmission.

Bell 271 Forbearance Petitions

- The BOC petitions simply collapse sections 251 and 271 analysis into one – they argue that if access is eliminated under 251, it must be eliminated under 271 automatically.
  - But the Commission held, and the D.C. Circuit affirmed, that 251 and 271 access obligations *are* different.
  - The Commission's 251 analysis found that CLECs ARE impaired from competing without access to existing broadband-capable loops.
- **Legacy Loops Should Not be Inadvertently Included.** The Commission should be clear that any forbearance determinations apply solely to fiber to the home loops.
  - Line shared loops are not "broadband" loops, but simply legacy copper loop facilities.
  - The Commission should be explicit that any forbearance it grants does not apply to line shared loops, which will be revisited in the *USTA II NPRM.*

Permanent Rules

- Commission needs to revisit all basic unbundling determinations, not just UNEs vacated by *USTA II*
- Legacy loop access critical to voice (VOIP) and broadband competition
- Voice/Broadband distinction undermined by VOIP
- Loops and transport critical