

# Industry Needs Clear Federal Framework To Move To Commercial Solutions And Invest

- New rules should create a uniform federal framework
- New rules should not require complex proceedings to implement
- New rules should take commercial effect as soon as possible
- New rules should create a clear path for negotiating commercial deals without intrusive regulatory scrutiny
- New rules should wall off investment in new technology from unbundling

# Competitive Facilities Are “Significantly Deployed” Demonstrating “Competition Is Possible” Broadly

- 18 CLEC fiber networks criss-cross Atlanta
- Two cable providers alone claim 250,000 business customers across the country
- One alternative access database alone contains over 30,000 buildings

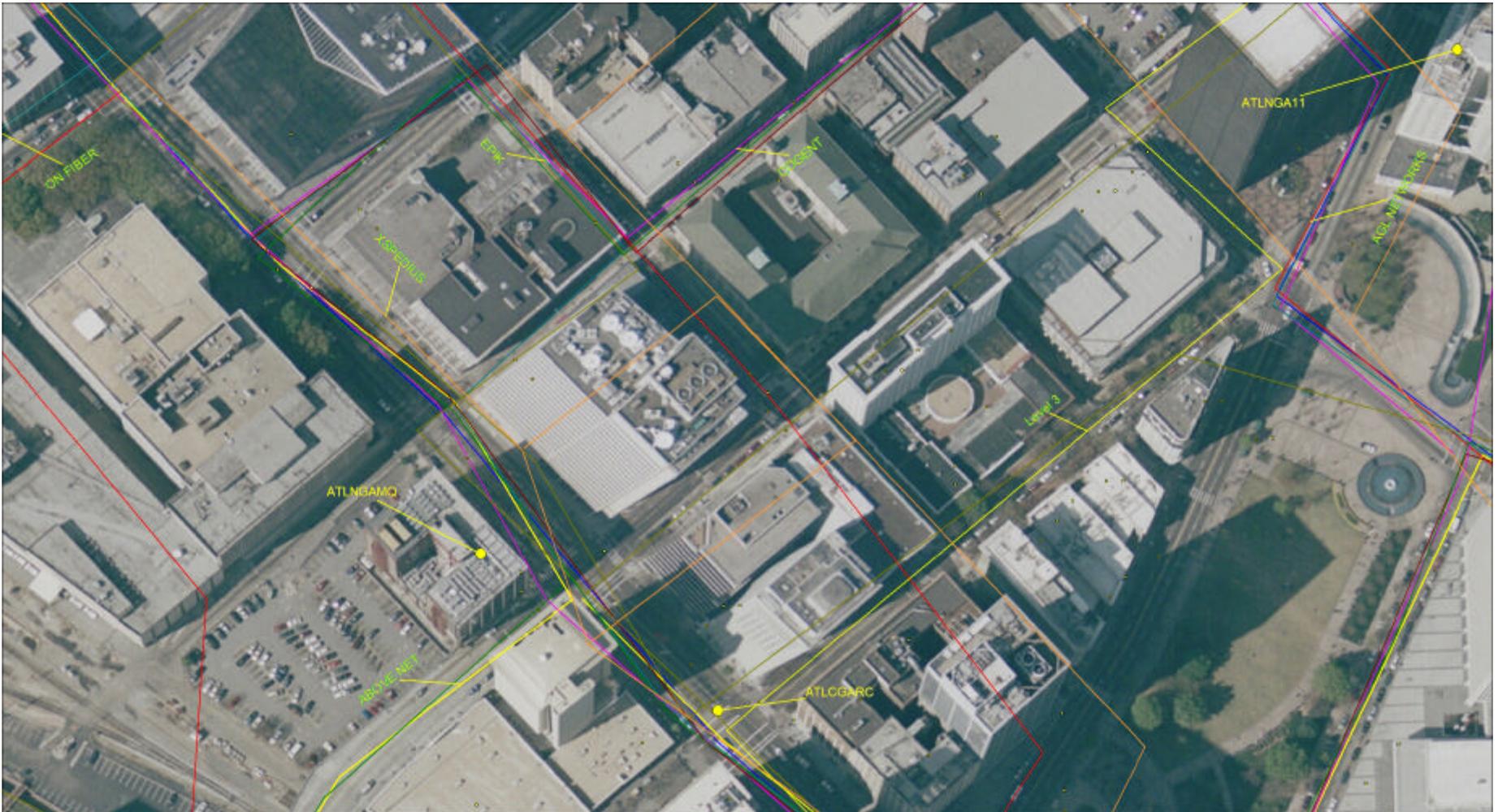


# EXAMPLE COMPETITIVE FIBER PLACEMENT – DOWNTOWN ATLANTA



December 6, 2004

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# FIBER BASED COLLOCATION IN BELL SOUTH CENTRAL OFFICES

Central Offices By No. of Business Access Lines	No. of Central Offices	Percent of Central Offices	Number of Fiber-Based Collocators				
			0	1+	2+	3+	4+
Below 5,000	1145	72.8%	96.9%	3.1%	1.0%	0.1%	0.1%
5,000-10,000	199	12.6%	45.2%	54.8%	25.1%	11.1%	4.5%
10,000-15,000	94	6.0%	22.3%	77.7%	53.2%	36.2%	17.0%
15,000-20,000	56	3.6%	17.9%	82.1%	75.0%	66.1%	53.6%
20,000-25,000	32	2.0%	3.1%	96.9%	84.4%	81.3%	65.6%
25,000-30,000	20	1.3%	0.0%	100.0%	95.0%	95.0%	90.0%
30,000-35,000	9	0.6%	0.0%	100.0%	100.0%	100.0%	100.0%
35,000-40,000	3	0.2%	0.0%	100.0%	100.0%	100.0%	100.0%
40,000-45,000	3	0.2%	0.0%	100.0%	100.0%	100.0%	100.0%
45,000-50,000	4	0.3%	0.0%	100.0%	100.0%	100.0%	100.0%
Above 50,000	9	0.6%	0.0%	100.0%	100.0%	100.0%	100.0%
<i>Total</i>	1574	100%	78.3%	21.7%	14.4%	10.6%	7.8%

# Dismissing Special Access Creates Legal and Policy Risks For Order

- 100s of 1,000s of special access circuits mean something
- Regulatory mandate requires “conversion” of special access to UNEs
- Conversion of these in-place circuits to UNEs cannot be consistent with impairment
  - tests do not match with impairment
- Conversion requirement threatens massive wealth transfer with no policy benefits

# Clear Mandate On UNE-P Will Move Industry To Negotiations

- Clear statement of no new adds
  - State impairment proceedings pre-empted
- Clear transition framework
  - NPRM proposal reasonable
  - Industry can best work out transition details