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December 1, 2004

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Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
Room TW-A325  
445 12<sup>th</sup> St. S.W.  
Washington D.C. 20554

Federal Communications Commission  
Office of Secretary

**REDACTED--FOR PUBLIC INSPECTION**

Re: Unbundled Access to Network Elements, Review of Section 251 Unbundling Obligations of Local Exchange Carriers, WC Dkt. No. 04-313, CC Dkt. No. 01-338.

Dear Ms. Dortch:

On behalf of Conversent Communications, LLC ("Conversent") we have enclosed for filing, pursuant to the protective order in the above referenced proceedings, two copies of the redacted version of a letter filed today by Conversent in the above referenced docket. The redacted version of the letter was also filed electronically today in those dockets.

Confidential versions of the enclosed letter have also been sent to Gary Remondino of the Wireline Competition Bureau and were filed separately with the Secretary.

Please let us know if you have any questions.

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December 1, 2004

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
Room TW-A325  
445 12th Street, S.W.  
Washington, D.C. 20554

**Re: Unbundled Access to Network Elements, Review of Section 251 Unbundling Obligations of Local Exchange Carriers, WC Dkt. No. 04-313, CC Dkt. No. 01-338.**

Dear Ms. Dortch:

Conversent Communications, LLC (“Conversent”) writes this letter in response to Verizon’s statements that “cable companies have moved rapidly to provide cable modem services to small-business customers” and “cable operators already have been very successful in attracting small business customers.”<sup>1</sup> Conversent provides voice and internet access services to more than 38,000 small business customers in Massachusetts, Rhode Island, New Hampshire, Maine, Connecticut, New York, and New Jersey. The average Conversent customer has approximately seven lines, and many Conversent customers have only a single business line. As will be explained below, Verizon is exaggerating the extent to which the cable companies compete to attract small business customers.

Conversent provides DS-1 level voice, internet access and integrated services to small and medium sized businesses. Integrated DS-1 services can be used for voice grade and data transmissions over the same DS-1 loop. If the FCC were to rule that ILECs are no longer required to unbundle DS-1 loops, Conversent and other UNE-L providers would no longer be able to provide these services to small and medium sized businesses. It is likely that these customers would be forced to return to Verizon if they were no longer served by Conversent.

High-speed cable modem service is not a substitute for DS-1 level internet access demanded by small and medium sized business customers. *First*, in Conversent’s experience, cable modem service is offered primarily to residential customers. In the limited number of small cities and suburbs where a cable company has begun to offer cable modem service to business customers, the geographic scope of that offering is frequently limited, and it is significantly smaller than the area in which Conversent or other non-cable broadband carriers offer broadband service.

*Second*, even in those few geographic areas where cable companies have updated their outside plant and are actively marketing cable modem service to small businesses, Conversent’s experience is that most business customers with broadband requirements find cable modem service to be inadequate. Unlike Conversent’s DS-1 level services, which are provided over dedicated facilities, cable modem services are delivered over facilities that are shared among multiple customers. In addition, the bandwidth reserved for cable modem service is fixed. As a result, multiple customers share a fixed amount of bandwidth, often resulting in over-subscription (too many users with not enough bandwidth). As the number of cable modem subscribers in a given geographic area increases, individual subscribers tend to experience a reduction in the amount of bandwidth that is available for high-speed internet access.

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<sup>1</sup> See Opposition of Verizon to AT&T’s Petition for Reconsideration at 4 (filed Nov. 12, 2004)

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Conversent's experience is that business customers that require bandwidth for business grade applications prefer dedicated broadband access and are willing to pay more for it. Indeed, in Conversent's seven-state service territory, only [proprietary begin] [proprietary end] out of the nearly [proprietary begin] [proprietary end] new lines that Conversent has installed this year have come from cable companies,<sup>2</sup> while only [proprietary begin] [proprietary end] lines have been ported from Conversent to a cable company. This lack of porting to and from cable companies provides strong evidence that cable companies, for the most part, do not have fiber facilities that reach small businesses and do not compete for small business customers in Conversent's seven-state service territory.

Sincerely,

\_\_\_\_\_  
/s/

Scott Sawyer

Vice President of Regulatory Affairs and Counsel  
Conversent Communications, LLC

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<sup>2</sup> Comcast, Cox, Time Warner Cable, RCN and Cablevision all have cable franchises in Conversent's service area.