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March 14, 2005

**Ex Parte**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW – Portals  
Washington, DC 20554

**Re: Verizon's Petition for a Declaratory Ruling or, Alternatively, Interim Waiver and Verizon's Conditional Petition for Forbearance under 47 U.S.C. § 160(e) with Regard to Broadband Services Provided via Fiber to the Premises, WC Docket No. 04-242**

Dear Ms. Dortch:

This letter is a follow-up to our February 28, 2005 meeting with members of the Competition Policy Division. I write to provide additional information concerning Verizon's fiber-to-the-premises (FTTP) network.

First, at the meeting we were asked for a comparison of the number of homes served by fiber prior to Verizon's rollout of its FTTP network versus the number that now have fiber available to them from Verizon. According to the Commission's most recent High Speed Data Report, 22,719 high-speed, fiber lines serving residential and small business end-users were in service nationwide as of June 2004. See Ind. Anal. & Tech. Div., Wireline Competition Bureau, FCC, *High-Speed Services for Internet Access: Status as of June 30, 2004*, at Table 3 (Dec. 2004). In contrast, since rolling out our FTTP network in August 2004, Verizon has now passed over one million homes and businesses. Furthermore, our goal is to pass an additional two million homes and businesses (for a total of 3 million) throughout our footprint by the end of this year. (Unfortunately, we were unable to locate data on the number of homes and businesses passed by fiber prior to Verizon's rollout of FTTP.)

Second, we were asked a question concerning Verizon's capital expenditures related to FTTP. In 2004, Verizon's total capital expenditures budget was \$13.3 billion, and of that,

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approximately \$1 billion was spent on FTTP. For 2005, Verizon intends to increase its overall capital expenditures budget by about 10%. No amount has been announced with respect to capital expenditures devoted to FTTP, and the overall amount could vary based on factors such as run rates and success rates for FTTP. As mentioned above, however, Verizon intends to pass a total of 3 million homes and businesses with FTTP by the end of the year.

Finally, we were asked for a breakdown of the speeds selected by current residential subscribers to the FiOS data services provided over our FTTP network. Currently, almost 70% of consumers have subscribed to the 5 Mbps/2 Mbps service, approximately 30% subscribe to the 15 Mbps/2 Mbps service, while less than 1% subscribe to the 30 Mbps/5 Mbps service.

Please let us know if you have any further questions. We look forward to discussing the above-captioned proceeding with you further.

Sincerely,

/s/Edwin J. Shimizu

c: Tom Navin  
Julie Veach  
Terri Natoli  
Christi Shewman  
Carol Simpson  
Tim Stelzig