

STAMP & RETURN

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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Federal Communications Commission
Office of Secretary

In the Matter of)
)
Petition of BellSouth Corporation for Forbearance)
Under Section 47 U.S.C. § 160(c) From Title II and)
Computer Inquiry Rules With Respect to Its)
Broadband Services)

WC No. 06-125

PETITION FOR FORBEARANCE

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BellSouth Petition for Forbearance
WC No. 06-_____
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PETITION FOR FORBEARANCE

Forbearance provides a remedy that enables the Commission to remove quickly regulatory obstacles that impede the benefits of competitive markets from flowing to the public. No case for forbearance from Title II and *Computer Inquiry* requirements is more compelling than that established by the circumstances surrounding broadband services. The Commission began dismantling the obstacles that these regulations created by relieving all carriers of mandatory Title II obligations and the Bell Operating Companies ("BOCs") of *Computer Inquiry*¹ requirements with respect to broadband transmission services used to provide Internet

¹ See *Regulatory and Policy Problems Presented by the Interdependence of Computer and Communication Services and Facilities*, Docket No. 16979, *Notice of Inquiry*, 7 FCC 2d 11 (1966) ("*Computer I NOI*"); *Regulatory and Policy Problems Presented by the Interdependence of Computer and Communication Services and Facilities*, Docket No. 16979, *Final Decision and Order*, 28 FCC 2d 267 (1971) ("*Computer I Final Decision*"), *aff'd in part sub nom. GTE Service Corp. v. FCC*, 474 F.2d 724 (2d Cir. 1973), *decision on remand*, 40 FCC 2d 293 (1973) ("*Computer I*"); *Amendment of Section 64.702 of the Commission's Rules and Regulations (Computer II)*, 77 FCC 2d 384 (1980) ("*Computer II Final Decision*"), *recon.*, 84 FCC 2d 50 (1980) ("*Computer II Reconsideration Order*"), *further recon.*, 88 FCC 2d 512 (1981) ("*Computer II Further Reconsideration Order*"), *aff'd sub nom. Computer and Communications Industry Ass'n v. FCC*, 693 F.2d 198 (D.C. Cir. 1982) ("*CCIA v. FCC*"), *cert. denied*, 461 U.S. 938 (1983) (collectively referred to as *Computer II*); *Amendment of Section 64.702 of the*

access services.² Subsequently, on March 20, 2006, Verizon's Petition for Forbearance of Title II and *Computer Inquiry* regulations as they apply to other broadband services was deemed granted by operation of law. BellSouth Corporation ("BellSouth"), on behalf of itself and its wholly-owned affiliates, respectfully requests that the Commission exercise its authority under Section 160(c) of the Communications Act and grant BellSouth and similarly situated carriers the same relief by issuing an order explicitly forbearing from the application of Title II and *Computer Inquiry* regulations to broadband services as described more fully in Attachment A.

Commission's Rules and Regulations, CC Docket No. 85-229, Phase I, 104 FCC 2d 958 (1986) ("*Computer III Phase I Order*"), recon., 2 FCC Rcd 3035 (1987) ("*Computer III Phase I Reconsideration Order*"), further recon., 3 FCC Rcd 1135 (1988) ("*Computer III Phase I Further Reconsideration Order*"), second further recon., 4 FCC Rcd 5927 (1989) ("*Computer III Phase I Second Further Reconsideration Order*"); *Phase I Order and Phase I Recon. Order vacated sub nom. California v. FCC*, 905 F.2d 1217 (9th Cir. 1990) ("*California I*"); CC Docket No. 85-229, Phase II, 2 FCC Rcd 3072 (1987) ("*Computer III Phase II Order*"), recon., 3 FCC Rcd 1150 (1988) ("*Computer III Phase II Reconsideration Order*"), further recon., 4 FCC Rcd 5927 (1989) ("*Phase II Further Reconsideration Order*"); *Phase II Order vacated, California I*, 905 F.2d 1217 (9th Cir. 1990); *Computer III Remand Proceeding*, CC Docket No. 90-368, 5 FCC Rcd 7719 (1990) ("*ONA Remand Order*"), recon., 7 FCC Rcd 909 (1992), *pets. for review denied sub nom. California v. FCC*, 4 F.3d 1505 (9th Cir. 1993) ("*California II*"); *Computer III Remand Proceedings: Bell Operating Company Safeguards and Tier 1 Local Exchange Company Safeguards*, CC Docket No. 90-623, 6 FCC Rcd 7571 (1991) ("*BOC Safeguards Order*"), *BOC Safeguards Order vacated in part and remanded sub nom. California v. FCC*, 39 F.3d 919 (9th Cir. 1994) ("*California III*"), *cert. denied*, 514 U.S. 1050 (1995); *Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services*, CC Docket No. 95-20, *Notice of Proposed Rulemaking*, 10 FCC Rcd 8360 (1995) ("*Computer III Further Remand Notice*"), *Further Notice of Proposed Rulemaking*, 13 FCC Rcd 6040 (1998) ("*Computer III Further Remand Further Notice*"); *Report and Order*, 14 FCC Rcd 4289 (1999) ("*Computer III Further Remand Order*"), recon., 14 FCC Rcd 21628 (1999) ("*Computer III Further Remand Reconsideration Order*"); see also *Further Comment Requested to Update and Refresh Record on Computer III Requirements*, CC Dockets Nos. 95-20 & 98-10, *Public Notice*, 16 FCC Rcd 5363 (2001) (asking whether, under the open network architecture ("*ONA*") framework, information service providers can obtain the telecommunications inputs, including digital subscriber line ("*DSL*") service, they require) (collectively referred to as *Computer III*). *Computer I*, *Computer II* and *Computer III* are referred to as the *Computer Inquiries*.

² *Appropriate Framework for Broadband Access to the Internet over Wireline Facilities, et al.*, CC Docket No. 02-33, *et al.*, *Report and Order and Notice of Proposed Rulemaking*, 20 FCC Rcd 14853 (2005) ("*Broadband Internet Access Order*").

I. INTRODUCTION AND SUMMARY

Title II and *Computer Inquiry* regulations are predicated on the fundamental assumption that the wireline telephone network is the primary, if not exclusive, means through which customers obtain broadband services. That core premise is invalid in today's broadband market. Indeed, the Commission has recognized that the market characteristics for broadband services require a far more enlightened regulatory framework than that typically associated with traditional common carrier regulation. For example, in 2005, the Commission addressed a framework for the subset of broadband services used to provide Internet access services and concluded that broadband Internet access services offered by wireline facilities-based providers need not be offered under Title II or the *Computer Inquiry* regime.³

In the first quarter of this year, the remaining issues regarding the appropriate framework for broadband services were resolved when, by operation of law, Verizon's Forbearance Petition was granted.⁴ Verizon's Petition, which was based on nationwide market conditions, sought to extend the same relief granted by the Commission in the *Broadband Internet Access Order* to broadband services other than those providing Internet access.⁵ In the absence of an explicit order, some uncertainty exists as to the exact scope of relief flowing from the Verizon petition.

³ *Broadband Internet Access Order*, 20 FCC Rcd at 14853.

⁴ See FCC News Release, "Verizon Telephone Companies' Petition for Forbearance from Title II and *Computer Inquiry* Rules with Respect to Broadband Services Is Granted by Operation of Law" (Mar. 20, 2006).

⁵ Because the conditions that justify Verizon's Forbearance Petition apply equally to all BOCs, and because the Commission is authorized to grant forbearance to a "class of telecommunications providers," the relief awarded by operation of law should equally apply to all BOCs. 47 U.S.C. § 160(a). BellSouth seeks relief only to the extent such relief does not already apply, and specifically reserves the right to argue that such relief does, in fact, apply to BellSouth and other Bell companies.

This and similar recently filed petitions provide the Commission the opportunity to clarify the full extent of the relief from outmoded economic regulation of broadband services that will best serve consumers of those services. The Commission should now establish the same rational regulatory regime for all wireline broadband service providers that Verizon currently enjoys.⁶

As has repeatedly been presented to the Commission and as fully demonstrated in Verizon's forbearance petition, broadband services are characterized by robust competition throughout the nation. Not only are there multiple providers, but business customers purchasing broadband services tend to be large, sophisticated users who know that alternatives exist and are capable of demanding and receiving customized treatment. Accordingly, the same regulatory regime, that is, forbearance from Title II and *Computer Inquiry* regulation, is warranted for all BOCs on a nationwide basis for these broadband services.

Moreover, the same findings and conclusions that led the Commission to grant regulatory relief in the *Broadband Internet Access Order* apply with equal measure to broadband services in general. As the Commission recognized, removing the outdated regulatory constraints on the transmission components associated with broadband Internet access services would encourage the development of customized arrangements directed at satisfying customer needs, kindle broadband innovation and investment and reduce costs.⁷ The same holds true for broadband

⁶ Qwest Petition for Forbearance Under 47 U.S.C. § 160(c) from Title II and *Computer Inquiry* Rules with Respect to Broadband Services, WC Docket No. 06-125 (June 13, 2006) ("Qwest Forbearance Petition"); Petition of AT&T Inc. for Forbearance Under 47 U.S.C. § 160(c) from Title II and *Computer Inquiry* Rules with Respect to Broadband Services, WC Docket No. 06-125 (July 13, 2006) ("AT&T Forbearance Petition").

⁷ See, e.g., *Broadband Internet Access Order*, 20 FCC Rcd at 14899-900, ¶¶ 87-88.

transmission services generally. The demand for these services requires more customization than Internet access services, and they are subject to intense competition.⁸

The competitive evidence presented to the Commission in its rulemaking proceedings as well as in Verizon's forbearance petition clearly establishes that broadband competition is national in scope. Title II and *Computer Inquiry* regulation inhibit the market from operating efficiently and effectively. Accordingly, the statutory standards for forbearance are fully satisfied. As discussed further below, these regulations are not necessary to protect consumers or to ensure just, reasonable and nondiscriminatory prices.⁹ The sophisticated customers use numerous market-based tools, such as requests for proposal, to procure low cost, high quality services. The ongoing, intense rivalries among market suppliers ensure that broadband services will remain available on reasonable terms.

Equally important is that forbearance serves the public interest.¹⁰ Forbearance ensures the benefits of competition across the entire spectrum of broadband services and broadband service providers. If the Title II and *Computer Inquiry* regulations were to be retained, the public interest would be harmed because BellSouth (and other subject carriers) would be denied the flexibility that their competitors currently enjoy in participating and competing in the broadband market. Continuation of an unnecessary regulatory scheme increases BellSouth's costs, reduces its ability to respond to customers and substantially slows (if not impedes) innovation and investment.

⁸ These factors support the relief obtained by Verizon and mandate forbearance for the other BOCs as well.

⁹ 47 U.S.C. § 160(a)(1) and (2).

¹⁰ 47 U.S.C. § 160(a)(3).

Broadband represents the cutting edge of new, advanced service applications. The Commission has the obligation to encourage the deployment of advanced services and should use the full arsenal of measures, including forbearance, to achieve this objective.¹¹ Granting BellSouth, and other BOCs, the relief accorded Verizon will further this objective. All competitors will be placed on an equal competitive footing with an equal ability to satisfy customer needs and requests. Opening the market in this way to BellSouth will provide economic incentives for BellSouth to be creative and innovative and to make the investment in new technology necessary to succeed in the marketplace.

The statutory requirements for forbearance are satisfied. To remove the competitive imbalances that currently exist and to obtain the public benefits that increased competition will generate, it is urgent that the Commission act expeditiously.

II. THE RELIEF GRANTED BY THE VERIZON PETITION AND REQUESTED HERE

Verizon's forbearance petition requested that the Commission forbear from applying any of the Title II common carrier requirements or *Computer Inquiry* rules that might ultimately be construed to apply to broadband services.¹² While Verizon's Petition was pending, the Commission released its *Broadband Internet Access Order*. At the request of the Commission,

¹¹ See 47 U.S.C. § 157 note (section 706 of the 1996 Telecommunications Act).

¹² Petition of the Verizon Telephone Companies for Forbearance under 47 U.S.C. §160(c) From Title II and *Computer Inquiry* Rules with Respect to Their Broadband Services, WC Docket No. 04-440 (Dec. 20, 2004).

Verizon submitted written *ex parte* presentations that served to explain the relationship of the recently released order and the relief that Verizon's petition requested.¹³

The starting point was the definition of broadband services. Verizon's forbearance request was predicated on the Commission's definition of broadband services – services capable of transmitting 200 kbps or greater in each direction.¹⁴ Verizon made clear that its petition did not include TDM-based special access services used to serve business customers that would otherwise fall within the broadband service definition.¹⁵ Accordingly, point-to-point DS1 and DS3 services offered pursuant to tariff were unaffected by Verizon's petition.

Forbearance applied to two categories of services. The first category is packet-switched services which transmit packets, frames, cells or other data units based on identification, address or routing information contained in such units. Services falling within this category include Frame Relay, ATM, and Ethernet Services.¹⁶ The second category, which Verizon described as non-TDM based optical networking, optical hubbing and optical transmission service, includes high speed transmission services provided over optical facilities at OCn speeds.¹⁷ These services, typically used by large business customers, are provided over SONET-based networks and Wave Division Multiplexing ("WDM") and Dense Wave Division Multiplexing

¹³ Letter from Ed Shakin, Verizon, to Marlene Dortch, FCC WC Docket No. 04-440, Feb. 7, 2006 ("Verizon 2/7/06 *Ex Parte*"); Letter from Susanne Guyer, Verizon, to Marlene Dortch, FCC WC Docket No. 04-440, Feb. 17, 2006 ("Verizon 2/17/06 *Ex Parte*").

¹⁴ Verizon 2/7/06 *Ex Parte* at 2.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.* at 3.

("DWDM").¹⁸ BellSouth provides the same categories of broadband services and seeks the same relief for these services.¹⁹

As Verizon explained, the relief it had requested was the same as the relief the Commission had provided for broadband transmission services used to provide Internet access service in the *Broadband Internet Access Order*.²⁰ Accordingly, the forbearance granted to Verizon provides Verizon the option of offering any covered broadband service on a private carriage basis. In addition, the *Computer Inquiry* rules are no longer applicable to the extent that a covered broadband service is used to provide the transmission component of an information service. BellSouth seeks the same relief.

While forbearance would relieve BellSouth of the mandatory application of the Title II and *Computer Inquiry* regulations, it would not, however, extend to BellSouth's obligations to make universal service contributions. The broad issue of reexamining the rules surrounding universal service contributions is before the Commission in another proceeding. Verizon, as part of its forbearance petition, committed to make federal universal service contributions on the services subject to the petition to the same extent the services are currently subject to such an obligation until the Commission issues new rules regarding universal service contributions. BellSouth makes this same commitment and is not seeking relief from any universal service obligations that might otherwise apply to the covered services.

¹⁸ *Id.*

¹⁹ Like Verizon, BellSouth seeks relief for not only the broadband services it currently provides but also new services that are introduced and fit within either of the two categories. In Attachment A to this petition, BellSouth provides a description of its current broadband services that fall within these two categories and for which BellSouth seeks forbearance to the extent necessary.

²⁰ Verizon 2/7/06 *Ex Parte* at 3.

III. THE COMMISSION SHOULD FORBEAR FROM THE APPLICATION OF TITLE II AND *COMPUTER INQUIRY* REGULATION TO BELLSOUTH'S BROADBAND SERVICES

That the market for broadband services is fully competitive is beyond question.

Repeatedly, evidence of intense competition has been presented to the Commission, most recently in connection with Verizon's petition. The evidence firmly establishes that the breadth and depth of broadband competition extends across the nation. Such competition coupled with the fact that business customers for broadband services are sophisticated, knowledgeable market-savvy purchasers makes broadband services an ideal candidate for forbearance. The competitive market conditions obviate the need for Title II or *Computer Inquiry* regulations to ensure just, reasonable and nondiscriminatory service offerings or to protect consumers. Not only are such regulations unnecessary, but also continued application of such regulations is contrary to the public interest. Application of these regulations to broadband services only serves to increase unnecessarily the costs of carriers, such as BellSouth, that are subject to the regulations. As such, they create disincentives for BellSouth and other BOCs to innovate and invest in new broadband technologies. A forbearance order granting BellSouth and similarly situated carriers the same forbearance as Verizon has received will correct the competitive imbalance that currently exists and promote the rapid and efficient widespread deployment of broadband services.

A. The Requirements for Forbearance of Title II and *Computer Inquiry* Regulations Are Fully Met

The purpose of utility regulation has been to act as a surrogate in instances where competition does not exist or is insufficient to produce reasonable market-based outcomes. Once competition is firmly established, as is the case for broadband services, the need for regulation

dissolves. The characteristics of the marketplace render indisputable the conclusion that effective competition is in place.

The Commission has long recognized that providers of broadband services face robust competition. Indeed, in its *Triennial Review Order*,²¹ the Commission relied heavily on the existence of competition in declining to require unbundling of broadband facilities.²² The fact of the matter is that the competitive nature of the broadband market, including new entrants using new technologies, drives broadband providers to offer a greater variety of services at lower prices. BellSouth simply does not have the market power to control the supply of broadband services or their prices.²³

More recently, the Commission acknowledged the continued growth of competitive broadband offerings. In its orders regarding the SBC/AT&T and Verizon/MCI mergers the Commission concluded that there is robust competition of high capacity services, including the broadband services that are the subject of this petition. The Commission stated that "myriad providers," including foreign-based companies, competitive LECs, cable companies, system

²¹ *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, CC Docket No. 01-338, *Report and Order and Order on Remand and Further Notice of Proposed Rulemaking*, 18 FCC Rcd 16978 (2003) ("*Triennial Review Order*"), vacated in part and remanded, *United States Telecom Ass'n v. FCC*, 359 F.3d 554 (D.C. Cir. 2004) ("*USTA II*") (subsequent history omitted).

²² *Id.* at 17151-52, ¶ 292 ("[B]roadband services . . . are currently provided in a competitive environment.").

²³ BellSouth submitted evidence in WC Docket No. 05-25 that demonstrated that BellSouth faced substantial competition for special access services. BellSouth submitted a market analysis performed by RHK, Inc. that showed for OCN services, that alternative vendors dominate the market and are growing faster than BellSouth. *Special Access Rates for Price Cap Local Exchange Carriers; AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Carrier Rates for Interstate Special Access*, WC Docket No. 05-25 & RM-10593, BellSouth Comments at 23-36 & Attachment 6 (filed June 13, 2005).

integrators, and value added-resellers are providing services in the market and "that these multiple competitors ensure that there is sufficient competition."²⁴ Moreover, the Commission has recognized that "[t]hese new competitors are putting significant competitive pressure on traditional service providers."²⁵

The Commission's conclusions are fully supported by the evidence that Verizon submitted with respect to its forbearance petition. Verizon demonstrated that the BOC is nothing more than a member of one group of suppliers that offer broadband services.²⁶ As Verizon explained, Wall Street analysts view a notable aspect of the enterprise market the fact that small, niche providers have been successful in providing data services. The competitive nature of the market applies to the services for which Verizon received forbearance.²⁷ Indeed, Verizon provided an extensive list of suppliers of broadband services.²⁸

The evidence submitted by Verizon is further buttressed by the facts that AT&T provided in support of its recently filed broadband forbearance petition. Citing a Yankee Group analysis, AT&T explained that in 2004, nearly half the large and medium-sized business customers that purchase ATM and Frame Relay services had switched providers and that there is no significant difference in the level of competition for these services in different parts of the country.²⁹

²⁴ SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control, WC Docket No. 05-65, Memorandum Opinion and Order, 20 FCC Rcd 18290, 18331, ¶ 73 (2005) ("SBC/AT&T Merger Order").

²⁵ Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control, WC Docket No. 05-75, Memorandum Opinion and Order, 20 FCC Rcd 18433, 18474, ¶ 75 n.229 (2005) ("Verizon/MCI Merger Order").

²⁶ Verizon 2/7/06 *Ex Parte* at 7.

²⁷ *Id.*

²⁸ *Id.* at 7-10.

²⁹ AT&T Forbearance Petition at 13.

While ATM and Frame Relay services represent legacy technologies, AT&T showed that competition continues to expand across the country with continuing entry and the expansion of next generation carriers.³⁰ Business customers are adopting new IP technology and actively seeking IP transmission services. The market trends have led analysts to view IP-based services as having a growing market presence with an expectation that competition will further intensify.³¹

This evidence supports two fundamental conclusions. The first is that the robust competition that characterizes broadband services is nationwide. The performance of the nationwide competitive market leads to the second conclusion, namely, the conditions that led the Commission to remove common carrier regulation for broadband Internet access transmission services are equally present for the broadband services that are the subject of this petition. Key to the Commission's decision was a national competitive market in which competition and competitive pressures would continue into the future with the introduction of new technology and the development of innovative service platforms, all of which will provide consumers with more choices and better prices.³²

Contributing to the soundness of the competitive market is the fact that the customers for broadband services are sophisticated, knowledgeable and well-informed business customers. Such customers typically exert control over their buying practices through a variety of mechanisms to ensure quality and price. Many customers employ detailed and highly specialized requests for proposals to solicit competitive bids to meet service requirements.

³⁰ *Id.*

³¹ *Id.* at 14.

³² *Broadband Internet Access Order*, 20 FCC Rcd at 14880-81, ¶ 50 & n.140.

Customers seek to negotiate terms and conditions of service so as to customize arrangements to meet their requirements.

If permitted to operate freely, these conditions – multiple suppliers and savvy customers – result in an efficient competitive outcome. In these circumstances, regulation is not necessary to ensure just, reasonable and nondiscriminatory services. The marketplace will operate to achieve such results.³³ Moreover, regulation is not necessary to protect consumers. Users of broadband services have numerous alternatives from which to select a service provider. Equally significant, broadband users, because of their knowledge and market understanding, exert considerable influence in the purchase process. They are effective negotiators who can tailor the broadband arrangements to meet their requirements. They do not look to regulators for solutions.³⁴

More than being unnecessary, continued regulation of broadband services harms the public interest. Competition is hurt when regulation constrains competitive behavior of only some market participants as is the case here.³⁵ Applying outmoded regulation to only some BOCs simply perpetuates a fragmented marketplace and inhibits the BOCs from competing effectively with deregulated broadband service providers. This regulatory disparity harms users of broadband services who are denied choices and options. Under regulation, BOCs are forced

³³ Accordingly, the first requirement for forbearance is satisfied. *See* 47 U.S.C. § 160 (a)(1).

³⁴ Accordingly, the second requirement for forbearance is satisfied. *See* 47 U.S.C. § 160(a)(2).

³⁵ *See, e.g., Motion of AT&T Corp. to be Reclassified as a Non-Dominant Carrier, Order*, 11 FCC Rcd 3271, 3288, ¶ 27 (1995) (“*AT&T Non-Dominance Order*”) (“AT&T competitors could use the regulatory process to delay, and consequently, ultimately thwart AT&T strategies [to offer new services and lower prices].”).

to respond to their customers with “cookie cutter” offerings and are foreclosed from negotiating customized arrangements that more and more, broadband users seek.

The Commission has recognized that regulation can prevent carriers from introducing new technologies and developing new offerings in response to customer demands.³⁶ Regulated carriers do not have the same ability as non-regulated providers to respond quickly to market demands or to tailor an offering to a specific customer need. It is firmly in the public interest to forbear from Title II and *Computer Inquiry* regulations to permit BOCs to engage fully in a marketplace that is competitive. Forbearance will spur innovation, increase consumer choice and lower prices.³⁷ In other words, granting BellSouth’s petition for forbearance would promote competition and competitive outcomes.

B. Section 706 Supports Forbearance

Section 706 of the 1996 Act imposes on the Commission the obligation to encourage the deployment of advanced communications capabilities. Under the statutory provision, the Commission is to take such steps, including forbearance, which will remove barriers to investment and expand the deployment of advanced services.

Broadband represents the cutting-edge of communications technologies. Sufficient information has been provided to the Commission to establish the deterrent effects that regulation has on broadband investment and innovation. There is no compelling reason for regulation of broadband services to continue. In the absence of a public interest basis that favors regulation, the Commission should take steps to eliminate barriers that slow the development of advanced services. Forbearance, in the case of broadband services, is the appropriate tool for the

³⁶ See, e.g., *id.*

³⁷ Accordingly the third requirement for forbearance is satisfied. See 47 U.S.C. §160(a)(3).

Commission to meet its charge under Section 706. The record supports the aptness of forbearance for broadband services and by granting BellSouth's petition, the Commission will serve the public interest by taking steps that will encourage broadband investment and deployment.

IV. CONCLUSION

For the reasons explained above, to the extent that the relief provided to Verizon does not extend to BellSouth, the Commission should expeditiously issue an order granting BellSouth's Petition. Such action would provide BellSouth and similarly situated carriers with the relief the Verizon received when its broadband forbearance petition was deemed granted by operation of law.

Respectfully submitted

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Attachment A - Packet and Optical Services

Category	Description
Frame Relay Service (FRS)	FRS is a connection-oriented network service providing local, metropolitan and/or wide area networked connectivity where the path taken by the data unit is based upon address information included with the data unit that is of variable length (frame). Transmission rates up to 45 Mbps are supported.
Asynchronous Transfer Mode (ATM) Service	ATM service is a connection-oriented network service providing local, metropolitan and/or wide area networked connectivity where the path taken by the data unit is based upon address information included with the data unit that is of fixed length. Transmission rates up to 45 Mbps are supported.
Virtual Private Network (VPN) Service	VPN service is a packet-based advanced network service that provides secure connectivity between customer locations. Among other things, VPN service enables business subscribers to communicate with branch offices, to exchange corporate network traffic, and to communicate with external partners such as customers and suppliers.
Remote Network Access Service	Remote Network Access service provides remote access (e.g., to Local Area Networks for corporate work-from-home and remote office applications), typically via digital subscriber line transport service. Speeds up to 6 Mbps are supported.
Ethernet-Based Service	Ethernet-based service provides point-to-point and/or Local Area Network connectivity by utilizing Ethernet protocol technology. The service transmits variable length packets and operates from mid-band to higher speeds in the range of 50 Mbps to 10 Gbps.
Video Transmission Service	Video transmission service is a one-way, fiber-based service with the capability to deliver a video signal at speeds of 45Mbps signal (or higher).
Optical Transport Service	Optical transport service provides point-to-point connectivity that relies upon optical fiber and employs fixed length packets, typically relying on Synchronous Optical Network standards (SONET). The customer interface operates at subset speeds up to 2.5 Gbps (OC48) with transport at speeds from 155 Mbps (OC3) to 10 Gbps (OC192).

Optical Networking Service	Optical networking service provides transport capability via an integrated transport network. Customer nodes are connected using optical transport employing a closed ring architecture, thereby providing automatic restoration upon link failure. This service also includes hubbing services where individual optical transport links are multiplexed onto higher capacity optical links. The customer interface operates at subset speeds up to 2.5 Gbps (OC48) with transport at speeds from 155 Mbps (OC3) to 10 Gbps (OC192).
Wave-Based Transport Service	Wave-based transport service is an optical-based connection, either point-to-point or networked, which provides the customer with the transmission capacity of one or more optical wavelengths supported on the fiber. Depending on the attached optical carrier system, transmission rates can range from 155 Mbps to 10 Gbps or more.

CERTIFICATE OF SERVICE

I do hereby certify that I have this 20th day of July 2006 served the following parties to this action with a copy of the foregoing **PETITION FOR FORBEARANCE** by hand delivery addressed to the parties listed below.

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