

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

In the Matter of)	
)	
Petition of Qwest Corporation for)	WC Docket No. 09-135
Forbearance Pursuant to 47 U.S.C. §160(c))	
In the Phoenix, Arizona Metropolitan)	
Statistical Area)	

DECLARATION OF SEAN WAINWRIGHT

1. My name is Sean Wainwright. I am Senior Vice President for Consumer Sales and Marketing for Cavalier Telephone Corporation (“Cavalier”). My business address is 2134 W. Laburnum Ave., Richmond, VA 23227. I joined Cavalier in April of 2007, and am responsible for marketing and product development for all residential services at Cavalier, including circuit-switched voice, DSL, Internet Protocol Television (IPTV), and other data services. I have more than 15 years of experience in sales and marketing strategy, positioning, and execution. I have factual knowledge relating to the information described in this Declaration.

2. Cavalier’s business model is based on access to DS0 loops and, where necessary, local transport, both provided by the incumbent LEC as unbundled network elements. This model has proven a successful basis for providing innovative and valuable services to consumers. Cavalier has built or acquired network facilities in the mid-Atlantic and elsewhere that represent more than \$1 billion in assets over the past seven years. Because of incumbent LECs’ various forbearance petitions, I have had to examine whether Cavalier would enter a new market where forbearance has been granted and whether Cavalier could continue to operate under its business model if forbearance were granted in our service area.

3. Cavalier continues to be an innovator in providing low cost residential telecommunications services. Although Cavalier is not in the Phoenix market, in the markets it does serve, Cavalier offers services to a broad range of customers, including underserved, vulnerable individuals and institutions.

4. Cavalier's Network reaches more than 2 million businesses and 11 million residential prospects in 16 states and the District of Columbia. Nearly 8.7 million customers have access to Cavalier's Hi-Speed Internet service. Cavalier serves large, medium, and small businesses, including hospitals, fire departments, and schools, although the large majority of Cavalier's business customers are small and medium-sized companies. To these customers, Cavalier provides a comprehensive suite of voice and data products. Small businesses in particular benefit from Cavalier's high speed Internet service, which is delivered over Cavalier's network using ADSL 2+ technology. Cavalier also provides 10mb Ethernet pipes, site-to-site private line service, and full Internet T1s. Cavalier's small office and home office business packages offer up to 20% savings on average based upon comparable service offerings from the applicable cable provider or incumbent LEC.

5. Cavalier also continues to serve residential customers in large numbers. Cavalier's residential services include basic dial tone, long distance, dial-up Internet access, DSL, and IPTV. Many of Cavalier's services are specifically targeted to customers who might not otherwise qualify for service, including poorer customers and those in neighborhoods where incumbent LECs are unlikely to upgrade their facilities. For example, Cavalier recently launched two phone plans specifically for consumers seeking aggressively-priced basic level service. Cavalier's new prepaid landline phone service, priced at less than one dollar per day, can be purchased in blocks of 90 day intervals, with an option to purchase 6 or 12 months of

service to receive one or two months free, respectively. Cavalier also offers a value plan for \$19.95 per month that provides unlimited local calling. Additionally, Cavalier has introduced two new phone and Internet bundles that include all fees in the price of the service to simplify billing, and eliminate the need for customers to understand the complexities of fees being added to their monthly statements. And Cavalier's price for local phone service with unlimited long distance and 12 calling features, including voicemail, is on average about \$15-20 a month cheaper than either the applicable cable company or incumbent LEC in the markets Cavalier serves. Cavalier is unique in that it offers services without complicated promotional periods or contracts.

6. Many of the communities that Cavalier serves are poor communities to which incumbent LECs are unlikely to devote significant resources. For example, Cavalier has a significant number of customers in communities where the median household income is \$20,000 or less and more than 35% of residents live below the poverty line. Cavalier also serves many low-income and "Section 8" housing projects. And Cavalier serves customers with lower credit scores than do many other providers.

7. In short, many of Cavalier's customers do not have access to meaningful alternative providers. They do not have meaningful alternatives because other providers only offer services in bundles with expensive add-ons designed for higher income customers, because the services require additional and costly technologies such as broadband in order to function, and because they require credit cards, credit, or contracts and up-front payments or expenditures that many of Cavalier's customers cannot provide.

8. In addition, Cavalier is the only triple-play telecommunications alternative to Cox and Verizon for residential service in markets like Richmond and Virginia Beach. Unlike

Verizon's FiOS, Cavalier's service reaches older neighborhoods with copper facilities, in the inner city, not just the suburban fringe.

9. Cavalier provides all of these services through a combination of unbundled network elements and its own facilities and equipment. Notwithstanding Cavalier's \$1 billion investment in fiber facilities, Cavalier still must rely on local incumbents for last-mile facilities. This model allows Cavalier to control operating costs, while maintaining quality of service and product development and deployment, resulting in significant savings that Cavalier passes on to its customers.

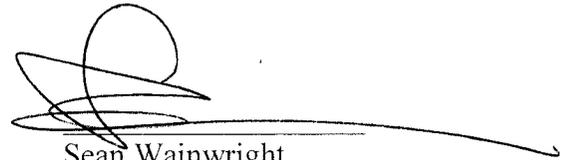
10. Cavalier has found that there are not likely to be any commercially reasonable wholesale DS0 loop alternatives to the unbundled network elements that Cavalier leases from incumbent LECs at regulated rates, and that are essential for Cavalier to provide service. The incumbent LECs do not provide a special access wholesale offering that could reasonably substitute for the unbundled copper loops which are essential to Cavalier's services, or do so only at commercially unreasonable rates. For example, although Verizon offers voice-grade loops as a special access service, it is at a much higher price than unbundled copper loops, and it is a voice-grade service only, meaning that Cavalier could not provide DSL, VoIP, or IPTV services. And Cavalier is unaware of any other provider of the wholesale facilities Cavalier needs to provide service. Cavalier's only realistic access to the vast majority of customers is over unbundled UNE loops. Based on incumbent LEC pricing for network elements that have been relieved of 251 unbundling requirements elsewhere, it will not be economically viable for Cavalier to lease facilities from incumbent LECs if unbundling of DS0 loops is eliminated.

11. The incumbent LECs' Petitions are based on the faulty assumption that residential competition is thriving in the United States. Over the last four years, the number of competitors

offering residential landline service has diminished significantly. AT&T and MCI, once the first and second largest competitors in Virginia, have been absorbed by SBC and Verizon and become incumbent LECs. AT&T does not compete with Verizon in states like Virginia and Pennsylvania; instead it cedes the residential consumer market to Verizon just as Verizon cedes residential consumer markets to AT&T in states such as Michigan and Texas. Moreover, MCI has abandoned its “neighborhood” of local residential customers. Within Verizon’s territory, the MCI “neighborhood” is now owned by Verizon, by virtue of its merger with MCI. No longer does MCI provide innovative voice packages as an alternative to the incumbent LEC’s traditional offerings; instead MCI has discontinued offering services independent from Verizon. Without companies like Cavalier, the majority of the country is left with a duopoly and higher prices, less choice, and less innovation.

12. Cavalier has concluded that it will not be able to enter new markets where the Commission has granted forbearance from requiring unbundling of local loops and related facilities. If the Commission grants such forbearance in markets that Cavalier already serves, Cavalier will likely sell its assets, or otherwise cease or limit its mass market operations.

I declare under penalty of perjury that the forgoing is true and correct. Executed this 7th day of May, 2010, at Richmond, Virginia



Sean Wainwright