

Interconnection Services Policy & Planning
Wholesale Markets



Wholesale Markets
600 Hidden Ridge
HQEWMNOTICES
P.O. Box 152092
Irving, TX 75038

wmnotices@verizon.com

February 10, 2005

«Contact_Name»
«Contact_Title»
«Contact_Company»
«Legal_Name» «Other_Name»
«Contact_Address_Line_1» «Contact_Address_Line_2»
«Contact_City», «Contact_State» «Contact_ZIP»

Subject: **NOTICE OF FCC ACTION REGARDING UNBUNDLED NETWORK ELEMENTS**

In its Order on Remand in WC Docket No. 04-313 and CC Docket No. 01-338, released on February 4, 2005 (the "*TRO Remand Order*"), the Federal Communications Commission promulgated regulations governing the availability of certain unbundled network elements under Section 251(c)(3) of the Communications Act of 1934 (the "Act"). These regulations are to take effect on March 11, 2005.

As set forth in the *TRO Remand Order*, the FCC's regulations provide that:

- (i) Competitive Local Exchange Carriers ("CLECs") are not impaired without unbundled access to DS0 Mass Market Local Circuit Switching*, UNE Platform combinations comprised of Mass Market Local Circuit Switching and UNE Loops, or Shared Transport, Call-Related Databases, or Signaling Networks used in connection with DS0 Mass Market Local Circuit Switching;
- (ii) CLECs are not impaired without unbundled access to DS1 Loops at any building location that is served by a Wire Center with at least 60,000 Business Lines and four Fiber-Based Collocators, and in no event may any CLEC obtain more than ten DS1 Loops at any building location where DS1 Loops remain available on an unbundled basis;
- (iii) CLECs are not impaired without unbundled access to DS3 Loops at any building location that is served by a Wire Center with at least 38,000 Business Lines and four Fiber-Based Collocators, and in no event may any CLEC obtain more than one DS3 Loop at any building location where DS3 Loops remain available on an unbundled basis;
- (iv) CLECs are not impaired without unbundled access to Dark Fiber Loops;
- (v) CLECs are not impaired without unbundled access to Dedicated DS1 Transport between any pair of Verizon Wire Centers that each serve at least 38,000 Business Lines or four Fiber-Based Collocators, and in no event may any CLEC obtain more than ten unbundled Dedicated DS1

* Capitalized terms not defined herein shall have the meaning ascribed to them in the *TRO Remand Order*.

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Transport circuits on any Route where Dedicated DS1 Transport remains available on an unbundled basis;

(vi) CLECs are not impaired without unbundled access to Dedicated DS3 Transport between any pair of Verizon Wire Centers that each serve at least 24,000 Business Lines or three Fiber-Based Collocators, and in no event may any CLEC obtain more than twelve unbundled Dedicated DS3 Transport circuits on any Route where Dedicated DS3 Transport remains available on an unbundled basis; and

(vii) CLECs are not impaired without unbundled access to Dark Fiber Transport between any pair of Verizon Wire Centers that each serve at least 24,000 Business Lines or three Fiber-Based Collocators.**

With respect to each of the network elements listed above (the "Discontinued Facilities"), the FCC's implementing regulations also establish a mandatory transition plan to facilitate the transition from unbundling under Section 251(c)(3) of the Act to alternative arrangements. Under this transition plan, as of March 11, 2005, CLECs are not permitted to add new facilities or arrangements under Section 251(c)(3) of the Act if such facilities or arrangements are Discontinued Facilities, as defined herein.

In addition, with respect to the embedded base of Discontinued Facilities, the FCC's implementing regulations establish a twelve month transition period (eighteen months in the case of Dark Fiber Loops and Dark Fiber Transport), beginning on March 11, 2005. During this transition period, any Discontinued Facilities that Verizon was providing to a CLEC as of March 11, 2005, but which Verizon is no longer required to unbundle under the FCC's implementing regulations as of that date, shall remain available for lease by the CLEC until migrated to alternative arrangements, but in no event for longer than the remainder of the applicable transition period at transitional rates established by the FCC and set forth in the FCC's implementing regulations.***

The implementing regulations further mandate that by the end of the relevant transition period (September 10, 2006 for Dark Fiber Loops and Dark Fiber Transport, and March 10, 2006 for all other Discontinued Facilities listed above), CLECs must have completed the migration of all Discontinued Facilities formerly obtained from Verizon to alternative facilities or arrangements; e.g., through self-provisioning, or by obtaining replacement arrangements from Verizon under commercial agreements or Verizon tariffs.

In accordance with the foregoing, Verizon hereby provides **formal notice** that in accordance with the FCC's mandatory transition plan, CLECs may not submit orders for completion on or after March 11, 2005 if such orders are for new facilities or arrangements that are Discontinued Facilities, as defined above. In addition, unless you have made alternative arrangements with Verizon for UNE replacement services, the embedded base of Discontinued Facilities in place on or after March 11, 2005 shall be subject to the transitional rate increases established by the FCC in the *TRO Remand Order* as of that date. Pursuant to the *TRO Remand Order*, these transitional rates may be applied retroactively if necessary.

** The FCC also determined that: (i) CLECs are not impaired without access to Entrance Facilities, and that no transition plan is required with respect to Entrance Facilities; and (ii) a requesting carrier may not access unbundled network elements for the exclusive provision of Mobile Wireless Services or Interexchange Services. Verizon will issue separate industry notices relating to these determinations in the near future.

*** The FCC mandated rate for DS0 Mass Market Local Circuit Switching used in combination with unbundled DS0 capacity loops shall be the higher of: (A) the rate at which the requesting carrier obtained that combination of network elements on June 15, 2004, plus one dollar, or (B) the rate the state public utility commission establishes, if any, between June 16, 2004 and March 11, 2005 for that combination of network elements, plus one dollar. For all other Discontinued Facilities listed above, the FCC mandated rate shall be the higher of (i) 115% of the rate the requesting carrier paid for the Discontinued Facility on June 15, 2004, or (ii) 115% of the rate the state commission has established or establishes, if any, between June 16, 2004 and March 11, 2005 for that Discontinued Facility. The foregoing rates are to take effect on March 11, 2005.

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With respect to full implementation of the FCC's findings of no impairment, this letter shall also serve as **formal notice** under your interconnection agreement, to the extent such notice is required, of Verizon's intention to implement the FCC's no impairment findings with respect to the Discontinued Facilities listed above no later than the end of the relevant mandatory transition period.

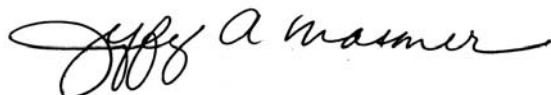
You are strongly encouraged to complete negotiations with Verizon for alternative service arrangements as quickly as possible, if you have not already done so, in order to meet the FCC's mandatory transitional deadline and to avoid unreasonable last minute network reconfiguration demands. Verizon has available a number of alternative arrangements that are available for your review.

With respect to Mass Market UNE Platform, Verizon is developing a short-term plan that is designed to minimize disruption to your existing business operations. This new commercial services offering would allow your continued use of Verizon's network utilizing existing processes for ordering, provisioning, maintenance and repair for a limited period of time while a longer term commercial agreement is negotiated. You will be contacted soon regarding the details of this short-term commercial services offering.

In any event, to the extent you have facilities or arrangements that will become Discontinued Facilities, please contact your Verizon Account Manager no later than May 15, 2005 in order to review your proposed transition plans. Should you fail to notify Verizon of your proposed transition plans by that date, Verizon will view such failure as an act of bad faith intended to delay implementation of the *TRO Remand Order* and take appropriate legal and regulatory actions.

Finally, please note that some interconnection agreements may already lack any requirement for Verizon to provide unbundled access to certain Discontinued Facilities. This notice is not intended to create any new obligation (transitional or otherwise) for Verizon to provide unbundled access to a facility that Verizon was not already required to unbundle under your interconnection agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff A. Masoner".

Jeffrey A. Masoner
Vice President – Interconnection Services Policy & Planning

VIA CERTIFIED MAIL