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FEDERAL COMMUNICATIONS COMMISSION INITIATES REVIEW OF LOCAL PHONE NETWORK UNBUNDLING POLICIES

Commission Seeks to Fashion a Targeted Approach to the Unbundling of Network Elements

Washington, D.C. – Today, the Federal Communications Commission (FCC) initiated its first triennial review of its policies on unbundled network elements (UNEs), as specified in the FCC's *UNE Remand Order* in 1999. UNEs are the portions of the phone networks that incumbent local exchange carriers (LECs) must make available to competing carriers seeking to provide telecommunications services. Recognizing that incumbent LECs control some bottleneck facilities, Congress adopted section 251 of the 1996 Act to overcome the obstacles posed by that control.

Specifically, the FCC will examine the framework under which incumbent LECs must make UNEs available to competing carriers. The Commission's action seeks to ensure that its regulatory framework reflects recent technological advances and marketplace developments and to remain current and faithful to the pro-competitive, market-opening provisions of the Telecommunications Act of 1996.

Today's *Notice of Proposed Rulemaking* (NPRM) seeks to identify more precisely how incumbent LECs must provide access to their facilities, including a more granular analysis of whether and how competing carriers are impaired in their ability to provide service. Generally, the Commission is seeking comment on most aspects of its unbundling framework, including:

- Application of the statutory "necessary" and "impair" standards, as well as whether and how the Commission should take into account other goals of the Act, such as encouraging broadband deployment, investment in facilities and technological innovation.
- A more targeted approach to defining specific network elements, such as whether or not the unbundling rules should vary by type of service, geography, or other factors.
- The proper role of state commissions in the implementation of unbundling rules.

The NPRM incorporates several ongoing proceedings involving various unbundling obligations, including the next generation network proceeding, the EELs proceeding, and the switching carve-out proceeding.

Today's action is one of several proceedings the Commission is initiating to undertake a broad review of its competition policies in light of developments in the marketplace, including the National Performance Measures NPRM and the Special Access NPRM adopted last month, and the NPRM concerning the regulatory framework of incumbent LEC's broadband services also adopted today. Additionally, the Commission will be undertaking a more comprehensive review of its broadband policies in the coming weeks.

-FCC-

Docket No.: CC 01-339

Action by the Commission December 12, 2001, by Notice of Proposed Rulemaking (FCC 01-361). Chairman Powell and Commissioners Abernathy, Copps, and Martin; with Powell, Copps and Martin issuing separate statements

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