

**STATEMENT OF
COMMISSIONER KATHLEEN Q. ABERNATHY**

Re: Review of Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket Nos. 01-338, 96-98 & 98-147, Order on Reconsideration (adopted Aug. 4, 2004).

When the Commission adopted the Triennial Review Order last year, we provided significant relief from unbundling obligations for next-generation fiber networks. In particular, the Order provided complete relief for the broadband capabilities of fiber-to-the-home (FTTH) deployments. This deregulatory action is already achieving its desired impact as carriers are accelerating plans to deploy fiber deeper in the network — in many cases all the way to the customer. The Triennial Review Order inadvertently created a barrier to investment in some areas, however, by stating that multiple dwelling units (MDUs) were flatly ineligible for this unbundling relief. This Reconsideration Order corrects that anomaly and assures that mass market consumers will benefit from increased broadband deployment irrespective of whether they live in single family homes or in apartment buildings. While the lines we have drawn may not be perfect, they represent a reasonable effort to put residents of MDUs on equal footing with other mass market customers while also preserving competitors' opportunities to serve business customers over legacy network architectures.

I am also pleased that the Order clarifies that the FTTH rules apply wherever the LEC extends fiber to the minimum point of entry in the MDU. The inside wiring is often owned by the building owner, and the carrier thus cannot control whether that wiring consists of fiber or copper. The important fact is that, in either case, deploying fiber to the minimum point of entry will enable consumers to receive both high-speed data services and multichannel video programming services.

I recognize that according FTTH treatment even where a short length of inside copper wiring exists is no different in principle from extending such treatment to fiber-to-the-curb deployments that serve premises other than MDUs. Indeed, I believe that broadband providers, equipment manufacturers, and consumers all would benefit if we left the choice among the various deep-fiber architectures to the marketplace. I see no reason for the Commission to prefer one form of deployment over another so long as all of them enable very high-speed Internet access and video services (and thus are affected comparably by the investment disincentives associated with unbundling) and all are subject to the same degree of intermodal competition (as they undoubtedly are). I therefore hope that the Commission builds on this Reconsideration Order by revisiting the treatment of fiber-to-the-curb deployments in an upcoming item in the near future.