

Separate Statement of Chairman Michael K. Powell

Re: Review of the Section 251 Unbundling Obligations for Incumbent Local Exchange Carriers; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996 (CC Docket Nos. 01-338, 96-98); Deployment of Wireline Services Offering Advanced Telecommunications Capability (CC Docket No. 98-147), Order on Reconsideration

Deep fiber networks offer consumers a “triple play” of voice, video and data services and an alternative to cable. By limiting the unbundling obligations of incumbents when they roll out deep fiber networks to residential consumers, we restore the marketplace incentives of carriers to invest in new networks.

This item follows on from the *Triennial Review Order*, where the Commission limited the unbundling obligations imposed on mass market fiber-to-the-home (FTTH) deployments to remove disincentives to the deployment of advanced telecommunications facilities in the mass market. These measures have proven a success in driving the deployment of next generation broadband. Today’s order promotes incumbent LEC investment in broadband facilities by extending the FTTH rules to fiber-to-the-curb (FTTC) loops, as well. FTTC and FTTH technologies have different technological and cost characteristics. Carriers are continually evaluating new equipment and transmission technologies that offer exceptionally fast connections. This dynamic may lead individual carriers to prefer different FTTH or FTTC technologies in different circumstances. The approach in this item is to ensure that regulation does not skew that choice one way or another – so long as consumers receive the fully panoply of next-generation services. Our Section 706 interests are satisfied when consumers experience speed of 20 Mbs or higher, speeds that are well in excess of today’s DSL or cable modem services.

There is, however, an important limiting principle in this item: our rules demand that carriers deploy fiber deep into neighborhoods – within 500 feet of a customer’s home. Our policy is designed to remove regulatory barriers to these risky investments; but we will remain watchful of requests that would back the Commission up from the broadband future. Consumers deserve information at the speed of light and by taking action today, we move one step closer to that result.