PRESERVING COPPER NETWORK INFRASTRUCTURE

Q. What is Copper Loop infrastructure and who does it reach?

- A. Copper Loops are the nearly ubiquitous legacy local loop plant that reach over 100 million U.S. households.
 - Today, over 100 million U.S. households and almost all businesses are served by ILEC-controlled Copper Loops; about 75% of these loops are contiguous "home run copper."

Q. Why are Copper Loops so important?

A. Three reasons:

- (1) *More broadband to more people.* Copper Loops are used to provide competitive ultrahigh-speed broadband and "triple play" offerings including HDTV and Video-on-Demand.
 - Copper Loop support ultra-high-speed broadband of 10, 25 and even 50 Mbps.
 - New Ethernet over Copper standard enables ultra-high-speed symmetrical transmission speeds ideal for small-to-medium-sized businesses.
- (2) *Line powered redundant loop plant for public safety.* Unlike fiber, Copper Loops conduct electricity when electricity supply is interrupted, they work on central office back-up power supply.
- (3) *More competition and more consumer choice.* Copper Loops are the "third wire" into homes and businesses and remain a robust competitive alternative to fiber, cable and wireless. More competition leads to more choice, innovation, and value for consumers.

Q. So, what's the issue?

- A. Current FCC rules allow ILECs to unilaterally retire Copper Loops used by CLECs.
 - CLECs use Copper Loop UNEs in conjunction with their own network facilities to provide competitive ultra-high-speed broadband and triple play offerings.
 - In the 2003 *Triennial Review Order*, the FCC, in instituting its policy of "Old Wires, Old Rules; New Wires, New Rules," preserved CLEC access to Copper Loop UNEs to provide narrowband and broadband services. The DC Circuit upheld that decision and a new wave of competitive innovation and investment followed.
 - ILECs are precipitously retiring Copper Loop plant under current FCC rules.
 - After ILECs deploy fiber, they are retiring Copper Loops and eliminating CLEC UNE access to these "Old Wires" under the "Old Rules."
 - At the very time when federal policymakers are calling for greater broadband competition and investment, CLECs are being squeezed from the market.
 - Changing FCC rules to stop unnecessary Copper Loop retirement will spur more broadband investment by more companies.
 - Preserving Copper Loop infrastructure will spur more investment by CLECs, ILECs and equipment manufacturers in broadband facilities, equipment and technology.
 - Well into the future, ILECs will be operating one integrated network consisting of copper and fiber and not two separate networks.

Q. How do we preserve Copper Loop infrastructure in the face of this threat?

A. CLECs have filed petitions asking the FCC to act to preserve access to Copper Loop facilities. <u>The FCC needs to move promptly to adopt a rule placing the burden on the ILECs to demonstrate that any Copper Loop retirement is truly in the public interest.</u>