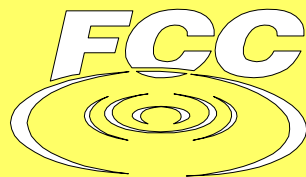


Wireline Competition Bureau
2004

Promoting Real Consumer Choice and Investment in Broadband Facilities



2004 Objectives

Last year, we said we would:

BROADBAND

- Tackle VoIP and wireline broadband

DONE AND CONTINUING

UNIVERSAL SERVICE

- Promote universal service
- Keep reforming administration – rural health care, E-rate

DONE AND CONTINUING

COMPETITION

- **COMPLETED TRIENNIAL REMAND**
- Address network pricing **2005**
- Pending forbearance petitions

DONE AND CONTINUING

MODERNIZE THE FCC

- No backlog greater than 30 months by year's end **MID YEAR 2005**
- Improve staff workplace and quality of life

DONE AND CONTINUING

Modernize the FCC WCB Efficiency

Improved workflow, document and knowledge management

Released 152 Orders and NPRMs (including 47 Circulate items and 17 Agenda items), 92 Competition Orders and NPRMs, 28 Universal Service Orders and NPRMs, and 122 E-rate Appeals/ Waivers

Increased rate of agency achievements of strategic objectives

Completed work in 2004 within agency goals (100% Speed of Disposal)

Employees participating in appropriate career development activities

Increased expenditure of education and training funds by 63% over 2003

Modernize the FCC WCB Efficiency

High Productivity

- Drafted 30% of Agenda items adopted (16 of 53)
- 1107 Tariffs Filed
- 402 Congressional Letters
- 21 Statistical Reports
- 4 Staff Studies
- 2698 ARMIS filings
- Biennial Review - reviewed rules in 16 C.F.R. rule parts

Backlog Reduction

Completed 34 of 52 backlog items (65% reduction)

Modernize the FCC

Goals for 2005

- Complete backlog reduction efforts
 - While completing significant current rulemakings, eliminate all backlog greater than 30 months old by mid-year, and institute processes to keep backlog down
- Continue to improve staff workplace and quality of life
 - Create meaningful incentives and consistently recognize staff contributions
 - Encourage training and create opportunities for personal and professional advancement
- Continue to meet 100% of Bureau Speed of Disposal goals

Triennial Review Recon Orders and Section 271 Forbearance Order clarified access rules for fiber to apartment buildings and fiber to the curb, removing disincentives to investment in next generation broadband facilities.

Broadband

RESULTS

- Announcements of additional fiber deployments by major carriers
- VoIP Subscribers increased from 131,000 in Dec. 2003 to an estimated 1,000,000 in Dec. 2004
- DSL lines increased from 2.0 million in Dec. 2000 to 11.4 million in June 2004, with a *49% increase* from 6/03-6/04
- Internet access in schools increased from 77% in 2000 to 99% in 2004

Supported extensive monitoring of deployment, engaging in broadband data collection and a Broadband Symposium; issued the 706 Report on Broadband to Congress.

Improved oversight of E-rate program, ensuring that this vital support of broadband access is managed in accordance with all applicable laws and principles of good government.

Pulver, AT&T and Vonage IP Orders, and the IP-Enabled Services rulemaking, ensure continued growth of VoIP, supporting unprecedented consumer choice and new telecom investment..

Broadband Goals for 2005

- Complete Work on IP Services Issues
 - Address social policy goals, including 911 availability and disability access
 - Resolve remaining regulatory status issues
 - Address compensation issues related to IP
- Continue to Promote Broadband Deployment
 - Address regulatory status of Wireline Broadband Internet Access Service
 - Review whether dominant regulatory status is appropriate for Incumbent telephone companies competing in broadband markets
 - Further improve E-rate oversight

Sustainable, Real Competition

In two access charge reform proceedings, clarified and reduced the interstate charges paid by long distance carriers for access to local networks.

RESULTS

- US population with 3+ CLEC providers: 67% in Dec. 2000; 87.4% in June 2004
- Cable telephony subscribers: 1.1 million in Dec. 2000; 3.3 million in June 2004
- CLEC-owned and unbundled loops: 7.7 million in Dec. 2000; 11.8 million in June 2004
- Since 2000, CPI increased 9.7% for all goods and services, but *decreased* 3.6% for telephone service

Intermodal number portability advances choice among different platforms by allowing consumers to take their number with them; Triennial Remand established sustainable ground rules and encouraged transition to facilities-based competition.

Expanded eligibility of low-income consumers for universal service support, took action to provide support for competitive telecommunications carriers, and increased distribution of support for rural health care, thus ensuring competitive and robust services are available in all areas and to consumers hardest to serve.

Competition Goals for 2005

- Facilities-based Competition
 - Continued resolution of local competition issues
 - Progress on reforming and simplifying industry intercarrier compensation structure
 - Further examination of numbering policies
- Universal Service
 - Revising Contribution Methodology
 - Review administration of USF

Homeland Security Promoting Safety

Rural Telemedicine

Adopted rules that strengthen telemedicine and telehealth networks

Communications Assistance for Law Enforcement Act (CALEA)

Worked with OET to address issues regarding application of CALEA to IP-Enabled Services
Continuing in 2005

Pipeline Safety Act Rulemaking

Proposed rules to improve the security and safety of our nation's underground infrastructure;
Pipeline Safety Act Order in 2005

Section 214 Process

Promoted market access and service continuity by processing 104 applications to change or discontinue service;
Continuing in 2005

Wireline Competition Bureau 2005 and Beyond

- 2005 Major Initiatives
 - IP-Enabled Services
 - Broadband Policy
 - Intercarrier Compensation
 - Universal Service Reform
 - Employee Retention