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NEWS

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FEDERAL COMMUNICATIONS COMMISSION RELEASES LATEST DATA ON LOCAL TELEPHONE COMPETITION

Total Lines Reported by New Entrants Climbed to 16.4 Million

Washington, D.C. - The Federal Communications Commission (FCC) today released summary statistics of its latest data on local telephone service competition in the United States. Providers file such data twice a year under the Commission's local competition and broadband data gathering program. This program was adopted in March 2000 to assist the Commission in its efforts to monitor and further implement the pro-competitive, deregulatory provisions of the Telecommunications Act of 1996.

The information released today was filed by qualifying providers on March 1, 2001, and reflects data as of December 31, 2000. Noteworthy data include:

1. **New Entrant Phone Lines Continue Robust Increases**
 - CLECs reported about 16.4 million (or 8.5%) of the approximately 194 million nationwide local telephone lines in service to end-user customers at the end of the year 2000, compared to 8.3 million (or 4.4% of nationwide lines) at the end of 1999.
 - CLEC market share grew 93% over the one-year period of January to December 2000.
2. **States with Long Distance Approval Show Greatest Competitive Activity**
 - CLECs captured 20% of the market in the State of New York - the most of any state. CLECs reported 2.8 million lines in New York, compared to 1.2 million lines the prior year - an increase of over 130%, from the time the FCC granted Verizon's long distance application in New York in December 1999 to December 2000.
 - CLECs captured 12% of the market in Texas, gaining over a half-a-million (644,980) end-user lines in the six months since the Commission authorized SBC's long distance application in Texas - an increase of over 60% in customer lines since June of 2000.
 - CLEC market share in New York and Texas (the two states that had 271 approval during the reporting period ending in December 2000) are over 135% and 45% higher than the national average, respectively.

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3. Residential vs. Business Competition

- About 60% of CLEC local telephone lines served medium and large business, institutional, and government customers. By contrast, almost 20% of incumbent local exchange carrier (ILEC) lines served medium and large business customers.
- CLECs served 4.6% of the residential and small business customers at the end of the year 2000, compared to 2.3% for the year ago period.
- CLEC share of the residential and small business customer market grew nearly 45% during the six-month period of June 2000 to December 2000.

4. Mode of Competitive Entry and Other Data

- CLECs provided about 35% of their end-user customer lines over their own local loop facilities. Incumbent telephone companies provided about 6.8 million resale lines as of the end of the year 2000, compared to about 5.7 million lines six months earlier, and they provided about 5.3 million UNE loops as of the end of the year 2000, an increase of 62% during the six months.
- At least one CLEC was serving customers in 56% of the nation's zip codes at the end of the year 2000.
- About 88% of United States households reside in these zip codes. CLECs reported lines in all states except Hawaii, and also in the District of Columbia and Puerto Rico.
- The 77 providers of mobile wireless telephone services that reported information served over 101 million subscribers at the end of the year 2000, compared to about 91 million subscribers at the end of the prior six months period.

As additional information becomes available, it will be routinely posted on the Commission's Internet site. The Commission recently accepted comments on whether certain modifications should be made to the reporting system.

The data summary is available in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, S.W., Washington, D.C. Call International Transcription Services, Inc. (ITS) at (202) 857-3800 to purchase a copy. The data summary can also be downloaded from the **FCC-State Link** Internet site at <www.fcc.gov/ccb/stats>.

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