

Re Docket Number: UT-140680

Axxis Communication is facilities based CLEC operating in Oregon and Washington. We have concerns about 1) the competitive landscape in rural areas and smaller markets, and 2) the current trend in the fate of Unbundled Network Elements (UNEs).

The Act was effective in creating a competitive landscape and ultimately providing better choices for the consumer. Over time, the effectiveness of those rules has caused a trend of relaxing and/or eliminating some of the very rules that created the competitive landscape. While in larger markets the impact of this trend may not be as negative due to the deployment of fiber and cable networks. The population density provides a more favorable business model to build out fiber and cable networks in large markets. This is not true in smaller markets where the population density is too low to develop a good business case for fiber to the home. As a result copper is an effective and adequate medium to deliver today's services (Internet, Voip) in the rural market. Any revisions to the rules that may be considered should take into account the difference between rural, low density markets and metro, high density markets. Any revisions to the rules should attempt to promote competition, particularly in smaller markets.

**Fate of UNEs**

Copper plant is an effective service delivery platform and will be for quite some time. There have been a number of innovations that have led to 100M internet service over 1 copper pair. We feel the advancement manufacturers are making in technology development will push the capabilities of copper networks significantly further. Axxis as well as many other CLECs and ILECs is deploying this technology today especially in lower density areas where fiber deployment simply does not make sense financially (unless it is subsidized). Preserving access by CLECs to copper loops at reasonable rates is critical in maintaining competitive markets in the rural areas.

A concerning trend is that while UNE Loops remain an obligation for the ILEC, the pricing of the elements is so high that they are effectively not available to the CLEC. Looking at DS0, DS1 and subloop pricing below, note that the rates are increasing dramatically on prices that are already too high to use in most applications. Not only are we concerned about the continued availability of UNEs but the realistic pricing and oversight of UNEs. We are concerned that the model used to establish pricing may be significantly out dated with regards to how it treats subsidies the ILEC receives, and how it treats additional revenue received by non-telecommunication services such as internet only offerings.

The table below shows the difference in UNE rates for DS0, DS1 and Subloops between the current ICA and the standard template for CenturyLink (Legacy Embarq)

	<b>UNE LOOPS (RATES INCLUDE NID CHARGE)</b>	<b>current ICA from 3-19-10</b>	<b>Template ICA 10/1/2013</b>	<b>% Increase</b>
		<b>MRC</b>	<b>MRC</b>	
	<b>2-Wire xDSL - Capable Loop</b>			
I0042	Band 1	\$18.45	\$24.78	<b>34.31%</b>
I0043	Band 2	\$31.38	\$47.21	<b>50.45%</b>

I0044	Band 3	\$46.35	\$62.85	<b>35.60%</b>
I0045	Band 4	\$82.51	\$147.93	<b>79.29%</b>
	<b>DS1 Service</b>			
I0104	Band 1	\$67.29	\$142.02	<b>111.06%</b>
I0105	Band 2	\$88.24	\$162.01	<b>83.60%</b>
I0106	Band 3	\$112.47	\$240.73	<b>114.04%</b>
I0107	Band 4	\$171.60	\$521.70	<b>204.02%</b>
	<b>SUB LOOPS (RATES INCLUDE NID CHARGE)</b>			
	Sub-Loops Interconnection (Stub Cable)			
	<b>2 Wire Voice Grade and Digital Data Distribution</b>			
I0114	Band 1	\$7.89	\$13.60	<b>72.37%</b>
I0115	Band 2	\$15.25	\$26.91	<b>76.46%</b>
I0116	Band 3	\$19.01	\$34.64	<b>82.22%</b>
I0117	Band 4	\$22.64	\$66.09	<b>191.92%</b>

#### Summary

In order to develop and maintain a competitive market in rural areas, access to UNEs at reasonable rates must be developed. We should review how UNE pricing is established and what changes should be made to create a more competitive landscape. Policies that may be effective in large markets may not be effective in smaller markets. Any revisions should consider the significant difference between the two market types.

Sincerely,



Dan Bubb  
 President – Axxis Communication Inc.  
 541 386-3723  
 Email: dan@axxistel.com