

Advocacy Comments on FCC Proposal to Update Rules for Unbundled Network Elements

On November 25, 2019, the Federal Communications Commission (FCC) published a [Notice of Proposed Rulemaking](#) proposing to remove network unbundling requirements for incumbent local exchange carrier networks as follows: DS1 and DS3 loops in counties and study areas deemed competitive in the BDS Order and the Rate-of-Return BDS Order, with an exemption for DS1 loops used to provide residential broadband service and telecommunications service in rural areas (as defined by the Census Bureau as census blocks with fewer than 2,500 inhabitants); DS0 loops in urban census blocks; narrowband voice-grade loops; and dark fiber transport in wire centers within a half-mile of alternative fiber.

Congress passed the Telecommunications Act of 1996 to open monopoly-held networks to competition by requiring incumbent carriers to offer unbundled network elements (UNEs), such as bare copper loops and dark fiber, at cost-based rates. Under the Act, the FCC has the discretion to determine which network elements an incumbent carrier must offer at regulated rates.

On March 20, 2020, the Office of Advocacy filed public comments forwarding the concerns of small entities and recommending further economic analysis.

- The FCC did not publish an adequate analysis of potential small entity impacts as required by the Regulatory Flexibility Act (RFA), and did not publish a cost-benefit analysis for public comment. Advocacy recommended that the FCC publish both analyses for an additional public comment period before moving forward with a final rule.
- Advocacy forwarded the concerns of operators of small competitive local exchange carriers (CLECs) that purchase UNEs to offer competitive services to consumers about the proposed regulatory changes.
- Advocacy highlighted evidence in the FCC record that shows the harm that the proposal would have on small CLECs, and asked that the FCC refrain from updating its rules unless there is compelling evidence that there is a need to do so.

For more information, visit Advocacy's webpage at <https://advocacy.sba.gov> or contact Jamie Saloom at 202-205-6890.

