BOULT ▪ CUMMINGS
CONNERS ▪ BERRY PLC

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April 24, 2002

David Waddell, Esq.
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

In Re: *Generic Docket to Establish UNE Prices for Lines Sharing per FCC 99-355, and Riser Cable and Terminating Wire as Ordered in TRA Docket 98-00123.*
Docket No. 00-00544

Dear David:

Please accept for filing the original and thirteen copies of DEICA Communications, Inc. d/b/a Covad Communications Company ("Covad") Brief in Opposition to BellSouth's Petition for a Stay.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: Henry Walker

HW/nl
Attachment

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In re: *Generic Docket to Establish UNE prices for Line Sharing per FCC 99-355 and Riser Cable and Terminating Wire as Ordered in TRA Docket No. 98-00123*

Docket Number 00-00544

DEICA COMMUNICATIONS, INC. d/b/a COVAD COMMUNICATIONS COMPANY'S OPPOSITION TO BELLSOUTH TELECOMMUNICATIONS, INC.'S PETITION FOR STAY

DEICA Communications, Inc. d/b/a Covad Communications Company ("Covad") respectfully requests that the Tennessee Regulatory Authority (the "Authority" or "TRA") deny BellSouth Telecommunications, Inc.'s ("BellSouth") *Petition for Stay of TRA First Initial Order of April 3, 2002* ("Petition").

A stay pending appeal would be inappropriate because BellSouth's purported technical difficulties with the installation of dual purpose line cards are wholly unsupported. Further, other incumbents already provide well over a million of their customers with broadband internet access using precisely the technology that BellSouth finds to be too difficult to deploy. Given this, Covad respectfully requests that the Authority fulfill the promise of its *First Initial Order* ("Order") by modifying it to require that BellSouth provision fiber-fed loops for CLECs through both NGDLC terminals *and* through the massive number of terminals in which BellSouth has deployed remote DSLAMs. This remote DSLAM architecture allows BellSouth to provision line shared loops over fiber while at the same time denying access to its competitors; it represents a much more serious impediment to the delivery of broadband benefits to Tennessee consumers than does the comparatively minor BellSouth deployment of NGDLC technology.

I. BellSouth Misstates the Appropriate Standard for Issuance of a Stay Pending Appeal

If, despite the lack of clarity in BellSouth's Petition, the Authority consents to consider it, Covad concurs with the position taken by BellSouth that it is appropriate for the Authority to consider federal cases construing Federal Rule of Civil Procedure 62 ("Rule 62") in analyzing the viability of its requested stay pending a purported appeal. Unfortunately, however, BellSouth has substantially misstated both Rule 62 factors that it relies on to show that "it is clear" that a stay should be issued. When the Rule 62 standard is applied in the courts—and the factual shortcomings in BellSouth's Petition are taken into account—what is actually clear is that BellSouth's Petition should be denied.

First, BellSouth lists four factors that the courts consider in deciding whether to grant a stay pending appeal: "(1) the likelihood that the party seeking the stay will prevail on the merits of the appeal; (2) the likelihood that the moving party will be irreparably harmed absent the stay; (3) the prospect that others will be harmed if the court grants the stay; and (4) the public interest in granting the stay." As for factors 3 and 4 (which BellSouth does not rely upon in its Petition), BellSouth cited them accurately. For factors 1 and 2, however, BellSouth has twisted the language in an apparent effort to mask the heavy burden that it carries in seeking this stay. According to the United States Supreme Court in Hilton v. Braunskill, 481 U.S. 770 (1987), the first factor is "whether the appellant has made a strong showing that it is likely to prevail on the merits of the appeal" and the second factor is "whether the appellant has shown that without such relief it will be irreparably injured." Id. At 776 (emphasis added). Contrary to its Petition, then, BellSouth does not have to show the Authority merely that there is a mere "likelihood" that it will prevail on appeal, it must make a "strong showing" that this is the case. Further, BellSouth

also has the burden of proving irreparable harm. Examining these factors, BellSouth fails to prove either.

II. BellSouth Fails to Carry Its Burden in Seeking a Stay of the Authority's Order

A. BellSouth Fails to Make a "Strong Showing" That Any Appeal It May File Is Likely to Be Successful

As set forth fully in the Affidavit of Melia Carter (attached hereto as Exhibit 1) ("Carter Aff."), BellSouth's claim that it cannot comply with the Authority's Order is without foundation given that SBC is deploying dual purpose line cards in its NGDLC terminals right now. See SBC Communications, Inc. Press Releases attached hereto as Exhibit 2. Accordingly, the requested stay should be denied.

BellSouth asserts that it cannot comply with the Authority's Order to deploy dual purpose line cards because "there are numerous technical, logistical and operational issues with all solutions available to date." Petition at p. 3. Although BellSouth's affiant, Mr. William McNamara, purports to describe these "issues," he does not provide enough information to allow the Authority or other interested parties to evaluate his claims. For instance, he does not state which model Marconi and Alcatel NGDLC terminals are being used by BellSouth or which Alcatel software release BellSouth is currently using. He also states that there are "additional fundamental network architecture issues that Alcatel is aware of but has not yet resolved" without even attempting to describe what these issues might be. McNamara Aff. at p. 4.

These sorts of vague claims of technical difficulties would be suspect under any circumstances, but they appear particularly suspicious given the fact that BellSouth is required—under the standard that it agrees should govern its motion—to make a "strong showing" that it is likely to succeed on an appeal, a burden that is so heavy that it would be normal to expect the

party attempting to meet it to produce compelling evidence of the strength of its position. Far from producing compelling evidence of its technical difficulties, however, BellSouth has produced spotty information and conclusory statements. BellSouth's purported evidence is insufficient to carry its burden.

Further belying BellSouth's purported technical problems is SBC's successful and ongoing deployment of line sharing through NGDLC terminals as set out fully in Melia Carter's Affidavit. As detailed there, SBC claims that its deployment of NGDLC terminals—what it calls its "Project Pronto" architecture—has delivered tremendous efficiency benefits as well as billions of dollars in maintenance savings. See also, SBC Investor Briefing, December 19, 2000, p. 6 (attached hereto as Exhibit 3 and available online at http://www.sbc.com/Investor/Financial/Earning_Info/docs/2001_Update_IB.pdf). SBC also claims to be adding "several thousand" DSL customers daily and to be delivering DSL service to more than 1.3 million customers by the end of 2001. See SBC DSL Update, February 2002 (attached hereto as Exhibit 4 and available online at http://www.sbc.com/Products_Services/981954revisedupdate.3.22.pdf). As Ms. Carter points out, it is impossible to see how SBC could be enjoying this level of success with its NGDLC terminals while BellSouth claims to be technically unable to serve even a single customer with DSL service through the same terminals. BellSouth's requested stay should be denied.

B. BellSouth Fails to Make a Showing of Irreparable Injury

BellSouth bases its entire argument on the "irreparable injury" prong of the inquiry on its assertion that it is technically impossible for it to comply with the Authority's Order. As shown above, this is simply not the case. Although it may be true that BellSouth cannot begin installing NGDLC line cards *today*, it is absolutely clear based on the SBC example that it could begin

doing so in the near future. In essence, then, BellSouth is seeking to avoid the Authority's Order not because it cannot comply, but, rather, because it *does not want to comply*. This is unacceptable, and if the Authority agrees to grant BellSouth any delay at all in the implementation of its Order, that delay should be of limited duration. As shown below, however, there is another option: BellSouth currently delivers DSL service to its own fiber-fed customers through line cards installed in more than 8000 remote DSLAMs. It is technically possible for BellSouth to provide this technology on a UNE basis immediately, and Covad respectfully requests that the Authority modify its order to require this and thereby deliver the benefits of meaningful broadband competition to Tennessee consumers.

III. The Commission Should Order BellSouth to Provide CLECs Access to BellSouth's Remote DSLAMs on a UNE Basis

As the Authority observed in its Order, the FCC has recognized that "[a]ll indications are that fiber deployment by incumbent LECs is increasing, and that collocation by competitive LECs at remote terminals is likely to be costly, time consuming, and often unavailable." In re: Deployment of Wireline Services Offering Advanced Telecommunications Capability, FCC 01-26, CC Docket No. 98-147, 16 FCC Rcd. 2101 (January 19, 2001), ¶ 13 (hereinafter Line Splitting Order). Based upon this and other considerations of the Line Splitting Order, the Authority ordered the installation of the dual-purpose line cards that BellSouth seeks to avoid in its Petition.

While Covad is certainly heartened by this order, the fact remains that BellSouth has chosen as its primary architecture to serve fiber-fed loops the installation of remote DSLAMs rather than the NGDLC architecture discussed in the Order. The same reasoning that resulted in the ordered installation of dual purpose line cards in NGDLC terminals applies to the far more

common BellSouth remote DSLAMs through which BellSouth is already delivering DSL to hundreds of thousands of its customers. Based on this customer base, BellSouth cannot even pretend that there are any technical barriers to deployment of this technology on behalf of Tennessee CLECs, and the Authority should expand its Order to include the installation of line cards in remote DSLAMs for the benefit of the CLECs.

A. BellSouth Is Providing Its Customers with DSL Service Through Its Remote DSLAM Architecture

As described fully in Mike Zulevic Affidavit attached hereto as Exhibit 5, BellSouth—like Qwest—has deployed remote DSLAMs in more than 8000 Remote Terminals throughout its region. In each of these DSLAM-equipped Remote Terminals in Tennessee, BellSouth is the only DSL provider with the ability to serve Tennessee customers. In other words, BellSouth's deployment of remote DSLAMs has the same effect that its much smaller deployment of NGDLC terminals has: *BellSouth's has made it impossible for high-speed data competition to exist for any end-user served by either of these RT architectures.* The Authority's Order recognized that NGDLC terminals create a significant barrier to providing the benefits of true broadband competition to Tennessee consumers. BellSouth's massive use of remote DSLAMs creates an even more serious impediment to competition in the delivery of much-needed broadband access, and the Authority should treat it in a similar way: order the installation of line cards in DSLAM-equipped Remote Terminals for the benefit of Tennessee CLECs.

B. Meaningful Broadband Competition Cannot Exist in Tennessee Without a UNE Addressing Remote DSLAMs

BellSouth may claim—as it has in the past—that Remote Terminal collocation provides an answer to the CLECs' inability to provide DSL service to customers on fiber-fed loops. Nothing could be farther from the truth. First, it is beyond question that duplication of the

bottleneck local loop plant by any entity is economically infeasible, given the tremendous fixed costs associated with building local networks. "Last mile" transmission facilities include poles, conduits, ducts, trenches, and means of connecting such facilities to end offices, and deploying a single loop requires much more than the mere purchase of a piece of copper or fiber: it requires large fixed costs of trenching, stringing wire underground and along poles, purchasing rights of way for such activities, and similar expenses.

BellSouth—which enjoyed 100% market share, guaranteed profits, and captive ratepayers when it constructed its loop plant—could afford these massive fixed costs. An entity such as Covad that starts with zero market share cannot undertake such multi-billion dollar projects. Further, BellSouth continues to have access to universal service dollars that it uses to upgrade its plant and—when it deploys DLC—slowly choke-off its competitors' access to the last mile. Meanwhile, BellSouth continues to enjoy unimpeded access to a ubiquitous, ratepayer-financed transmission grid that reaches nearly every home and business in its territory. The unbundling of that transmission grid, already mandated by the FCC and by the Tennessee Regulatory Authority, ensures that consumers can access the service provider of their choice over that bottleneck grid. The Authority's procompetitive action, consistent with both state and federal policies promoting the widespread deployment of competitive broadband services, ensures that BellSouth will not be able to cut off consumers from competitive broadband services simply because its loop happens to be provisioned through a DSLAM that it has chosen to deploy in a Remote Terminal rather than in a Central Office. Accordingly, the Authority should modify its Order to require BellSouth to provide access to its remote DSLAMs on a UNE basis.

WHEREFORE, for the foregoing reasons, Covad respectfully requests that the Authority (1) deny BellSouth's Petition in its entirety, and (2) extend the portion of its Order addressing the installation of dual purpose line cards in NGDLC terminals to include the installation of equivalent technology in BellSouth's remote DSLAMs.

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: _____

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via U.S. Mail, postage prepaid, and/or hand delivered to the following on this the 24th day of April, 2002.

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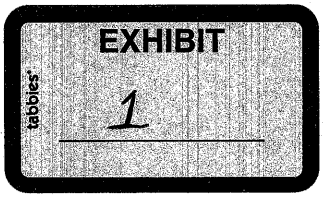
Henry Walker



BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In re: *Generic Docket to Establish UNE prices for Line Sharing per FCC 99-355 and Riser Cable and Terminating Wire as Ordered in TRA Docket No. 98-00123*

Docket Number 00-00544

AFFIDAVIT OF MELIA CARTER

Before the undersigned officer duly authorized by law to administer oaths, personally appeared Melia Carter, and—upon first being sworn—states as follows.

1.

I am over the age of eighteen (18) years and otherwise competent to testify, and I make this affidavit upon my own personal knowledge.

2.

I am an employee of Covad Communications Company, and my position is Director of External Affairs. My primary job responsibility is to manage the ILEC business relationship with incumbents across the 13-state footprint of SBC Communications, Inc. I also manage Covad's regulatory and legislative affairs in those states. In the course of my two years in this position, I have developed an expertise on SBC's Project Pronto architecture and in the subject of line card deployment in NGDLC systems in portions of the country served by SBC Communications, Inc. Specifically, I have attended SBC's Project Pronto collaboratives and have testified about matters related to line sharing through NGDLC systems before state public service commissions in Illinois, Indiana, Kansas and Texas.

3.

I have reviewed the affidavit of William J. McNamara, III provided to the Tennessee Regulatory Authority ("TRA") in support of BellSouth's *Petition for Stay of TRA First Initial Order of April 3, 2002* ("Petition"), and this affidavit does not provide enough information to allow an evaluation of the validity of BellSouth's various assertions. The specific shortcomings in the affidavit will be outlined below.

4.

Based on my experience with the NGDLC systems in use in states served by SBC, I have become quite familiar with the Alcatel Litespan 2000 and 2012 terminals that are available and the ways in which various line cards may be used in them. I am also familiar with the Advanced Fibre Communication UMC 1000, which SBC deploys in its smaller markets.

5.

First, the technical feasibility of the TRA's Order in this proceeding regarding deployment of dual purpose line cards is unquestionable. Although BellSouth does not explain what it means by a "dual purpose" line card, I assume that it is referring to an ADLU (2 port ADSL + POTS) line card that has the capability to support voice and ADSL. SBC is using just such ADLU cards in NGDLC systems right now, and—as I detail below—there is no reason why BellSouth could not be doing the same thing.

6.

Although I am not as familiar with the Marconi NGDLC system, Marconi itself asserts—despite BellSouth's statements to the contrary—that a similar line card capability does exist as part of its DISCS systems. Mr. McNamara's affidavit fails to

identify the type of Marconi NGDLC system that BellSouth has deployed in its network, and it is therefore impossible to evaluate the accuracy of its assertions. In any event, I have attached excerpts from Marconi's website describing such capabilities for its DISCS system.

7.

I do not concur with Mr. McNamara's conclusions regarding Alcatel NGDLC systems. He claims that in order to begin using Alcatel "dual purpose" line cards, BellSouth will have to develop "work arounds" that will require that its existing network operating systems to be "completely reworked," a process that he claims "would take months to implement and would be incredibly inefficient." Mr. McNamara, however, has failed to provide the information necessary to support his expansive claims of BellSouth's purported technical inability to comply with the TRA's order.

8.

SBC is deploying Alcatel ADLU line cards in Alcatel Lightspan 2000 and 2012 terminals right now as part of its Project Pronto deployment. Although it is certainly true that Alcatel makes other models of NGDLC terminal that might be more difficult to work with, Mr. McNamara has not specified what version of the terminal BellSouth has deployed in its network, thus making it impossible to fully evaluate his gloomy forecasts regarding line card deployment. Since Mr. McNamara mentions Alcatel Release 11, which is Alcatel's new software release for the Litespan 2000 and the Litespan 2012, I assume that BellSouth has these Alcatel terminals deployed in its network. Assuming that this is correct, it is impossible to see how it is that SBC could deploy ADLU line cards in these terminals whereas BellSouth could not.

9.

Further, Mr. McNamara's statement that "[t]he installation of the Alcatel NGDLC dual purpose line cards requires a software upgrade ("Release 11) to the Alcatel NGDLC system" is also inaccurate. While Alcatel did make its Release 11 software upgrade commercially available last August, the ADLU card was not a new feature associated with Release 11. In fact, the Alcatel Litespan 2000 and 2012 terminals have had the ability to support ADLU line cards since Release 10.x, which has been commercially available for approximately 2 years. Release 11 merely provides added features and functionalities to the NGDLC platform. Such features and functionalities include: G.SHDSL, G.Lite, HDSL2, and a quad ADSL + POTS card, which increases the capacity of the existing 2 port ADSL + POTS card that was available in the Alcatel Release 10.x.

10.

Mr. McNamara also states that BellSouth's field technicians will not be able to use their TechNet Terminals with the upgraded Alcatel NGDLC system, claiming that this will result in provisioning and repair delays for end users. What Mr. McNamara fails to describe is why BellSouth can't use the specialized Alcatel software (released in conjunction with the Alcatel Release 11 software that Mr. McNamara references) which would enable its technicians to remotely access the Litespan 2000 and 2012 NGDLCs. This software is the LiteCraft Pro Release 4. SBC is in the processes of providing this upgrade to its technicians for remote access.

11.

I am also puzzled by the fact that SBC's use of the Alcatel ADLU card has not created the "interface group" problems that BellSouth claims would negatively impact its

repair functions. Further, BellSouth's allegations that the platform would create inefficient manual "work arounds" do not comport with SBC's statements that the Project Pronto architecture (which consists primarily of the Alcatel Litespan platform) creates tremendous efficiency benefits as well as billions of dollars in maintenance savings. SBC claims, in fact, that such upgrades pay for themselves.

Further Affiant sayeth not.

Melia Carter

Subscribed and sworn to before
me this 23rd day of April, 2002 by Melia Carter.

Carol McCarthy
Notary Public

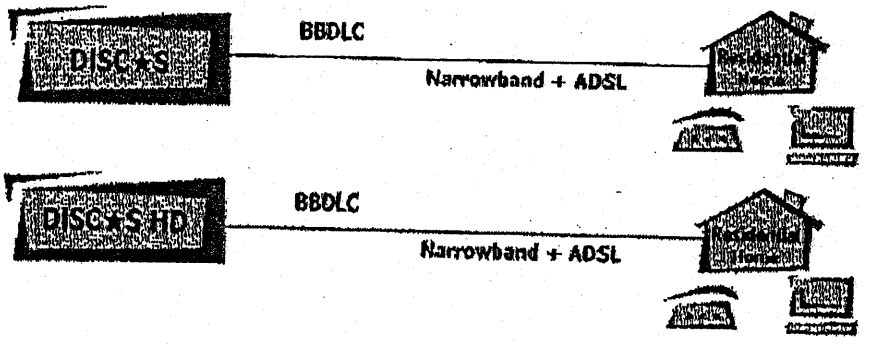
My Commission expires: 12, 12-2005

OFFICIAL SEAL
CAROL MCCARTHY
Notary Public - State of Illinois
My Commission Expires Dec 12, 2005

Networks
Access Solutions
BBRS
Interactive Systems
MVS
Optical Networks
OSS
Outside Plant, Power & Services
Support Services
Test Systems
Wireless
Enterprise
Research & Dev.
Case Studies
White Papers

Advanced Copper - ANSI

DISC*S
DISC*S HD
DISC*S With A



Marconi's portfolio of intelligent Advanced Copper Solutions℠, featuring the flexible DISC*S® platform, uniquely defines full-service delivery within the emerging New Public Network. These leading-edge technologies-DISC*S and DISC*S HD (High Density) enable you to leverage your investment in copper and meet customer demands for video and high-speed data now and in the future.

DISC*S®

DISC*S (Digital Intelligent Subscriber Carrier System) is a field-proven broadband digital loop carrier (BBDLC). With carrier-class reliability, availability and modularity. DISC*S ranges from 192 to 672 access lines (or DS-0 channels—64 kbps) per system which are offered in network bay configurations and a variety of outdoor enclosures that house up to 2016 channels.

DISC*S supports full-rate ADSL (6 Mbps downstream) or G.Lite (1.5 Mbps downstream). For legacy systems, a simple upgrade at the central office and remote terminal enables service providers to take advantage of their extensive installed base of copper access lines. It is also attractive for greenfield applications where the service provider is offering both narrowband and broadband services. Since the architecture for ADSL services is asynchronous transfer mode (ATM), ADSL/G.Lite channels can be oversubscribed, thus making Marconi's ADSL capability more flexible and attractive for service providers.

Marconi's DISC*S with ADSL solution minimizes voice channel loss and requires no additional thermal upgrade for legacy cabinets with 12 percent to 30 percent DSL capacity installed, depending on the cabinet and battery backup requirements and up to 50 percent for new cabinets.

DISC*S® HD

DISC*S HD is a perfect choice for service providers who want to save rack space by building dense cabinet and bay assemblies.

Uniquely packaged, DISC*S HD offers 672 DS-0s per system (24 DS-0s per card) in a compact 23 by 24-inch space. Three DISC*S HD systems support 2,016 lines in one 7-foot network bay, saving floor space in the central office or other location. DISC*S HD is extended temperature range compatible and can be deployed in an outside plant environment. Using an expansion shelf, DISC*S HD is also capable of providing all special services and up to 12 ADSL or splitterless G.lite "plug-n-play" service options.

DISC*S HD can be integrated with the Marconi SSA-200 DSLAM to provide up to 192 xDSL ports (ADSL, IDSL or SDSL card options) for a more dense application. The SSA-200 delivers multiple service support using advanced packet processing, class of service and subscriber aggregation. The SSA-200 also supports multiple DSL variants, extending subscriber coverage to nearly 100 percent. This configuration is also suited for environmentally controlled service points.

DISC*S® with ADSL

Marconi's DISC*S® intelligent Next-Generation Digital Loop Carrier (NGDLC) features flexible architecture to accommodate increased demand for high-speed data and voice services. DISC*S with ADSL adds high-speed, copper-based data connectivity to the mix of DISC*S capabilities.

The ADSL solution is ideal, combining narrowband and data signals into a single card. Up to 50 percent of the system can provide ADSL circuits depending on cabinet style and fill. Plus, the high-speed data bus on each channel shelf enables Asynchronous Transfer Mode (ATM)-based high-speed data for full-rate business ADSL (up to 8 Mbps downstream), as well as G.Lite (up to 1.5 Mbps downstream) for residential and small office/home office (SOHO) applications.

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BBRS
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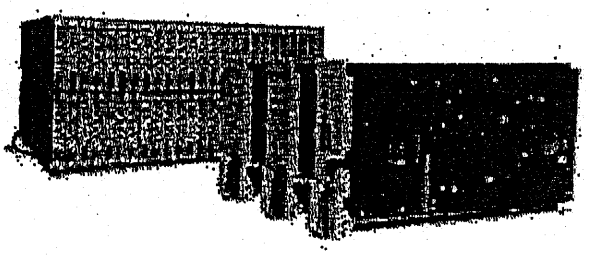
Case Studies
White Papers

DISC*S With A Overview

DISC*S With A And Benefits

DISC*S® with ADSL

Intelligent, broadband digital loop carrier with ADSL



- Flexible architecture accommodates increased customer demands
- Easy path to upgrade current embedded copper plant
- Minimizes central office equipment requirements

DISC*S with ADSL Data Sheet (PDF, 748 Kbytes)

DISC*S® with ADSL Product Overview

DISC*S® with ADSL Features and Benefits

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This page last updated: 23 April 2002

EXHIBIT 2

Press Room

Press Release

SBC Set to Trial DSL Internet Neighborhood Broadband Gateways

SBC is removing distance limitations, dramatically expanding availability of high speed DSL service

Ten data CLECs to participate in groundbreaking DSL Internet trials

San Antonio, Texas, August 23, 2000

SBC Communications Inc. (NYSE: SBC) today announced a significant step towards removing current distance limitations for its digital subscriber line (DSL) service. Through its $6 billion Project Pronto initiative, SBC is beginning market trials of its neighborhood broadband gateways, which will push the capabilities now housed in central offices closer to customers, making virtually all customers in metropolitan markets eligible for DSL service.

Including SBC's data subsidiary, 10 competitive local exchange carriers (CLECs) plan to participate in the market trials, which are scheduled for Austin, Dallas, Ft. Worth, Houston, San Antonio, Kansas City, San Jose, Sacramento, Riverside, Calif., Santa Rosa, Calif., and Danbury, Conn.

During the trials, SBC will provide data CLECs with open access to its neighborhood broadband gateways and DSL network, enabling them to offer DSL service to customers they select for the trials. SBC will use the trials to monitor ordering, provisioning, reliability, billing and maintenance and repair.

"The neighborhood broadband gateways will expand the addressable market for DSL service, and represent an important milestone for the DSL industry," said Mike Turner, president, SBC broadband services. "We'll provide millions of additional customers with access to DSL service, and we're committed to providing a platform that enables all DSL providers to take advantage of this exciting breakthrough."

The Federal Communications Commission is expected to decide an ownership issue related to the neighborhood broadband gateways later in the third quarter. Once that occurs, SBC plans to activate approximately 4,000 neighborhood gateways by year-end, and 18,000 by the end of 2002.

By equipping more than 1,100 central offices, SBC has already made DSL service available to 16 million homes and businesses in its regions, and become the nation's leading provider of DSL service

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→ SBC/Yahoo! Create Co-Br Internet Ser

→ SBC DSL Int online broch latest news

Press Contacts

SBC Corpora

SBC Southw

SBC Ameritе

SBC Pacific a Bell

SBC SNET

Cingular

with more than 435,000 DSL lines in service. By year-end, SBC plans to make DSL service available to more than 18 million homes and businesses, which represents 50 percent of the company's customers. SBC's DSL service will be available to more than 80 percent of SBC's customers by the end of 2002.

While today, the phone line running from a customer's home or business must be within 17,500 feet of a DSL-equipped central office to receive DSL service, the neighborhood gateways will help remove this distance constraint. SBC is pushing fiber deeper into its neighborhoods and installing or upgrading neighborhood broadband gateways containing digital electronics to put customers within 12,000 feet of a central office or a neighborhood gateway. This upgrade of the local network will enable SBC to provide nearly all of its customers with DSL service, traditional phone service and next-generation services, all from a single, integrated platform.

Customers in areas where SBC deploys the neighborhood gateways will also receive significantly higher minimum "sync rate" connection speeds from their computers to the serving central office or neighborhood gateway once Project Pronto is complete. In these areas, customers will receive a minimum downstream sync rate speeds of 1.5 megabits per second (Mbps), 50 times faster than a standard 28.8 kilobits per second (Kbps) modem, with more than 60 percent eligible to receive minimum sync rate speeds of 6.0 Mbps. Today, SBC offers a minimum downstream connection speed of 384 Kbps in its Pacific Bell, Southwestern Bell, Nevada Bell and SNET regions. The higher speeds will enable SBC to deliver video services such as video-on-demand and videoconferencing.

Customers can learn more about DSL service by visiting SBC's Web site, www.sbc.com.

SBC Communications Inc. (www.sbc.com) is a global communications leader. Through its subsidiaries' trusted brands - Southwestern Bell, Ameritech, Pacific Bell, SBC Telecom, Nevada Bell, SNET and Cellular One - and world-class network, SBC's subsidiaries provide local and long-distance phone service, wireless and data communications, paging, high-speed Internet access and messaging, cable and satellite television, security services and telecommunications equipment, as well as directory advertising and publishing. In the United States, the company currently has 61.2 million access lines, 12.2 million wireless customers and is undertaking a national expansion program that will bring SBC service to an additional 30 markets. Internationally, SBC has telecommunications investments in more than 20 countries. With approximately 219,000 employees, SBC is the 13th-largest employer in the U.S., with annual revenues that rank it among the largest Fortune 500 companies.

EXHIBIT 3

SBC InvestorBriefing

December 19, 2000 | No. 222

SBC Outlines Action Plans for 2001

Company Reaffirms Commitment to Major Growth Strategies, Targets 2001 Earnings Per Share Growth in the 11 - 14 Percent Range

SAN ANTONIO, Dec. 19, 2000 — Following the completion of its annual business plan process, SBC Communications Inc. (NYSE: SBC) today reaffirmed its commitment to its major growth strategies and outlined its action plans for 2001. The company said that it expects earnings per share growth during the coming year of 11 percent to 14 percent and revenue growth, including proportionate wireless results, of 8 percent to 9 percent.

As previously announced, in the fourth quarter of 2000, SBC expects earnings per share before one-time items of $0.56 to $0.58. SBC plans to release fourth-quarter 2000 results in January 2001.

The central goal of SBC's plans for 2001 is to generate solid growth while ensuring maximum financial strength and flexibility. Both are key to creating value for shareowners amid the current industry turmoil and in anticipation of a slowing national economy.

As a result, SBC plans will calibrate investments in growth initiatives to match the timing of emerging revenue opportunities. SBC expects 2001 capital spending to be comparable with 2000 levels and expects an improved return on invested capital.

> ***"SBC will pursue its growth opportunities with intensity, balanced with a determined focus on enhanced financial strength and flexibility. We are confident that this balanced approach strongly positions SBC for sustained growth and value creation."***
>
> **EDWARD E. WHITACRE JR.**
> **CHAIRMAN AND CEO**

SBC said that delays in regulatory approvals for its entry into in-region long-distance markets, primarily in California and its Ameritech states, have shifted the timing of expected revenues from, and investments in, several of its wireline growth initiatives. SBC continues to work aggressively to accelerate approvals in all of its states.

In addition, service upgrades for customers in the Ameritech region, launched in September of this year, continue to be a top priority for SBC. The company's commitment to finalizing these upgrades has contributed to SBC's decision to adopt a measured approach to DSL deployment in the Ameritech region over the next several months.

"Over the past year, since our acquisition of Ameritech, we've taken huge strides in building the country's premier data-centered telecommunications company," said Edward E. Whitacre Jr., SBC chairman and CEO. "Today we have a tremendous set of assets, clear growth strategies and the best marketplace opportunities in our industry.

"Our mission in 2001 is to build on these strengths and move SBC's transformation to the next level," Whitacre said. "That requires financial discipline, and it requires timely access to new markets — starting with long distance. The freedom to compete in interLATA long distance throughout our markets is an important revenue driver and a key component in our wireline growth strategies.

"So our message to regulators is that in 2001 we will redouble our efforts to accelerate long-distance approvals," Whitacre said. "Our message to investors is that SBC will pursue its growth opportunities with intensity, balanced with a determined focus on enhanced financial strength and flexibility. We are confident that this balanced approach strongly positions SBC for sustained growth and value creation."

Major growth *drivers*

SBC's 2001 plans call for substantial progress in each of its major growth drivers — data and broadband, long distance, wireless, national expansion and international — combined with continued cost improvements. Highlights in each of these areas include:

SBC Major Growth Drivers

- Data and Broadband
- Long Distance
- Wireless
- National Expansion
- International

Data *and* Broadband

Data and broadband services comprise SBC's most powerful growth driver. Over the past two years, SBC's total data revenue stream has more than doubled, and during the past year SBC has undertaken a major launch of DSL. The company expects continued robust growth across its data services, and its commitment to expansion in DSL continues to be strong.

SBC's major focus areas for data growth in 2001 include the following:

- *Expansion of IP (Internet protocol) solution sets* — to help customers access a new breed of productivity-enhancing collaboration tools such as unified messaging, to increase network manageability and lower support costs. In October, SBC launched a range of IP-based offerings for businesses seeking an all-IP solution and for those who want to begin a gradual transition to unified networks.
- *Continued development of SBC's alliance with Cisco Systems.* In April 2000, SBC launched a major sales and marketing alliance with Cisco Systems. Through the alliance, SBC and Cisco sales teams work together to provide full-service solution sets for large-business customers. SBC's Cisco-related revenues in the third quarter of 2000 were more than double their level in the first quarter of the year.
- *Accelerated integration of Sterling Commerce's e-business capabilities.* In April 2000, SBC acquired Sterling Commerce, a global leader in B2B Internet e-commerce. Sterling has more than 45,000 customer relationships worldwide, including nearly all of the Fortune 500. In 2001, to generate greater value from this acquisition, SBC plans to integrate more rapidly Sterling's expertise and products to expand its solution sets for customers.

To create a platform for growth in advanced data and broadband services, SBC continues to deploy Project Pronto, its high-capacity next-generation local network. Launched in October 1999, Project Pronto is creating a robust, data-centric network architecture capable of delivering broadband services and significant operating efficiencies. Today, more than 90 percent of SBC's targeted central offices have DSLAMs in service, and more than 18 million customer locations are DSL-capable, up from 10.2 million at the beginning of 2000.

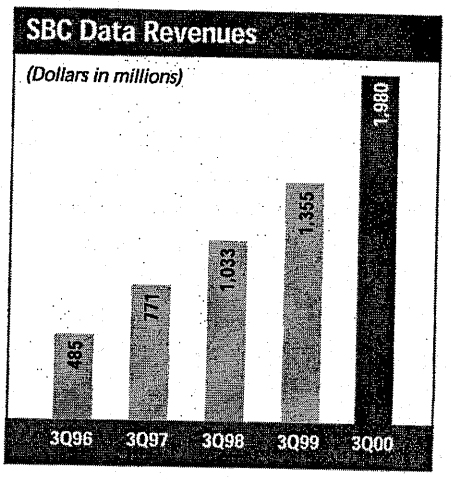
To build more robust network platforms for large enterprises, in 2001 SBC plans to begin deploying APON (ATM passive optical networks) in select high-density business situations. As part of Project Pronto, APON is capable of delivering to customers high-capacity connections with nearly unlimited data speeds and high-quality video. SBC expects to launch field trials of APON in the first half of 2001 with customer deployments to follow. APON deployment is not expected to increase overall capital outlays.

These network enhancements allow SBC to offer a host of new services, the most notable at this point being DSL. Demand for SBC's DSL service continues to be robust. In the near term, ramp up of SBC's DSL rollout continues to be impacted by a late start in its Ameritech markets as the company completes service upgrades, and by SBC's later-than-expected start, in September of this year, in the installation of neighborhood gateways.

In September of this year, Ameritech launched a program to raise service quality up to the traditional high levels of SBC companies. As part of the initiative, the company is adding

Continued on Page 3

SBC Data Revenues



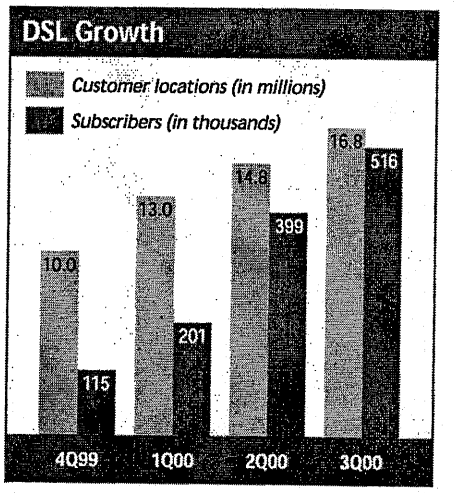
Data *and* Broadband *continued*

Continued from Page 2

technicians and has aggressively increased training. The program already has produced substantial results, and the company expects to reach its service goals by the end of this year. To institutionalize the improvements and stabilize work flows will require additional expense and time in 2001. During this time, SBC expects to continue a measured approach to Pronto deployment and DSL marketing in the Ameritech region.

One of SBC's principal objectives for 2001 is to overcome its late start in neighborhood gateway deployment. Neighborhood gateways, or remote terminals, push the capabilities now housed in central offices closer to customers, remove current distance limitations for DSL and make virtually all customers in SBC's metropolitan-area markets eligible for DSL service. Launch of the gateways in 2000 was delayed until September, several months later than originally planned, when the Federal Communications Commission issued a ruling that allowed SBC to begin providing DSL service through its gateways.

In the current quarter, SBC's daily net gain in DSL subscribers has averaged in the 3,500 to 4,000 range. SBC expects to maintain this pace in the first half of 2001, focused primarily on the Pacific Bell and Southwestern Bell regions, with the possibility of accelerating that pace in the second half of the year. SBC expects to win 50 percent or better of incremental DSL market share in its major markets. In addition, SBC expects in 2001 to begin leveraging its expansion initiative and development of a robust national IP backbone.



DSL growth platform to introduce value-added voice and data services beyond fast Internet access over its broadband connections.

In the second half of 2000, SBC executed the industry's most successful statewide long-distance launch. The company's Southwestern Bell Long Distance unit began marketing long-distance services in Texas on July 10, and in its first 90 days added 1 million customers. Southwestern Bell has more than 10 million access lines in the state, and the total Texas long-distance market is estimated at $7.7 billion.

In October, state commissions in Kansas and Oklahoma recommended that SBC be allowed to provide long-distance service to customers in their states.

While the timetable for market entry has been delayed, SBC hopes by year-end 2001 to have gained entry into the interLATA long-distance market in five additional in-region states: Kansas, Oklahoma, Missouri, Arkansas, California and Nevada. The total long-distance market in these states plus Texas is estimated at $28 billion.

Long *distance*

SBC's anticipated timetable for entry into in-region long-distance markets beyond Texas has been moved back by delays in regulatory approvals. Approvals for California are particularly important as that state is SBC's largest with a total long-distance market estimated at more than $15 billion.

SBC will work aggressively in 2001 to accelerate the approval process for market entry in California and other in-region states. Long-distance entry is important because of its potential for direct contributions to revenue growth. Equally important, it is a key component in SBC's data growth and competitive bundling strategy — putting together attractive, easy-to-use packages for consumers and integrated solution sets for businesses. In particular, long-distance freedom is important to SBC's national

Long-Distance Market Estimates
SBC's in-region, 12-state territory

Region	Estimated total long-distance market revenues
SOUTHWESTERN BELL	
Texas	$7.7 billion
Missouri, Oklahoma Kansas, Arkansas	$3.3 billion
PACIFIC BELL/NEVADA BELL	
California and Nevada	$16.5 billion
AMERITECH	
Illinois, Indiana, Ohio Michigan, Wisconsin	$20.5 billion
TOTAL 12-STATE TERRITORY	$48 billion

Wireless

At the beginning of the fourth quarter, SBC launched Cingular, its new national wireless joint venture with BellSouth. With 19 million subscribers, approximately $12 billion in annual revenues and 211 million POPs, Cingular is strongly positioned for leadership in the U.S. wireless market. SBC expects double-digit revenue and earnings growth from Cingular in 2001.

Top priorities for Cingular in the coming year include:

- *Rapid expansion in data services.* Cingular already has launched the first phase of its data and wireless information services this year in California and Nevada, and other markets are scheduled for early 2001. These services allow customers to send and receive short messages in real time from Cingular Web-enabled phones or other wireless devices, and they provide instant access to a host of personalized information through a customizable start page. The response to these offerings has been positive, and Cingular expects wireless data services to add further momentum to its overall revenue growth in the next five years.
- *Integration of operations.* To reduce costs and strengthen its competitive position, Cingular has embarked on a major integration effort. In addition to delivering substantial expense and revenue synergies, these integration efforts will improve support systems such as billing, customer care and procurement platforms, centralize warehousing and distribution, and will result in a single national marketing program.
- *Further geographic expansion.* In November, Cingular announced a major step to further expand its market coverage through a spectrum exchange with VoiceStream Wireless. This swap will allow Cingular to operate in the New York City metropolitan area and adds spectrum in St. Louis and Detroit. In 2001, Cingular expects to pursue additional opportunities to expand into new markets and to add spectrum that can support robust data services — either through swaps, auctions or acquisitions. The company targets synergies from merging SBC's and BellSouth's separate wireless businesses to offset the modest dilution for investments required in additional spectrum and geographic expansion.

Cingular Focus

- **211 million POPs**
- **19 million customers**
- **$12 billion in annual revenues**
- **SBC ownership — 60 percent**
- **Single source for nationwide wireless voice, Internet and data services**

cingular WIRELESS

National *expansion*

In 2000, SBC made excellent progress in its national expansion strategy, through which its SBC Telecom unit plans to enter 30 metropolitan areas outside its regions. The company already has launched service in four markets and has launched marketing activities in 12 markets.

SBC Telecom

Combined with SBC's in-region market presence, where nearly half the Fortune 500 are headquartered, national expansion will give SBC a local presence in 50 of the top U.S. metropolitan areas. And as deployment progresses, it is expected to significantly improve SBC's ability to win a larger share of telecom spending from major enterprises.

A necessary component to the success of this initiative is SBC's ability to provide long-distance service in its in-region states. Expansion into cities across the United States positions SBC to follow its large- and midsized business customers and provide a full suite of services that can meet all of their telecommunications requirements. National expansion also is an important foundation for SBC's plans to develop robust, nationwide IP backbone capabilities. The two initiatives will be closely coordinated in 2001.

To better synchronize timing with long-distance approvals in California and other states, SBC has returned to its original national expansion launch schedule, about six months later than its most recent estimates, and the company expects to achieve $1 billion in annualized revenues by the second half of 2003.

SBC National Expansion

Year 2000 Launches	
Boston	Fort Lauderdale
Miami	New York City
Seattle	

International

In addition to these major growth drivers, SBC also has substantial international holdings, which continue to generate significant earnings and cash dividends. These include powerful strategic partnerships in North America, with Telmex and Bell Canada, as well as extensive holdings in Europe.

SBC's North American platform includes investments in, and strategic alliances with, Telmex, the leading telecommunications provider in Mexico, and Bell Canada, the premier communications company in Canada. These three companies, combined with Williams Communications Group, comprise the industry's most potent North American growth platform. Williams is rapidly developing the United States' largest next-generation long-distance network, and both SBC and Telmex have strategic alliances with Williams. SBC expects that long-distance approvals in California and other states will significantly enhance the growth potential of these alliances.

In a move that expands its North American alliances, in November SBC joined with Bell Canada International and Telmex's América Móvil to form Telecom Américas Ltd., a facilities-based company that will serve as the partners' principal vehicle for expansion in Latin America. SBC contributed its wireless holdings in Brazil for an 11.4 percent stake in the new company. The transaction required no cash investment by SBC.

Telecom Américas Ltd. has been launched by the three partners with an initial capitalization of approximately $4 billion, including approximately $2.2 billion in cash and cash commitments. The company has an initial operating presence in South America's four largest communications markets: Brazil, Venezuela, Argentina and Colombia.

SBC International At A Glance as of 9/30/00

(Dollars in millions) *(Volumes in 000s)*	
Total access lines	37,660
Total wireless customers	29,564
Total revenues	$10,283
Proportionate access lines	6,755
Proportionate wireless customers	4,387
Proportionate revenues	$ 2,015

To strengthen its position in Europe, SBC in November took part in a series of transactions through which Tele Danmark will create the No. 2 telecom operator in Switzerland. Tele Danmark increased its stake in Sunrise, the Swiss landline telecom and Internet operator, to 89 percent, and agreed to acquire 70 percent of diAx, the Swiss mobile and landline operator. The acquisitions increase Tele Danmark's exposure to high-growth businesses, wireless and Internet, and the combined entity will be majority-owned and controlled by Tele Danmark. SBC holds a 41.6 percent stake in Tele Danmark.

SBC today has direct and indirect investments in 14 European countries, and the estimated value of its European portfolio exceeds $10 billion.

While strengthening its international growth platforms in these high-potential markets, SBC during 2000 also sold nonstrategic international holdings, including its interests in MATÁV (Hungary) and Netcom (Norway), realizing substantial gains.

Cost *opportunities*

SBC's growth initiatives are supported by continued improvements in its cost structure. As SBC takes a more measured approach to growth initiatives such as DSL and national expansion, some expenses will be delayed. Even more important, SBC is on track to realize planned synergies from the integration of Ameritech. In the fourth quarter of this year, SBC successfully completed the second phase of this integration with a significant voluntary retirement program. At the same time, Project Pronto is projected to deliver cost reductions through reduced maintenance and lowered capital requirements.

By 2004, SBC targets a total annual cost savings run rate of $3.5 billion and $1 billion in annual capital savings from these initiatives — cost improvements which can support continued strong margins during a time of dramatic industry transformation.

Financial *strength*

While it extends its marketplace momentum and builds high-potential growth platforms for the future, SBC's financial strength and flexibility are, and are expected to continue to be, the best in the telecommunications industry.

In the coming year, SBC expects growth in operating cash flow consistent with earnings increases and capital spending comparable with 2000. As a result, SBC expects to achieve an improved return on invested capital and increased free cash flow in 2001. These factors are expected to further enhance the company's already very strong balance sheet.

Over the past few months, the company has announced a number of transactions involving non-core assets that could generate substantial funds. These transactions include the sale of SBC's investments in Norway, Hungary and Switzerland; sale of overlapping wireless properties required for the formation of its new joint venture wireless company; a lease agreement for SBC's wireless towers; and the anticipated sale of SBC's nationwide security-monitoring business. In addition, the formation of the wireless joint venture itself gives SBC additional financial capacity. SBC continues to evaluate all of its assets with the goal of maximizing shareowner value.

Strong operating results combined with proceeds from these transactions are expected to generate discretionary cash flow that, in a time of industry change, can provide greater flexibility for management to consider a range of value-creating initiatives including continued share repurchases.

Planning *variables*

SBC continues to have great confidence in the telecommunications industry and is optimistic about its growth fundamentals. At the same time, SBC's plans recognize that the industry is moving through significant transitions both in terms of regulation and competition. In addition, over the past few months the company has seen a modest slow-down in economic conditions in some of its regions, and it is aware that economic conditions could be a factor in 2001.

During this time of transition, SBC's plans identify a number of business risks including: (1) regulatory changes, including the timing of approvals to compete in in-region long-distance markets; (2) the impacts of competition, particularly in local service as it moves toward entry into additional long-distance markets; (3) and further softening of economic conditions.

SBC is confident it has the tools and resources — including a proven management team — to quickly and prudently adjust to changes in its external environment to create maximum value for its shareowners.

Cautionary Language Concerning Forward-Looking Statements

Information set forth in this *Investor Briefing* contains financial estimates and other forward-looking statements that are subject to risks and uncertainties. A discussion of the factors that may affect future results is contained in SBC's filings with the Securities and Exchange Commission. SBC disclaims any obligation to update or revise statements contained in this *Investor Briefing* based on new information or otherwise.

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SBC InvestorBriefing

SBC *Investor Briefing* is published by the Investor Relations staff of SBC Communications Inc. Requests for further information may be directed to one of the Investor Relations managers by phone (210-351-3327) or fax (210-351-2071).

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EXHIBIT 4

FEBRUARY 2002

SBC DSL INTERNET Update 1

SBC Communications is committed to broadband, providing customers with reliable, high-quality DSL (Digital Subscriber Line) Internet Access Service. With several thousand orders daily and more than 1.3 million customers at the end of 2001, SBC continues to be the nation's leading DSL Internet Access Service provider. As more consumers and businesses turn to DSL Internet Access Service, SBC is well-positioned to accommodate significant subscriber growth, offering service from more than 5,800 neighborhood broadband gateways and nearly 1,400 central offices, with service available to more than 60 percent of its customers.

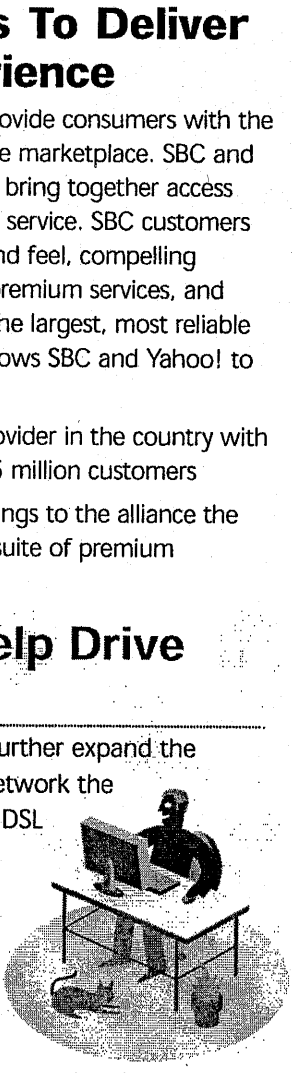
SBC/Yahoo! Join Forces To Deliver Superior Internet Experience

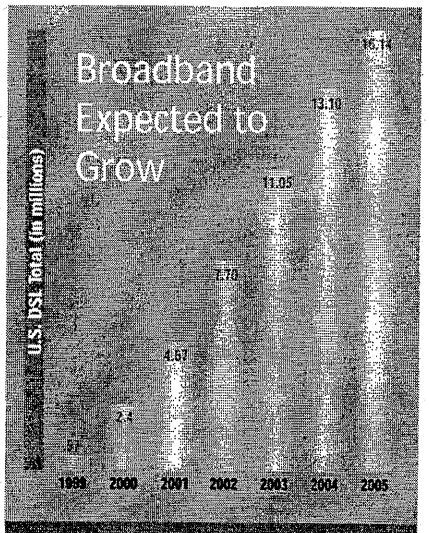
As technology and the Internet evolve, SBC will provide consumers with the best and most reliable broadband experience in the marketplace. SBC and Yahoo! have announced an alliance to bring together access with portal services in a first-of-its-kind service. SBC customers will experience an exciting new look and feel, compelling personalized broadband content and premium services, and continuous innovation and access via the largest, most reliable broadband network in the country. The alliance allows SBC and Yahoo! to focus on their individual areas of expertise.

- SBC is the largest DSL Internet Access Service provider in the country with high-speed broadband available to more than 25 million customers
- Yahoo!, the No. 1 global Internet destination, brings to the alliance the strength of the Yahoo! brand and a compelling suite of premium broadband content

Home Networking To Help Drive Broadband in 2002

SBC's Home Networking offering is helping to further expand the broadband market for consumers wanting to network the equipment in their home or office over a single DSL Internet connection. Home Networking is a powerful tool for future broadband-enabled applications such as security monitoring, online games, and video on demand. Launched in June 2001, SBC has seen strong demand for its Home Gateway products. In fact, sales last year far exceeded the company's original expectations. With Home Networking from SBC, families and small businesses with up to 10 computers can share one DSL Internet connection. SBC offers a wireless and wired home gateway, with or without an internal modem. The gateways can be self-installed by customers in about an hour.





A recent study by Gartner Dataquest says demand for high-speed Internet has never been better. Gartner says high-speed Internet access has reached 25 percent of online households and that nearly 20 percent of dial-up households reported that they planned to subscribe to a high-speed service by mid-2002. According to Gartner, the broadband market is expected to grow to nearly 35 million customers in 2005, with DSL Internet service representing more than 16 million of those customers.

FEBRUARY 2002

SBC DSL INTERNET Update 2

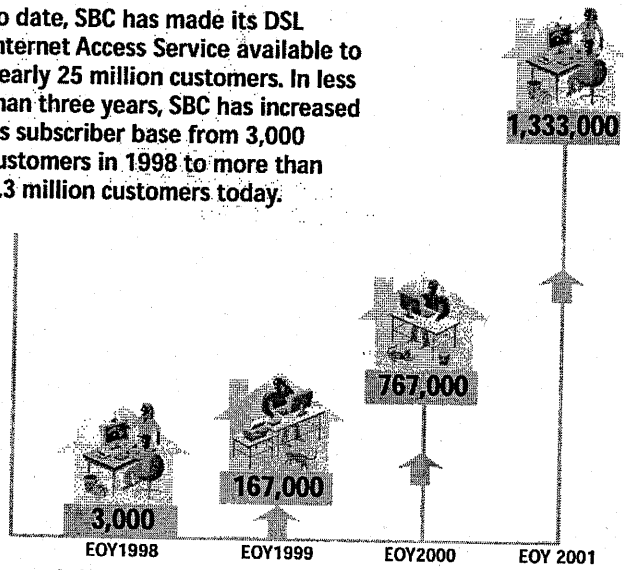
SBC Internet Services Among The Nation's Best ISPs

SBC Internet Services, provided regionally by Southwestern Bell Internet Services Inc., Pacific Bell Internet Services, Ameritech Interactive Media Services, and SNET Diversified Group Inc., is now the nation's 4th largest Internet Access service provider, with more than 3.1 million narrowband and broadband customers across the country. Additionally, SBC Internet Services affiliates consistently rank among the top ISPs for reliability and performance in benchmarking studies by *Network World Fusion*.

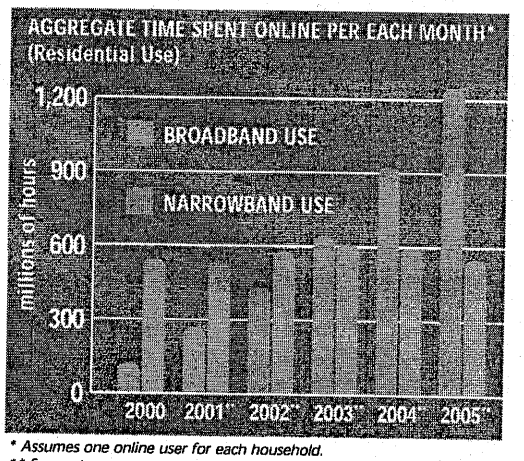
- SBCIS consistently maintains a 99.9 percent network reliability standard – giving our customers the peace of mind that their connection will be there when they need it.
- SBCIS works to provide a secure experience for its customers with 24-hour-a-day network and security intrusion monitoring.
- With the SBC/Yahoo! alliance, our customers will be the first to experience an exciting suite of new services. From online games to music and video services, SBCIS customers will have access to the most compelling, personalized content and innovation to hit the access market to date.
- SBCIS offers all of its DSL Internet Access Service customers unlimited dial Internet access from virtually anywhere they travel in the country.

SBC DSL Internet Subscriber Growth

To date, SBC has made its DSL Internet Access Service available to nearly 25 million customers. In less than three years, SBC has increased its subscriber base from 3,000 customers in 1998 to more than 1.3 million customers today.



Source: SBC Communications Inc.



* Assumes one online user for each household.
** Forecast

Broadband Users Spending More Time Online

According to Jupiter Media Research, broadband users are spending 27 percent more time online overall and average 37 percent more sessions a month. By 2003 users with broadband connections will account for a majority of online users.

SBC Receives International Award for Its Broadband Self-Install Solution

SBC's self-install kit has been recognized for its customer benefits and market impact by the International Engineering Consortium with a prestigious InfoVision Award for technology. SBC became the first broadband provider to implement a self-install solution, making high-speed DSL Internet Access Service available to customers faster, and easier to install. Today, SBC continues to be an industry leader in the self-install solution, with 90 percent of customers enjoying the convenience of self-installation.

EXHIBIT 5

BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In re: *Generic Docket to Establish UNE prices for Line Sharing per FCC 99-355 and Riser Cable and Terminating Wire as Ordered in TRA Docket No. 98-00123*

Docket Number 00-00544

AFFIDAVIT OF MICHAEL ZULEVIC

Before the undersigned officer duly authorized by law to administer oaths, personally appeared Michael Zulevic, and—upon first being sworn—states as follows.

AFFIANT'S BACKGROUND

1.

I am over the age of eighteen (18) years and otherwise competent to testify, and I make this affidavit upon my own personal knowledge.

2.

My name is Michael Zulevic. I am a Director of External Affairs for Covad Communications Company. My business address is 13769 North Slazenger Drive, Oro Valley, Arizona 85737. I am directly responsible for the day to day management of the Covad-Qwest business relationship as it relates to the contractual agreements between Qwest and Covad. Additionally, I am responsible for providing technical and witness support to Covad's Government and External Affairs Department in connection with contract negotiations and legal/regulatory proceedings.

3.

Before assuming my current position, my responsibilities included the deployment of Covad's line sharing equipment across the country. More importantly, for purposes of this proceeding, I was responsible for the architecture negotiations over the

first ever line sharing agreement with U S WEST (or any ILEC, for that matter) in the country. During the architecture negotiations, I helped to design the line sharing network architecture that is now in place. I also have been involved with the network design negotiations with other ILECs, including BellSouth, Verizon, Sprint and SBC.

Covad's initial national deployment of the equipment it requires to support line sharing is now essentially complete. As a necessary adjunct of these initial line sharing responsibilities, and in addition to the responsibilities described above, I am now responsible for extending the line sharing capability to customers in more remote areas of the local network. That is, I am responsible, through negotiations with ILECs and participation in regulatory proceedings, for creating the basis to provide xDSL services to customers who are currently out of reach of central office-based equipment.

4.

Prior to joining Covad, I was employed by U S WEST (now Qwest) for 30 years, most recently as Manager, Depreciation and Analysis for the last year I was employed by US WEST. Prior to that, I worked in Network and Technology Services ("NTS") for several years, providing technical support to U S WEST Interconnection Negotiation and Implementation Teams. While working in these two capacities, I provided testimony on technical issues in support of arbitration cases and/or cost dockets in Minnesota, Iowa, Montana, Washington, Oregon, Arizona, New Mexico, Nebraska, Utah, Wyoming, and Idaho. Prior to joining the NTS group, I was responsible for providing technical support for the U S WEST capital recovery program in the areas of switching, transport, and loop. I also worked as a Central Office Technician and Central Office Supervisor at U S WEST.

In addition to the extensive experience described above, I also have worked as a Switch and Transport Fundamental Planning Engineer, where I represented Fundamental Planning as a member of the ONA/Collocation Technical Team; Circuit Administration Trunk Engineer, specializing in switched access services; and Custom Network Design and Implementation Engineer, working with the design and implementation of private networks for major customers.

TECHNICAL BACKGROUND

5.

As the Tennessee Regulatory Authority ("TRA" or "Authority") is aware, line sharing is the combining of both traditional ILEC voice services with data service provided by a CLEC, over the same copper, or combined fiber/copper loop.

6.

Line sharing typically is provided by combining the data from a collocated CLEC digital subscriber line access multiplexer (DSLAM) with the voice service provided out of the ILEC voice switch located in the same Central Office. This "combining" is done using a device called a "splitter" which is also located in that Central Office. The separated voice and data signals run from the ILEC voice switch and the CLEC DSLAM, respectively, to the splitter. Once at the splitter, the voice and data portions are connected to the splitter and then are "combined" by the splitter onto one loop. For voice and data signals travelling to the end user, therefore, the splitter combines those signals, allowing them to be connected to two separate sources while using only one loop that extends all the way out to the end user's home or business.

7.

Although technically similar, there are significant differences in the way a line shared loop is provisioned over an all-copper facility as compared to the way it is provisioned over a "fiber-fed" loop (sometimes referred to as a digital loop carrier or "DLC"). A fiber-fed loop is one in which fiber travels from the Central Office to a Remote Terminal ("RT") before transitioning to copper from the RT to the end user. The single most important change is in the location of the splitter and the DSLAM. Where there is fiber or DLC in the loop, both the splitter and the DSLAM must be located at some point between the end of the fiber and the end user's Network Interface Device, rather than both being located in the Central Office as they are for a traditional all-copper loop. This change in equipment configuration is necessitated by the fact that DSL service can only be provided over the copper portion of the shared loop.

BELLSOUTH'S MINI-DSLAM ARCHITECTURE

8.

BellSouth—like Qwest—has made the decision to place remote DSLAMs at the RT.[1] In fact—according to BellSouth Press Releases attached hereto—BellSouth has been more aggressive than any other ILEC in deploying this technology which it has currently installed in more than 8000 Remote Terminals throughout its region. Where these have been deployed, both the DSLAM and the splitter capability are located in the RT. The voice and data first travel on one loop from the end user premises to the remote DSLAM, and then travel over separate paths to the Central Office. In each of these mini-DLSAM-equipped RTs in Tennessee, BellSouth is the only DSL provider with the ability

[1] While Qwest and BellSouth have decided to place remote DSLAMs at the RTs, other ILECs such as SBC and Verizon, are deploying what is called Next Generation Digital Loop Carrier (NGDLC). This equipment provides both DLC functionality for voice and the DSLAM functionality required for DSL services.

to provision DSL loops. In other words, BellSouth's mini-DSLAM deployment has effectively made it impossible for high-speed data competition to exist for any end user served by those RTs.

9.

Because BellSouth is already supporting line shared loops to hundreds of thousands of its customers via its mini-DSLAM architecture, there is no technical barrier to making this functionality immediately available to Tennessee CLECs.

Further Affiant sayeth not.

Michael Zulevic

Subscribed and sworn to before
me this 23 day of April, 2002 by Michael Zulevic.

Notary Public

My Commission expires: August 30, 2005

Official Seal
NOTARY PUBLIC
STATE OF ARIZONA
County of Pima
SANDRA K. HENDERSON
Commission #216212
My Commission Expires August 30, 2005

Newsroom

BellSouth Completes NC Central Office Deployment of Advanced Data Technology

DSL Investment at $100 Million and Climbing

For Immediate Release:

April 2, 2002

RALEIGH - BellSouth has fulfilled its pledge to equip 136 North Carolina central offices with the latest in high-speed data technology, reaching the milestone more than seven months ahead of schedule.

"Two years ago, BellSouth committed to the most aggressive deployment of Digital Subscriber Line (DSL) technology in the southeast," said Krista Tillman, President for North Carolina Operations. "I am happy to report that we have kept our commitment. Not only have we already met our central office goal, but with about 1,500 remote DSL terminals deployed, we are well on our way to 2,100 remote terminals by year-end, thereby pushing the technology further out into the distribution network."

She said BellSouth has already invested more than $100 million in DSL technology in North Carolina, with additional investment still to come.

"In today's competitive communications environment, capital investment may be one of the best ways to gauge a company's commitment to the communities it serves. We are determined to bring our customers the advanced products they need and want in this digital Information Age," Tillman said.

Governor Mike Easley said advanced communications technology, such as that provided by BellSouth, was a key element in North Carolina's success in a global economy.

"Bellsouth's expansion of DSL to 136 of its 140 offices across the state brings high speed internet access to many of our rural communities," said Easley. "This technology infrastructure ensures North Carolina's competitiveness for high quality industry and jobs

North Carolina's competitiveness for high quality industry and jobs in all regions of the state. Bellsouth has demonstrated its continuing commitment to NC with this significant investment."

DSL technology, often called broadband technology, enables customers to explore the Internet at speeds up to 50 times faster than standard 28.8K modems. By providing a dedicated connection from a customer's computer to the central office, it enables users to talk on the phone or send a FAX while surfing the Internet at maximum download speeds of up to 1.5 Mbps and maximum upload speeds of up to 256 Kbps. The DSL deployment plan was approved by the North Carolina Utilities Commission in September 2000 as part of an omnibus package of several communications issues. It reflected a substantial acceleration of the initial deployment schedule.

Jo Anne Sanford, NCUC Chair, said she was very pleased with BellSouth's aggressive construction schedule. "Deployment of new and emerging technologies reflects a strong commitment to North Carolina's citizens and economy," she said. "More consumers across the state will have access to the benefits of broadband technology as a result of this network enhancement by BellSouth. It is an important piece of the broadband puzzle."

Because DSL technology creates a specific connection for each customer, network conditions such as type of serving facilities and equipment and distance from a central office will impact availability for any particular customer.

Sen. Eric Reeves (D-Wake), chairman of the Information Technology Committee of the N.C. Senate, applauded the milestone. Recognizing the importance of information technology, he introduced legislation establishing the Rural Internet Access Authority with the goal of assuring that broadband services are available statewide by 2003.

"BellSouth's deployment of DSL is exactly the kind of corporate cooperation we had hoped to get when we created the RIAA," he said. "This infrastructure is critical for all our citizens and our business to fully participate in a global information-based economy."

In addition to selling its own retail DSL product, BellSouth® FastAccess® Service, BellSouth wholesales DSL connectivity to independent Internet Service Providers (ISPs). Consumers or businesses interested in FastAccess service can get more information online at www.fastaccess.com or by calling 1-888-321-ADSL. Customers of an independent ISP should contact their provider for details about DSL availability. ISPs, CLECs or wholesalers interested in reselling BellSouth DSL service, should consult www.interconnection.bellsouth.com for information.

About BellSouth Corporation
BellSouth Corporation is a Fortune 100 communications services company headquartered in Atlanta, GA, serving nearly 46 million customers in the United States and 15 other countries

customers in the United States and 15 other countries. Consistently recognized for customer satisfaction, BellSouth provides a full array of broadband data and e-commerce solutions to business customers, including Web hosting and other Internet services. In the residential market, BellSouth offers DSL high-speed Internet access, advanced voice features and other services. BellSouth also provides online and directory advertising services, including BellSouth® RealPagesSM.com. BellSouth owns 40 percent of Cingular Wireless, the nation's second largest wireless company, which provides innovative wireless data and voice services.

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NOTE: For more information about BellSouth, visit the BellSouth Web page at http://www.bellsouth.com. Also, BellSouth news releases dating back one year are available by fax at no charge by calling 1-800-758-5804, ext. 095650 or write: for Atlanta releases 1155 Peachtree St., N.E.; Atlanta, Ga. 30309-3610 and for DC releases; 1133 21st St., N.W.; Suite 900; Washington, D.C. 20036.

A list of BellSouth Media Relations Contacts **is available in the** Corporate Information Center**.**

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Newsroom

BellSouth Captures 620,500 DSL Customers And Deploys Broadband Capabilities To More Than 15.5 Million Lines

Company Exceeds 600,000 DSL Customers and DSL Availability to More than 70% of Households in the Region; Leads Industry in Subscriber and Deployment Growth

For Immediate Release:

January 3, 2002

ATLANTA - BellSouth Corp. (NYSE: BLS) today announced that it has nearly tripled its DSL customer base with 620,500 customers in 63 total markets. This marks an increase of 405,500 customers in 2001, which represents a growth rate of 188%, the highest of any DSL or cable provider in the country. The success of this initiative is largely due to BellSouth's focus on customer service and its execution of the most aggressive DSL deployment strategy in the industry, increasing the company's potential customer base from 45% to 70% of households in the markets that BellSouth serves.

"As both a DSL wholesaler and retailer, BellSouth has demonstrated its commitment to broadband and continuing our subscriber growth and deployment are testaments to that commitment," said Ralph de la Vega, BellSouth president of broadband and Internet services. "We have led our peers in percent subscriber growth, network deployment and customer service and we anticipate that reaching our 2002 goal of 1.1 million DSL customers will further strengthen that leadership position."

Keys to Broadband Success
BellSouth's DSL success can be attributed to many factors, most significantly its deployment strategy, self-install initiative and its delivery of a quality product with superior customer service. BellSouth's aggressive, market-driven DSL deployment plan was designed to increase DSL availability. BellSouth DSL is now available to more than 15.5 million lines in its markets.

BellSouth's industry leading coverage growth can be attributed to BellSouth deploying DSL in more than 8,600 remote terminals, more than any other DSL provider in the industry. Enabling DSL in remote terminals allows the company to provide broadband to more customers, in many cases eliminating DSL distance limitations. This remote terminal architecture also positions BellSouth to easily implement next-generation services.

The success of BellSouth's retail self-install initiative for its residential customers was another critical factor in BellSouth's ability to reach 620,500. Refinements to the self-install kit and the addition in 2001 of self-install options for Mac, Ethernet modem and laptop users have resulted in 96% of BellSouth FastAccess DSL residential customers opting to self-install during recent months. This momentum is expected to continue in 2002 when BellSouth introduces the self-install option for business customers.

Customers have responded to BellSouth's superior DSL customer service, highlighted in several industry reports, including JD Power and DSL Reports1, which ranked BellSouth highest in its peer group. BellSouth was also recently recognized by The Yankee Group for being best in customer satisfaction among residential service providers in its Technologically Advanced Family survey2. BellSouth's achievements in DSL customer service have been aided by several initiatives executed in 2001 including solutions such as the Connection Manager and the PC qualification tool, which improve the overall BellSouth FastAccess DSL customer experience.

Consumers and small businesses interested in BellSouth Fast Access DSL service can get more information online at www.fastaccess.com or by calling 1-888-321-2DSL. ISPs, CLECs and other wholesalers interested in reselling BellSouth DSL service, should contact their BellSouth account executive. For more information on our CLEC programs, visit www.interconnection.bellsouth.com. Businesses are invited to visit www.bellsouth.com/business.

About BellSouth
BellSouth Corporation is an integrated communications services company headquartered in Atlanta, GA serving more than 46 million customers in the United States and 15 other countries. BellSouth, consistently recognized for customer satisfaction, provides residential, business and wholesale customers with integrated voice, video and data services to meet their communications needs. BellSouth is a Fortune 100 company with total revenues exceeding $26 billion.

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In addition to historical information, this document contains forward-looking statements regarding events and financial trends. Factors that could affect future results and could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: (i) a change in economic

conditions in domestic or international markets where we operate or have material investments which would affect demand for our services; (ii) the intensity of competitive activity and its resulting impact on pricing strategies and new product offerings; (iii) higher than anticipated cash requirements for investments, new business initiatives and acquisitions and (iv) those factors contained in the Company's periodic reports filed with the SEC. The forward-looking information in this document is given as of this date only, and BellSouth assumes no duty to update this information.

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