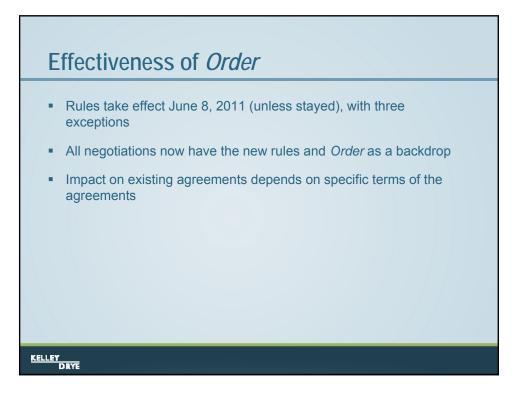


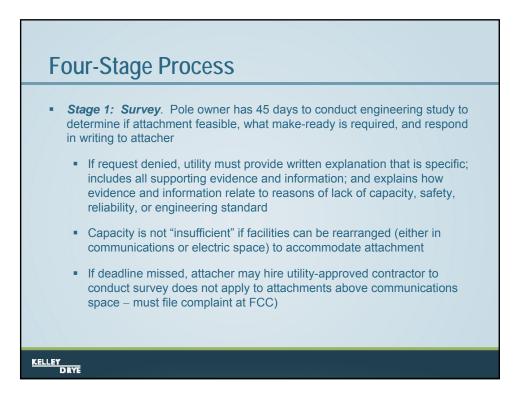
Agenda

- Effectiveness of New Rules
- Application Timelines/Use of Contractors
- Changes to Telecom Rate Formulas
- New ILEC Complaint Rights
- Other Complaint and Enforcement Matters
- Unauthorized Attachments
- Clarifications of 2010 Order and Areas Where the FCC Declined to Act



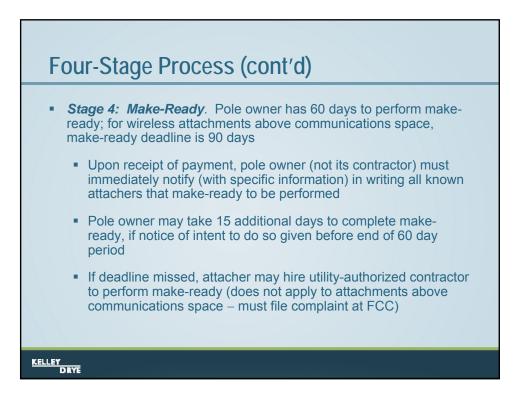
Pole Access Process and Timelines

- FCC adopted Four-Stage Timeline for Different Phases of Process
 - Stage 1: Survey
 - Stage 2: Estimate
 - Stage 3: Attacher Acceptance and Payment
 - Stage 4: Make-Ready Work
- Clock Starts After Submission of "Complete" Application
- A Negotiated Master Agreement Not Prerequisite to Starting Clock
- If request involves unfamiliar attachments, engineering specifications must be established before making request





- Stage 2: Estimate. Pole owner has 14 days to provide estimate of make-ready charges
 - Clock may be stopped if no master agreement
- Stage 3: Acceptance and Payment. Attacher has 14 days to approve estimate and provide payment
 - Estimates do not expire automatically must be actively withdrawn by pole owner
 - If estimate withdrawn, prospective attacher must resubmit application

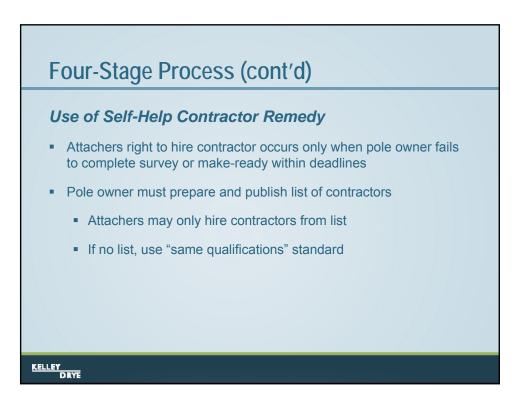


Four-Stage Process (cont'd)

Timelines extended for Large Orders and for Wireless Attachers above the Communications Space

Stopping the Clock

- Pole owner may stop clock for "good and sufficient cause"
 - Includes emergencies requiring federal disaster relief
- Pole owner may <u>not</u> stop clock for:
 - repairing damage caused by seasonal storms
 - repositioning existing attachments
 - bringing poles up to code
 - lack of resources
 - awaiting resolution of regulatory proceedings



Timelines

Comm	unications Space (days)		
Stage	Regular Orders	Large Orders	
Survey	45	60	
Estimate	14	14	
Acceptance & Payment	14	14	
Make-Ready	60 -75	105 - 120	
TOTAL	133-148	193-208	

Access Timeline for Wireless Pole Attachment Above the Communications Space (<i>days</i>)			
Stage	Regular Orders	Large Orders	
Survey	45	60	
Estimate	14	14	
Acceptance & Payment	14	14	
Make-Ready	90 - 105	135 - 150	
TOTAL	163-178	223 - 238	

Rates

- Limited Scope of New Rate Changes:
 - FCC declined to adopt a uniform broadband rate
 - Rate formula for cable attachers unchanged
 - No right of access or specific rates adopted for ILECs
 - Commingled scenarios unchanged
 - Conduit rate formula unchanged
 - Make ready charges need not be published

KELLEY DRYE

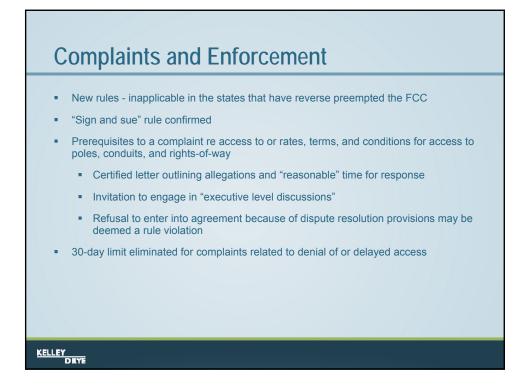
Pole Attachment Rates for Telecom Carriers (excluding ILECs)

- Commission adopted two new telecom rate formulas
 - The higher rate will apply
 - As a practical matter, telecommunications carrier rate ≥ cable rate
- Formula 1 (1.1409(e)(2)(i))
 - Simply the old formula times a factor
 - New telecommunications carrier rate ≈ cable rate when all the presumptions are used
 - Reduces rates in urbanized areas by 34%
 - Reduces rates in non-urbanized areas by 56%
- Formula 2 (1.1409(e)(2)(ii))
 - Adjusts the pre-existing formula for both urbanized and non-urbanized areas by removing the depreciation, taxes, and rate of return elements from the carrying charge

New Complaint Rights for ILECs

- Commission interpreted term "provider of telecommunications services" in definition of "pole attachment" to apply to ILECs as well as other telecommunications carriers
- FCC noted that statute gave it the authority to ensure just and reasonable rates, terms and conditions for pole attachments generally.
- As a result, FCC conferred rights on ILECs to file complaints in certain situations
 - Just and reasonable rates, terms, and conditions
 - Case-by-case analysis
 - Prospective effect only
- The FCC declined to confer rights on ILECs pertaining to access









- Pre-existing penalty cap under current precedent and policy removed
 - Lesser of five times the approximate fee or that fee for the number of years since the last pole inventory
- Presumption adopted for more substantial penalties.
 - Fines for unauthorized attachments deemed presumptively reasonable if they do not exceed those implemented by the Oregon PUC
 - Even more substantial penalties may be deemed reasonable
- Limited to new agreements or amendments to existing agreements

