October 6, 2016

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Business Data Services in an Internet Protocol Environment, WC Docket No. 16-143; Special Access Rates for Price Cap Local Exchange Carriers, WC Docket No. 05-25; AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services, RM-10593

Dear Ms. Dortch:

On behalf of Broadview Networks, Inc. ("Broadview"), the enclosed letter is submitted in the above-referenced proceedings. The time for comprehensive reform in the Business Data Services market is now and the competitive framework and pricing reform proposed by Incompas and Verizon provide the mechanism for transitioning to the FCC's vision of a competitive, next generation broadband world. Broadview generally agrees with the proposed competitive framework and pricing reform, but it believes some additional enhancements and clarifications to the framework would further facilitate Commission objectives.

The presence of fiber providers alone may not be a sufficient indicator of actual competition. Census blocks may indeed provide a reasonable balance between granularity and administratively supportable markets but only if potential competition translates to actual competition. This holds true no matter what the final market definition ends up being. Broadview has some concern that the mere presence of a provider in a census block may not translate to actual competition. Many of the facilities-based providers in a census block or an adjacent census block have had a presence for extended periods of time, yet have not provided last-mile connections or made connections available to resellers. It simply isn't part of many providers' business plans. If it is not part of a provider's business plan, the likelihood of potential competition morphing to actual competition is virtually nonexistent. For this reason, a census block should only pass a competition test if actual competition is alive and well.

Any test for actual competition should hinge on the availability of four facilities-based providers providing last mile connections in a geographic market. In its Triennial Review Remand Order, the Commission has previously determined that an incumbent LEC shall provide unbundled access to DS1s in a wire center unless that wire center has less than 60,000 business lines and at least four fiber-based collocators. Similarly an incumbent LEC shall provide unbundled access to DS3s in a wire center unless that wire center has less than 38,000 business lines and at least four fiber-based collocators. The Commission has previously determined that at least four providers in a wire center are needed to ensure competition. Anything less than four providers as part of a competition test is contradictory to prior Commission policy and should not be instituted as part of the proposed competitive framework.

Broadview agrees with the Incompas/Verizon proposal that pricing in non-competitive markets should reflect rates expected in an efficient, competitive marketplace. The initial one-time 15% reduction and ongoing annual price cap index adjustments thereafter (Inflation minus the X-factor using an X-factor of 4.4%) to TDM-based pricing are warranted and fair. The one-time pricing reduction should be applied at a USOC level consistent across High Capacity Special Access services defined in 47 C.F.R. Section 61.42. The Commission should also ensure any reductions in pricing would not be negated by any rate restructuring or rate rebalancing including the use of front end, non-recurring construction and engineering charges.

Establishing a benchmark for switched Ethernet pricing in non-competitive markets is appropriate and necessary. The benchmark agreed upon in the competitive framework is the price for a 3-year Ethernet circuit, and Broadview's assumption is this includes cost elements associated with the UNI and the EVC Real Time – Class of Service. Additionally, the Commission should ensure separate benchmarks for an Ethernet circuit that utilizes EVC Priority – Class of Service or EVC Basic – Class of Service as well as establishing unique benchmarks for all available Ethernet terms.

Lastly, Broadview has some concern that the framework's proposed one-time and subsequent annual reductions to DS1 special access rates may have the unintended result of impeding the ability of carriers with special access contract tariff revenue commitments to meet those agreed upon revenue commitments. Broadview fully supports the price reductions, but thinks it may be necessary to revise how current revenue commitments are calculated in light of the proposed reductions. Current contract tariffs with revenue commitments were based on special access pricing prior to the framework's proposed reductions. It would be reasonable to either reduce special access revenue commitments by the same amounts as the

proposed reductions in the framework or to require the use of pricing at levels in effect as of August 1, 2016 for purposes of determining whether purchasers have met their revenue commitments.

Please do not hesitate to contact me if you have any further questions or require any additional information.

Respectfully submitted,

Steven J. Bogdan
Director, Regulatory and Compliance