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October 6, 2016

VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: WC Docket No. 16-70

Dear Ms. Dortch:

XO Holdings and Verizon Communications Inc. (“Verizon”) (collectively, “Applicants”) supplement the record as to the buildings that both XO Communications, LLC (“XO”) and Verizon serve with fiber (“fiber overlap buildings”), and the competitors that currently have fiber in those buildings, within 0.1 miles of those buildings, and within 1,000 meters of those buildings. The Applicants have reported on building overlaps and alternate providers in response to the Wireline Communications Bureau’s (“WCB”) Request for Information and throughout this proceeding, and have revised the record on several occasions with new, more granular information. The updated data provided here reaffirms that there are alternate fiber providers in or nearby the fiber overlap buildings within Verizon’s ILEC footprint, and thus there is no risk of competitive harm arising from this transaction.

The Applicants have made several showings to date that each confirm these competitive facts. On March 22, 2016, we provided data on the buildings we both serve and alternate providers either in or nearby those buildings. The Applicants continued to examine sources of competition and updated that data in the Joint Opposition filed on May 27, 2016, and then in a September 2, 2016, filing. As previously noted, those reports identified XO buildings in Verizon’s ILEC footprint and assumed that Verizon had fiber in each building, even though that overlap building analysis was bound to be over-inclusive.¹ On a separate track, WCB issued the Request for Information in June that called for an update to the 2013 BDS proceeding data for Verizon Enterprise Solutions and XO, and it sought information on alternate providers in or

¹ See Letter to Marlene H. Dortch, FCC from Counsel to Verizon Communications, Inc. and Counsel to XO Holdings, WC Docket No. 16-70 at 2 & n.5 (filed Mar. 22, 2016). Subsequent updates applied these same approaches. See Joint Opposition of Verizon and XO Holdings to Petitions to Deny and Comments, WC Docket No. 16-70, at 7-8 (filed May 27, 2016); Letter to Marlene H. Dortch, FCC from Counsel to Verizon Communications Inc. and Counsel to XO Holdings, WC Docket No. 16-70 (filed Sep. 2, 2016).

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nearby buildings identified in those data sets. The Applicants refreshed the 2013 BDS data and have updated those data sets since then.

On September 16, 2016, the Applicants made a filing combining elements of these two independent tracks into a granular building-by-building analysis. First, we refined the data set for fiber overlap buildings “based on the updated exhibits that both Verizon and XO have filed in response to Question 27 of WCB’s Request for Information” – meaning that the updated analysis no longer “assumed” Verizon’s presence in any XO fiber building within Verizon’s ILEC footprint, but instead used the RFI data sets to establish a list of specific buildings that both XO and Verizon Enterprise Solutions serve with fiber. The revised report also relied on updated data regarding alternate providers with fiber in those buildings or nearby.²

Today we further refine the analysis and provide revised data with respect to fiber overlap buildings within the Verizon ILEC footprint and alternate fiber providers competing in or nearby these buildings. The data shows XO has fiber in **[BEGIN CONFIDENTIAL INFORMATION END CONFIDENTIAL INFORMATION]** buildings within Verizon’s ILEC footprint. Verizon has fiber into **[BEGIN CONFIDENTIAL INFORMATION END CONFIDENTIAL INFORMATION]** of those buildings, accounting for data provided in response to Question 27 and from all Verizon lines of business.

- 99.68% of the in-footprint fiber overlap buildings have at least one fiber competitor either in the building or within 0.1 miles, in addition to Verizon and XO.
- More than 91% of the in-footprint fiber overlap buildings have two or more fiber competitors either in the building or within 0.1 miles, in addition to Verizon and XO.
- More than 90% of the in-footprint fiber overlap buildings have at least one fiber competitor in the building, in addition to Verizon and XO.
- 100% of the in-footprint fiber overlap buildings have two or more fiber competitors either in the building or within 1,000 meters, in addition to Verizon and XO.

The Applicants are filing exhibits with the underlying data that demonstrate these findings and further establish that, even where XO and Verizon overlap, there are multiple alternate fiber providers competing in the marketplace and no risk of harm to competition arising from approval of this transaction.

Because this letter and the exhibits contain information that meets the requirements for treatment as “Highly Confidential” and “Confidential,” the Applicants are filing pursuant to the

² Letter to Marlene H. Dortch, FCC from Katharine R. Saunders, Verizon Communications, Inc., WC Docket No. 16-70 at 1 (filed Sep. 22, 2016).

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procedures established in the Protective Order and in the Information Request. The Applicants will also file a copy of this ex parte, bearing the appropriate confidentiality legend, in the FCC's Electronic Comment Filing System.

Please contact the undersigned should you have further questions.

Respectfully submitted,

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Attachments

cc: Terri Natoli
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EXHIBITS

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