

October 15, 2018

Ex Parte

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

Re: *In re Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. §160(c) to Accelerate Investment in Broadband and Next-Generation Networks (WC Docket No. 18-141)*

Dear Ms. Dortch:

On October 11, 2018, Dane Jasper, CEO of Sonic Telecom, LLC (“Sonic”), and Susannah Larson and I, outside counsel to Sonic, met with Sue McNeil, Associate Bureau Chief of the Wireline Competition Bureau, and Daniel Kahn, Terri Natoli, and Michele Berlove of the Competition Policy Division of the Wireline Competition Bureau to discuss Sonic’s opposition¹ to USTelecom’s Petition. As Sonic has previously explained, denying the Petition will serve the public interest by promoting investment and competition for voice and broadband services.

Sonic shared the history of the company, explaining how it evolved from a dial-up internet service provider beginning in 1994 to a CLEC deploying its own fiber facilities to over 120,000 locations² and offering unlimited internet access and voice—providing “genuine, facilities-based competition.”³ Sonic’s business model—and ability to deploy fiber—*relies* on the availability of UNEs. To establish a foothold in a new market, Sonic collocates in the central office, uses a pair of dark fiber interoffice transport UNEs to connect to other central offices where Sonic is already collocated, and uses DS0 UNE loops to reach customers. Depending on the loop length, Sonic offers speeds up to 50/15 Mbps to residential consumers over a single loop (or 100/30 Mbps over a bonded pair). Sonic includes telephone service too, with unlimited nationwide calling, free calling to fixed lines in over sixty countries, robocall blocking and all features such as caller ID and voicemail. Once Sonic has established a customer base using the DS0 UNE loops and developed a business case to invest in its own network, Sonic deploys its

¹ Opposition of Sonic Telecom, LLC, WC Docket No. 18-141 (filed Aug. 6, 2018) (“Sonic Opposition”); Reply Comments of Sonic Telecom, LLC, WC Docket No. 18-141 (filed Sept. 5, 2018).

² Sonic is also constructing fiber facilities to pass 59,000 more locations, and is currently in the engineering stage to pass 60,000 more locations.

³ *U.S. Telecom Ass’n v. FCC*, 359 F.3d 554, 576 (D.C. Cir. 2004); *see* Reply Comments of USTelecom – The Broadband Association at 9, WC Docket No. 18-141 (filed Sept. 5, 2018); Reply Comments of Verizon at 13 n.42, WC Docket No. 18-141 (filed Sept. 5, 2018).

own fiber to replace its use of the ILEC's UNEs, offering 1 Gbps without any increase in price to the consumer.

The existing UNE requirements provide exactly the right incentives for both CLECs like Sonic and ILECs to invest in fiber networks. First, use of dark fiber and bare copper UNEs *requires* CLECs like Sonic to invest; without the CLEC's investment in collocation and electronics, the UNEs are useless. This investment benefits consumers because, as Sonic's experience demonstrates and as confirmed by Brattle's analysis,⁴ Sonic can differentiate its services and offer faster speeds and higher quality services than the ILEC, even when utilizing a DS0 UNE loop purchased from the ILEC. Second, Sonic (and the many CLECs operating under similar business models) cannot rest on existing copper UNEs, given that once ILECs deploy fiber and retire copper, the CLECs no longer have access to the copper.⁵ (Since USTelecom filed its petition, price cap ILECs have submitted notices of copper retirement for over 90 wire centers or communities.⁶) The current rules incentivize CLECs like Sonic to invest continually in fiber in anticipation of copper retirement, and ILECs to deploy fiber in order to obtain relief from unbundling requirements. Granting the Petition would remove a strong incentive for ILECs to deploy fiber and make it far more difficult, if not impossible, for CLECs to do so.

Please contact me if you have any questions.

Sincerely,



Julie A. Veach
Counsel to Sonic Telecom, LLC

cc: Sue McNeil
Daniel Kahn
Terri Natoli
Michele Berlove

⁴ See Declaration of William P. Zarakas ¶¶ 19-21, Attachment 2 to Opposition of INCOMPAS, FISPA, Midwest Association of Competitive Communications, and the Northwest Telecommunications Association, WC Docket No. 18-141 (filed Aug. 6, 2018).

⁵ See Sonic Opposition at 21, citing 47 C.F.R. § 51.319(a)(3).

⁶ See *2018 Section 251 Releases*, Section 251 Wireline Network Changes, FCC Competition Policy Division, <https://www.fcc.gov/wireline-competition/general/section-251-wireline-network-changes#block-menu-block-4>.