



Curtis L. Groves
Associate General Counsel
Federal Regulatory and Legal Affairs

1300 I Street, NW, Suite 500 East
Washington, DC 20005
Phone 202.515.2179
Fax 202.336.7922
curtis.groves@verizon.com

July 20, 2018

Ex Parte

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

Re: USTelecom Forbearance Petition, WC Docket No. 18-141

Dear Ms. Dortch:

On July 18, 2018, Fred Moacdieh and I of Verizon and Diane Holland of USTelecom met with Madeleine Findley, Eric Ralph, Terri Natoli, Michele Berlove, Pam Megna, Claudia Pabo, Billy Hupp, and Mason Shefa of the Wireline Competition Bureau to discuss USTelecom's petition.

Our meeting focused on Verizon's experiences with unbundled network elements, both as a competitive local exchange carrier and incumbent local exchange carrier. We explained that while we are one of the largest CLECs in the industry, leasing UNEs has not been part of our strategy, and our limited use of them—resulting primarily from our 2017 purchase of XO—is declining.

Before buying XO, we used a *de minimis* amount of UNEs as wholesale inputs to our CLEC services. Those UNEs were part of MCI's embedded base acquired through previous mergers. MCI did not use UNEs to serve business customers and after the *Triennial Review Remand Order*¹ used a commercial wholesale product to serve residential customers.

Since the XO acquisition, we have continued to buy some UNEs to serve business customers, where UNEs are available and are suitable to meet our customers' demand. But as business customers move away from legacy voice products towards Ethernet and other high-speed products for which UNEs are not suitable or optimal, we are using fewer UNEs. We expect that trend to continue as business customers continue to move from legacy TDM services to higher-speed IP-based services. As we have for many years, we will continue to rely on other wholesale inputs from a variety of vendors, including cable companies, to serve those customers.

¹ *Unbundled Access to Network Elements; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, Order on Remand, 20 FCC Rcd 2533 (2005).

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Our experience as an ILEC is similar. As the marketplace has evolved, the volumes of UNEs we sell have also declined.

We discussed the aggregated data USTelecom has submitted in the record and explained that our company data that was incorporated into that aggregation included all demand in all states. Our individual company data reflected a similar distribution between DS0s, DS1s, DS3s, and EELs as did the aggregated data.

We also discussed in our meeting some questions similar to those Frontier and Windstream recently addressed.² Consistent with their recent submissions, we explained that while we cannot know how our wholesale customers use UNEs that they buy from us, analog UNE loops are suitable for voice services and digital UNE loops are suitable for data services. We explained there are no technical or performance differences between UNE loops and special access loops, but that UNE loops are not always available and do not come with service-level agreements. And we explained that there is very limited demand for UNE subloops and no demand for UNE network interface devices. We also discussed UNE dark fiber transport. We explained that we buy a *de minimis* amount of UNE dark fiber transport and sell very small volumes.

Very truly yours,



Copies: Madeleine Findley
 Eric Ralph
 Terri Natoli
 Michele Berlove
 Pam Megna
 Claudia Pabo
 Billy Hupp
 Mason Shefa

² See Letter from AJ Burton, Frontier, to Marlene H. Dortch, FCC (July 11, 2018); Letter from Thomas W. Whitehead, Windstream, to Marlene H. Dortch, FCC (July 12, 2018).