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VIA ECFS

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

Re: Ex Parte Letter in WC Docket Nos. 16-143, 15-247, 05-25, RM 10593

Dear Ms. Dortch:

Wilshire Connection LLC (“Wilcon”), through undersigned counsel, submits this written *ex parte* letter to support Comments and Reply Comments filed by Lumos Networks Corp. and Lightower Fiber Networks I, LLC, Lightower Fiber Networks II, LLC, and Fiber Technologies Networks, LLC in the above-referenced dockets.¹



In addition to providing various other types of services, Wilcon is a competitive fiber provider (“CFP”) that provides domestic telecommunications services over more than 3,000 fiber route miles to over 1,200 on-net buildings for customers in California. Wilcon offers telecommunications services to enterprise, government, schools, data centers and carriers- including cell site backhaul and small cell.

In offering Business Data Services (“BDS”), Wilcon faces competition from the incumbent LEC in virtually every location it serves and from other competitive providers in most of its locations. To induce customers to purchase, Wilcon must meet or beat prices of other providers of BDS. Wilcon can only charge a higher price if it offers superior quality that offsets the higher price from the perspective of the customer. Imposing rate regulation on

¹ See Comments of Lightower Fiber Networks I, LLC, Lightower Fiber Networks II, LLC, and Fiber Technologies Networks, LLC (dated June 28, 2016) (“*Lightower Comments*”); Reply Comments of Lumos Networks Corp. and Lightower Fiber Networks I, LLC, Lightower Fiber Networks II, LLC, and Fiber Technologies Networks, LLC (dated August 9, 2016) (“*Lightower Reply Comments*”).

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CFPs is therefore unnecessary² and would undermine the Commission's goal of promoting network investment by competing providers. Wilcon offers services that do not match up one-for-one with ILEC services, and therefore Wilcon would be uncertain what rate constraints it would be subject to if the Commission's plan for rate regulation were applied to it. Wilcon often incurs substantial capital costs for new construction, and any rate regulation, as well as the uncertainty of rate regulation of CFPs based on an ILEC's rates, would increase Wilcon's cost of capital,³ causing Wilcon to forego some otherwise viable projects.

Wilcon does not see materially less competition in the areas it serves at lower bandwidths (i.e., below 50 Mbps). Wilcon therefore believes that rate regulation of CFP offerings for BDS, even if limited to bandwidth at or below 50 Mbps, may unnecessarily cause CFPs to forego offering such services and as a result, reduce competition, thereby undermining the Commission's primary goal of enhancing competition.

Wilcon urges the Commission to refrain from imposing any form of rate regulation on CFPs' BDS offerings. Any such regulation would reduce the incentives of Wilcon and other CFPs to invest in new infrastructure and would therefore undermine the competitive benefits that result from CFP investment in facilities.

Respectfully submitted,

/s/ Eric J. Branfman

Eric J. Branfman

Counsel for Wilshire Connection, LLC

² Lighttower Comments at pgs. 9-11; Lighttower Reply Comments at pgs. 2-4.

³ Lighttower Comments at pgs. 13-15; Lighttower Reply Comments at pgs. 6-8. See also, Reply Comments of Crown Castle at pgs. 4-7.