



September 5, 2018

Via ECFS

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

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,

I am writing to you on behalf of Cloudflare Inc., in response to USTelecom's Petition for Forbearance. Cloudflare is an Internet performance and security company with a mission to help build a better Internet. Our global network of 152 data centers in 74 countries powers more than 10 trillion requests per month, which is nearly 10 percent of all Internet requests for more than 2.5 billion people worldwide. Because of the nature of our network, Cloudflare has relationships with a wide variety of Internet Service Providers (ISPs), including Sonic.

We encourage the Federal Communications Commission (FCC) to reject the US Telecom's Petition for Forbearance. The existing requirements requiring access to copper networks are critical for maintaining competition in the marketplace for broadband.

Cloudflare works to make the Internet faster and more secure for their customers using an integrated suite of services to improve performance, security, and reliability and to allow customers insights into their traffic. In order to provide these services, Cloudflare has interconnection arrangements with a large number of (ISPs). We have an "open peering" policy, and participate in nearly 190 Internet exchanges globally, the second most of any other company. This gives us insight into the impact of competition on broadband costs across global markets, and how it affects negotiations and ultimately consumers.¹ We have found that markets with less competition have significantly higher broadband costs.

Accessing infrastructure at wholesale rates allows small providers to compete with large ISPs. In our experience, bandwidth costs in areas with only one dominant ISP can be over an order of magnitude greater than those in locales with multiple options.

¹ See, for example, Nitin Rao, Bandwidth Costs around the World (August 17, 2016), available at <https://blog.cloudflare.com/bandwidth-costs-around-the-world/>.

Competition incentivizes Internet providers to continue to innovate and provide better end-user services. When there is competition in the infrastructure, the ISPs have to provide better end-user experience. One of the best ways this is done is through improved interconnection, often through settlement free interconnection. When ISPs do charge extra fees for interconnection, this cost is ultimately passed down to users.

Cloudflare joins with Sonic, the Electronic Frontier Foundation (EFF), the Center for Democracy and Technology (CDT) and others in asking that the FCC honor their commitment to bridging the digital divide and reject this petition.

Sincerely,

Alissa Starzak

Alissa Starzak
Head of Public Policy
Cloudflare