

REDACTED FOR PUBLIC INSPECTION

September 16, 2016

VIA ELECTRONIC FILING

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

Re: WC Docket No. 16-70

Dear Ms. Dortch:

XO Holdings and Verizon Communications Inc. (“Verizon”) (collectively, “Applicants”) submit further evidence demonstrating that the proposed transaction will not adversely affect competition. In particular, the data below provides a more granular building-by-building analysis that shows that even in the comparatively few circumstances in which both XO Communications (“XO”) and Verizon have fiber in the same building, there are alternate fiber providers located in and nearby those buildings, and thus there is no risk of competitive harm arising from this transaction.

Applicants have already provided substantial data with respect to XO “on-net” buildings and competitors. In addition to our response to Question 29 of the data request, we also provided a separate analysis of the XO buildings in Verizon’s ILEC footprint, which “assum[ed] that Verizon serves all of these.”¹ That analysis was broadly inclusive in many ways, covering all XO on-net connections via whatever medium (fiber, copper, fixed wireless) and all buildings in footprint whether or not Verizon served them.

Today we are providing additional data that identifies the buildings that XO and Verizon both serve with fiber, the number of competitors that currently have fiber in those buildings, the number of competitors that have fiber within 0.1 miles of those buildings, and the number of competitors that have fiber within 1000 meters of those buildings. We provide this analysis on a total basis and separated by in and out of footprint. ***In short, the data shows that more than 96% of these buildings have at least 2 fiber competitors in the building, in addition to Verizon and XO, that 98% of these buildings have at least one fiber competitor in the building, in addition to Verizon and XO, and that 99% of these buildings have at a minimum 2 or more fiber competitors either in the building or within 1,000 meters.*** In detail:

- XO and Verizon both have fiber in the same building in 664 locations nationwide.

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).

- Within Verizon's ILEC footprint, XO and Verizon both have fiber to the same building in 170 locations.
 - ***More than 95% (162 out of 170 in-footprint buildings) have 2 or more other fiber competitors in the building, in addition to Verizon and XO.*** Thus, there will be at least three fiber competitors in these buildings following the transaction, and in most instances more. This analysis does not even account for several other communications and cable providers who also likely serve some of these buildings but for whom information is not readily available.
 - Of the 8 remaining buildings, 6 have at least one other fiber competitor in addition to Verizon and XO, plus at least one other fiber competitor located within 0.1 miles of the building. Thus, ***nearly 99% (168 out of 170 in-footprint buildings) will have at least one fiber competitor in the building and at least one other fiber competitor within 0.1 miles.***
 - The remaining 2 buildings have at least two fiber competitors located within 0.1 miles.
- Out of footprint, XO and Verizon both have fiber in the same building in 494 locations.
 - ***More than 94% (465 out of 494 out-of-footprint buildings) have 2 or more other fiber competitors in the building, in addition to Verizon and XO.*** Thus, there will be at least three fiber competitors in these buildings following the transaction, and in most instances more. Again, this analysis does not account for several other communications and cable providers who also likely serve some of these buildings but for whom information is not readily available.
 - Of the 29 remaining buildings, 17 have at least one other fiber competitor in the building, in addition to Verizon and XO. Of these 17 buildings, 8 also have at least one other fiber competitor located within 0.1 miles of the building, and another 8 have at least one other fiber competitor located within 1,000 meters of the building. Thus, ***97% (481 out of 494 out-of-footprint buildings) will have at least one fiber competitor in the building and at least one other fiber competitor within 1000 meters.*** The remaining building of these 17 has one competitor in the building.
 - Of the other 12 buildings, 4 have at least two fiber competitors within 0.1 miles; two have at least one competitor within 0.1 miles and one additional competitor within 1000 meters; and six have two or more competitors within 1000 meters of the building. ***That means that more than 99% (493 out of 494 out-of-footprint buildings) have at a minimum 2 or more fiber competitors either in the building or within 1,000 meters of the buildings.***

These findings show that following the transaction, there will be ample competition in and around buildings that both XO and Verizon serve with fiber.

The Applicants are filing exhibits with the underlying data demonstrating these findings. Because the exhibits contain information that meets the requirements for treatment as “Highly Confidential,” the Applicants are filing the exhibits pursuant to the 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,

/s/ Bryan N. Tramont

Bryan N. Tramont
Adam D. Krinsky
Wilkinson Barker Knauer, LLP
1800 M Street, NW, Suite 800N
Washington, DC 20036
202.783.4141

Counsel to Verizon Communications Inc.

/s/ Thomas W. Cohen

Thomas W. Cohen
Kelley Drye & Warren LLP
3050 K Street, NW, Suite 400
Washington, DC 20007
202.342.8400

Counsel to XO Holdings

Attachments

cc: Terri Natoli
Michael Ray

EXHIBITS

REDACTED – FOR PUBLIC INSPECTION