



Frederick E. Moacdieh
Executive Director
Federal Regulatory and Legal Affairs

1300 I Street, NW, Suite 500 East
Washington, DC 20005
Phone 202.515.2590
Fax 202.336.7922
frederick.moacdieh@verizon.com

September 24, 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:

The record demonstrates the outdated ILEC-specific regulations from which USTelecom seeks forbearance are no longer necessary to protect consumers, competition, or the public interest in today's marketplace.¹ The Commission should promptly grant USTelecom's Petition.

Verizon has experience both as a buyer and seller of unbundled network elements. We are both an incumbent local exchange carrier and a competitive local exchange carrier—in fact, we are one of the largest CLECs in the industry. Our unique industry position informs our comments and views on the Petition

UNEs have not been a significant part of our CLEC strategy. Our limited use of UNEs results primarily from our 2017 purchase of XO. And while we continue to purchase UNEs through our legacy XO line of business, our use of UNEs is declining. And this is true both inside and outside of our ILEC footprint. Specifically, over the past three years, our UNE purchases within our ILEC footprint have declined **[BEGIN HIGHLY CONFIDENTIAL]** **[END HIGHLY CONFIDENTIAL]**. And outside our ILEC footprint our UNE purchases over the same three-year period declined **[BEGIN HIGHLY CONFIDENTIAL]** **[END HIGHLY CONFIDENTIAL]**.

¹ *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 (May 4, 2018).

REDACTED FOR PUBLIC INSPECTION

In our July 18 *ex parte* meeting and July 20 letter,² we discussed these and other experiences with UNEs. Among other things, we discussed our minimal use and sale of UNE dark fiber transport. For our legacy XO line of business, unbundled dark-fiber transport has not been a meaningful part of the mix. Verizon currently uses a *de minimis* amount of UNE dark-fiber transport - [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL]. This is consistent with our experience as a seller of UNEs. We currently sell [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] throughout our ILEC footprint, even though almost 90% of our ILEC wire centers are classified as “Tier 3,” where dark-fiber UNE transport is potentially available.

In the unusual instances where we do use UNE dark-fiber transport, we use them for dedicated transport transmission between equipment collocated in different wire centers. For example, we use them, in conjunction with other facilities, to provision dedicated service to customers or to fill in gaps in our infrastructure. But even in these situations, UNE dark-fiber transport generally is only one of several options available to us. We also rely on our own facilities and on other third-party fiber-based transport, including commercial dark-fiber and special-access OCn transport. We generally have access to special access or commercial dark-fiber transport from alternative providers in the markets where we currently purchase UNE dark-fiber. And in those limited cases where we do use UNE dark-fiber, that decision is ordinarily driven by market, service demand and price considerations.

Forbearance from UNE dark-fiber transport would not harm consumers. In all but a few instances, we and other providers, including other CLECs, successfully serve customers without relying on UNE dark fiber. Also, OCn special access transport and commercial dark fiber are generally available where UNE dark-fiber transport is available, and those services would still be available after forbearance.

Very truly yours,



Copies: Madeleine Findley
Michele Berlove
Billy Hupp

Eric Ralph
Pam Megna
Mason Shefa

Terri Natoli
Claudia Pabo

² See Ex Parte Letter from Curtis Groves, Verizon, to Marlene Dortch, FCC, *USTelecom Forbearance Petition*, WC Docket No. 18-141 (July 20, 2018).