



September 18, 2015

Ex Parte

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

Re: Special Access for Price Cap Local Exchange Carriers; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services, WC Docket Nos. 05-25 and RM-10593

Dear Ms. Dortch:

Almost two years after the Commission collected data on competition for special access and high-capacity services, Comcast on Wednesday created a new business unit to sell enterprise broadband services to Fortune 1000 companies nationwide.¹ This effort expands Comcast's focus from the small and medium businesses that it has been aggressively competing to serve to the largest companies in the country. Comcast entered into wholesale agreements with other cable companies to deliver those services where it does not currently have facilities, and it hopes to win national customers from companies like AT&T and Verizon. The 2013 data the Commission collected does not capture these and other recent marketplace developments.

Comcast's announcement demonstrates at least three things.

First, cable is a major national competitor for enterprise broadband services and is aggressively expanding its offerings to compete with ILEC special access and high-capacity services. Three cable providers—Time Warner Cable, Comcast, and Cox—already rank among the eight largest Ethernet providers in the United States. With its new enterprise business unit, Comcast is poised “to steal share [sic] away from the incumbent national providers” and “compete against AT&T/Verizon across all facets of their business.”²

¹ Comcast, *Comcast Business Announces New Unit Targeting Fortune 1000 Enterprises* (Sep. 16, 2015) (available at <http://business.comcast.com/resource-library/press-releases/details/2015/09/16/comcast-business-announces-new-unit-targeting-fortune-1000-enterprises?NewsItemID=6a7a6147-2963-62fe-b0b5-ff0600efc36d&IsPremium=False>) (Attachment).

² Cowen and Company, *Comcast Moves Up Market; We View as a Meaningful Event* (Sep. 16, 2015). See also Reuters, *Comcast Creates New Enterprise Services Unit to Target Big Businesses* (Sep. 16, 2015) (available at http://www.nytimes.com/reuters/2015/09/16/technology/16reuters-comcast-enterprise.html?_r=0) (“Comcast

Second, cable sells wholesale capacity on its fiber facilities and competes for wholesale customers in addition to retail. Comcast struck wholesale agreements with at least five other cable providers and will offer service using their facilities.³ These other cable providers compete to provide wholesale enterprise broadband service because, as Cox said, “it’s still revenue for us.”⁴

Third, the competition data the Commission collected and now is preparing to release already is stale. The data is from 2013. Marketplace developments from 2014 and 2015, including Comcast’s significant expansion into the enterprise broadband services market and increased wholesale offerings by cable companies, are not part of the data set. While the marketplace already was robustly competitive two years ago, it has only become more competitive since.

As the Commission decides how to move forward in this proceeding, it must refresh the record and take into account current information like Comcast’s aggressive competition for enterprise customers. To do so the Commission should at least ask cable providers that submitted data to update their submissions so they are current.

Pursuant to Commission rules, please include this ex parte letter in the above-identified proceedings.

Sincerely,



Jonathan Banks
Diane Griffin Holland

Attachment

Business is now targeting companies with large revenue figures and is taking on rivals in the business services market, such as wireless companies AT&T and Verizon Communications Inc.”).

³ Shalini Ramachandran, *Comcast to Sell Data Services to Big Firms Nationwide*, The Wall Street Journal (Sep. 16, 2015) (available at <http://www.wsj.com/articles/comcast-to-sell-data-services-to-big-firms-nationwide-1442376240>).

⁴ *Id.*



PRESS RELEASE
Comcast
One Comcast Center
Philadelphia, PA 19103
corporate.comcast.com

COMCAST BUSINESS ANNOUNCES NEW UNIT TARGETING FORTUNE 1000 ENTERPRISES

*Enterprise Services Team to Offer Managed Services Capabilities for Businesses with Locations
Nationwide*

Company Already Has Signed Several Large Financial, Retail and Hospitality Customers

PHILADELPHIA – September 16, 2015 – [Comcast Business](#) today announced the creation of a new Enterprise Services unit that will target Fortune 1000 companies and other large enterprises that have multiple locations nationwide. This new enterprise-level service and delivery organization will offer a portfolio of managed enterprise solutions that includes Broadband, Ethernet, Voice, Router, Security, Business Continuity and Wi-Fi. The company also acquired a managed services company and has signed network agreements with other cable operators to further support national accounts.

Comcast Business has already signed large customers from multiple industries, including financial services firms, banks, hospitality chains and retailers. Technology industry veteran Glenn Katz, formerly the CEO of SpaceNet Inc., will lead the new group within Comcast Business.

“We’re committed to expanding and enhancing our offerings for businesses of all sizes, and having the expertise, tools and portfolio in place to deliver customized service packages to nationwide enterprises is a key part of our growth strategy,” said Bill Stemper, president of Comcast Business. “Large companies need a provider who can help them manage complex networks, develop business continuity plans and integrate cloud-based applications. Our entry into this segment of the market will introduce new innovation and choice.”

Comcast’s Enterprise Services team will design, build, implement and manage customized communications networks for large enterprise customers who need managed Broadband, Ethernet, Voice, Router, Business Continuity and Wi-Fi services in locations across the country. The new product portfolio will be branded “Managed Enterprise Solutions.”

According to IDC, a Framingham, MA-based IT industry analyst firm, the U.S. market for managed services is expected to increase from \$29 billion in 2014 to \$52 billion in 2019.

“Comcast Business’ entry into the enterprise network services market takes its value proposition of competitively priced high-speed, high availability connectivity to a demanding set of customers looking for alternatives to the incumbent national telcos and/or do-it-yourself multiple provider solutions,” says Melanie Posey, Research VP at IDC. “With its national network reach and end-to-end service delivery capabilities, Comcast is well positioned to serve the outsourced network management needs of large business that require increasing network capacity to serve expanding multi-site requirements.”

To help Comcast Business support these national accounts, it recently acquired Contingent Network Services; a national technology deployment and managed services company that helps enterprise customers outsource their day-to-day network operations. Contingent provides deployment and managed services to a number of well-known national brands. The company will become a wholly-owned subsidiary of Comcast Business and will continue to operate under the Contingent brand name.

“Contingent’s mission is to provide clients with high-quality, cost-effective network and deployment services wherever and whenever needed for reliable communications across an enterprise, and we couldn’t be more excited for them to join our team,” said Katz. “By joining forces with Comcast Business, Contingent can further expand their reach and take advantage of Comcast’s extensive fiber and hybrid

fiber coax network to give enterprises the optimal network experience to meet their business and technology requirements.”

Comcast Business has also reached network agreements with leading cable operators making it easier to serve national clients with local offices and locations that span different geographies.

Comcast Business is one of the fastest growing divisions of Comcast, with an annual run-rate of more than \$4.5 billion.

About Comcast Business

Comcast Business offers Ethernet up to 10 Gbps, Internet, Wi-Fi, Voice and TV solutions to help organizations of all sizes transform their business. Powered by a next-generation, fiber-based network covering 39 states and 20 of the nation’s top 25 markets, and backed by 24/7 technical support, Comcast Business is one of the largest contributors to the growth of Comcast Cable. Comcast Business is the nation’s largest cable provider to small and mid-size businesses and has emerged as a force in the Ethernet market; recognized over the last two years by leading industry associations as its fastest growing provider and service provider of the year.

For more information, call 866-429-3085. Follow on Twitter @ComcastBusiness and on other social media networks at <http://business.comcast.com/social>.

About Comcast Corporation

Comcast Corporation (Nasdaq: CMCSA, CMCSK) is a global media and technology company with two primary businesses, Comcast Cable and NBCUniversal. Comcast Cable is one of the nation's largest video, high-speed Internet and phone providers to residential customers under the XFINITY brand and also provides these services to businesses. NBCUniversal operates news, entertainment and sports cable networks, the NBC and Telemundo broadcast networks, television production operations, television station groups, Universal Pictures and Universal Parks and Resorts. Visit www.comcastcorporation.com for more information.

###

Media Contact

Joel Shadle
Comcast
215-286-4675
joel_shadle@comcast.com