USTELECOM
THE BROADBAND ASSOCIATION

October 16, 2015

**Ex Parte**

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Special Access for Price Cap Local Exchange Carriers (WC Docket No. 05-25); AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services (RM-10593)

Dear Ms. Dortch:

On October 14, 2015, Diane Griffin Holland and Patrick Brogan of USTelecom met with William Layton, Christopher Koves, William Kehoe, Eric Ralph, Deena Shetler, Shane Taylor, and Joseph Price, all of the Wireline Competition Bureau ("WCB"), and Jack Erb of the Office of Strategic Planning and Policy. Also in attendance, via telephone, was Pamela Arluk (WCB).

The purpose of the meeting was to present the results of a study conducted on behalf of USTelecom by a market research consultant examining current 2015 data on the availability of business class service offerings by cable companies in the Atlanta metropolitan area. The consultant developed a methodology to derive a conservative estimate of the percentage of businesses to which cable business services are available. The source of the data and methodology are described in the attachment to this letter. Also we urged, given the prevalence of facilities-based cable competition, that the Commission seek to achieve regulatory parity among all competitors in the business broadband marketplace.

Please contact the undersigned if you have any questions.

Respectfully submitted,

Patrick S. Brogan

Patrick S. Brogan
Vice President, Industry Analysis

Attachment
c: William Layton
Christopher Koves
William Kehoe
Eric Ralph
Deena Shetler
Shane Taylor
Joseph Price
Jack Erb
Pamela Arluk

**Methodology for Identifying Local Competitive Commercial Infrastructure: Cable Modem High Capacity Services**

The objective of the study is to identify the Cable commercial infrastructure serving businesses in the Atlanta core-based statistical area (CBSA), with a focus on Cable providers that could provide high speed data services.

To identify commercial cable providers and their infrastructure in Atlanta, we used a current list of businesses, locations and phone numbers from InfoUSA for the Atlanta CBSA. We passed the phone number of each business found in the Atlanta CBSA with a street address through up-to-date LNP (Local Number Portability) and LERG (Local Exchange Routing Guide) databases to determine the voice provider of record. We binned each business and its voice provider of record by its Census Block location. Atlanta CBSA wide results are derived by aggregating individual Census Blocks. If a cable provider (Comcast or Charter in Atlanta) was found to be an active voice provider of record for at least one business in a given Census Block, it was determined that the cable operator has existing commercial infrastructure in the Census Block.

In order to include only cable facilities that are capable of providing business class services, we determined that it was appropriate to examine the extent to which cable has deployed DOCSIS 3.0 or better technology. According to the current National Broadband Map (NBM), Comcast and Charter provide DOCSIS 3.0 service with maximum advertised download speeds between 100 Mbps and 1 Gbps in every Census Block they serve in the Atlanta CBSA.

Since Census Blocks are granular, with on average 5.7 firms in census blocks where there are businesses in the Atlanta CBSA, it is assumed that if there is one Comcast or Charter business voice subscriber in a Census Block then they can serve all of the businesses in that Census Block. To calculate the commercial cable coverage ratio in the Atlanta CBSA found through voice subscribership findings one must first sum all of the businesses found in Census Blocks that have Comcast or Charter voice services and then divide that by all of the businesses found in the Atlanta CBSA.

The cable infrastructure available to serve businesses is disaggregated between urban and rural areas and is based on the Census Bureau's designation of the individual Census Blocks. These Census Blocks provide the "building blocks" for measuring population density and delineating urban from rural areas. Every ten years the "Census Bureau reviews and updates urbanized area and urban cluster boundaries" following the decennial census.[1]

This voice approach only accounts for those businesses that have adopted voice services from Comcast or Charter. This methodology undercounts those businesses that subscribe to cable data or video services, but not voice services.[2]

[1] For additional information regarding Census urban and rural designations, please see https://www.census.gov/geo/reference/ua/uafaq.html.

[2] Typically cable providers serve more commercial data customers than voice customers and therefore we are undercounting the number of cable business subscribers and census blocks that are currently deployed to serve firms. For example in Charter's Earnings Results for 2Q 2015, for every commercial voice customer Charter reports it has 1.67 commercial internet customer relationships.

**Preliminary Results**

78.2% of businesses are located in Census Blocks where a cable operator has been identified as actively providing voice service to at least one business customer with DOCSIS 3.0 or better technology.

The analysis is disaggregated into urban and rural areas. 96.6% of businesses in the Atlanta CBSA are located in Census Blocks designated as urban by the Census and 3.4% of businesses are located in Census Blocks designated as rural.

- 80.6% of businesses in urban areas are located in Census Blocks where a cable operator has been identified as actively providing voice service to at least one business customer with DOCSIS 3.0 or better technology.
- 42.4% of businesses in rural areas are located in Census Blocks where a cable operator has been identified as actively providing voice service to at least one business customer with DOCSIS 3.0 or better technology.

| **Cable Business Presence in the Atlanta CBSA** | **Overall** | **Urban** | **Rural** |
|---|---|---|---|
| Distribution of All Businesses by Geographic Category | 100.0% | 93.6% | 6.4% |
| Percentage of Businesses with Cable Business Infrastructure Available (as indicated by active Cable voice presence in Census Blocks where businesses are located – see footnote 2 above) | 78.2% | 80.6% | 42.4% |