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**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
	)	
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

**FOURTH DECLARATION OF MATTHEW J. LOCH**

1. I am the Vice President of Sales for TDS Telecommunications Corporation (“TDS”), a wholly owned subsidiary of Telephone and Data Systems, Inc. In this role, I have responsibilities for all wireline commercial sales functions, including both local exchange carrier and cable.

2. This declaration is in support of TDS Metrocom, LLC’s (“TDS CLEC’s”) March 24, 2016 Written Ex Parte. I previously filed declarations in this docket on June 22, 2015, January 27, 2016, and February 19, 2016.

3. In this declaration, I will provide additional details supporting my statements concerning (1) the fact that RBOC wholesale Ethernet rates offered to TDS CLEC are typically higher than RBOC retail rates for the same or similar service, (2) the distance TDS CLEC typically builds from a splice point on its fiber network to reach customers, and (3) Madison market share information.

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4. As I explained in paragraph 15 of my Second Declaration, our contractual restrictions prevent TDS CLEC from disclosing specific AT&T wholesale Ethernet rates even under Highly Confidential treatment. Such RBOC confidentiality restrictions on Ethernet pricing are hampering TDS CLEC's ability to detect and pursue remedies for discriminatory pricing. It is imperative that CLECs and the Commission have access to RBOCs' lowest retail rate information in order to determine whether the RBOC's wholesale rate for the same or similar service is reasonable and non-discriminatory. If TDS CLEC has access to the RBOC's lowest retail rate information, it can apply the state avoided cost discount to the retail rate and compare it to the wholesale contract rate. TDS CLEC may be able to use that comparison, and the Ethernet contract's dispute resolution terms, to negotiate a mutually agreeable resolution with the RBOC. If the parties are not able to resolve pricing differences amicably, then TDS CLEC would have rate comparison information to seek a resolution from the appropriate regulatory authority, but only if the RBOC contractual restrictions do not prevent TDS CLEC from disclosing to regulators its wholesale contract Ethernet rates.

5. Because I understand that AT&T is arguing that CLECs have not provided sufficient evidence of a price squeeze, I am now providing additional details to support my conclusion that the wholesale rates available to TDS CLEC are typically higher than the RBOC retail rates that I reviewed. AT&T's average wholesale price for 10 Mbps Ethernet is [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [END HIGHLY CONFIDENTIAL] of its retail rate for a similar 10 Mbps service, which I determined through a survey of customers that received retail Ethernet quotes from AT&T. Through the same customer survey, I also determined that AT&T's wholesale 20 Mbps Ethernet price is [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [END HIGHLY CONFIDENTIAL] of its retail rate for a similar 20 Mbps Ethernet service

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and AT&T's wholesale 50 Mbps Ethernet price is **[BEGIN HIGHLY CONFIDENTIAL]**  
**[REDACTED]** **[END HIGHLY CONFIDENTIAL]** of its retail rate for a similar 50 Mbps Ethernet service.

6. TDS CLEC must pay for additional expenses above AT&T's wholesale Ethernet last mile input in order to provide retail service to its customers. Those expenses include electronics at the customer premise, network equipment to interface with AT&T at hub locations or AT&T wire centers to connect to AT&T's last mile Ethernet, and transport to bring the customer's traffic onto TDS CLEC's network. As noted previously, TDS CLEC also incurs customer billing and collection, customer service and marketing costs. My Third Declaration explained the average electronics equipment cost that TDS CLEC uses to project a retail service rate. Network equipment and transport costs vary based on the number of users served from a particular RBOC Central Office or hub location. When the RBOC wholesale rate offered to TDS CLEC is above the lowest retail rate paid to the RBOC, however, those additional costs are secondary because TDS CLEC is already at a disadvantage in the retail market regardless of its equipment, transport and other customer care costs.

7. In the market in which TDS CLEC has the greatest potential to construct laterals to reach customers (Madison, Wisconsin), the average length of a lateral is **[BEGIN HIGHLY CONFIDENTIAL]** **[REDACTED]** **[END HIGHLY CONFIDENTIAL]** from the splice point. The vast majority of TDS CLEC's on-net builds in Madison are shorter than **[BEGIN HIGHLY CONFIDENTIAL]** **[REDACTED]** **[END HIGHLY CONFIDENTIAL]** from the splice point. Across all TDS CLEC markets, approximately two-thirds of our on-net builds are less than **[BEGIN HIGHLY CONFIDENTIAL]** **[REDACTED]** **[END HIGHLY CONFIDENTIAL]** from the splice point and approximately 95% of our on-net builds are less than **[BEGIN HIGHLY**

**CONFIDENTIAL** [REDACTED] **[END HIGHLY CONFIDENTIAL]** from the splice point. This shows that while TDS CLEC may, in limited instances, build laterals up to some maximum distance from a splice point, in practice it is not economical for TDS CLEC to build anywhere near to that distance 95% of the time.

8. I previously explained that TDS CLEC has been a competitor in the Madison, Wisconsin market for nearly 20 years, that TDS CLEC has the largest business market share of any competitor to the RBOC in this market, and that primarily due to the poor economics of building fiber to the premise, TDS CLEC has built fiber laterals to connect fewer than 100 business locations of the nearly 13,000 total businesses in the Madison market. Although TDS CLEC serves thousands of customers in Madison using UNE DS1s and DS-0s, and a few UNE DS-3s and Special Access loops today, the percentage of its customers that TDS CLEC serves with its own fiber to the premise is only approximately **[BEGIN HIGHLY CONFIDENTIAL]** [REDACTED] **[END HIGHLY CONFIDENTIAL]**. Thus the high cost of building fiber laterals over distances beyond **[BEGIN HIGHLY CONFIDENTIAL]** [REDACTED] **[END HIGHLY CONFIDENTIAL]** from the splice point has created the situation where TDS CLEC can only offer competitive service that puts market pressure on AT&T's Ethernet rates if it leases AT&T last mile facilities when lateral build lengths would exceed that distance. In many cases TDS CLEC cannot compete where lateral lengths from its own fiber splice point is even less than that distance. The bottom line is that TDS CLEC relies on AT&T's last mile circuits to serve nearly all of its customers in Madison.

9. TDS CLEC tracks market share and has seen its share decline over the past five years. I will use the Madison business market as an example to show that even with this

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decline, TDS CLEC still has a market share greater than the cable company and the RBOC still controls the last mile to the vast majority of business customers.

10. As of third quarter 2015, although TDS CLEC's Madison market share was approximately [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [END HIGHLY CONFIDENTIAL] of all Madison market business customers, most of this market share relies on RBOC last mile facilities. TDS CLEC's business customer market share using its own, on-net last mile facilities was approximately [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [END HIGHLY CONFIDENTIAL]. The market share data we receive does not permit me to determine what percentage of the cable market share is attributable to best efforts Internet or Ethernet over hybrid fiber coax (both best efforts service) versus dedicated Ethernet over fiber. I therefore estimated cable's market share for dedicated services by conservatively assuming that cable has built fiber to the same percentage of customers as TDS CLEC and reduced the cable total market share accordingly to exclude best efforts service. Cable's Madison business customer market share based on estimated dedicated fiber is [BEGIN HIGHLY CONFIDENTIAL] [REDACTED] [END HIGHLY CONFIDENTIAL] of businesses overall in Madison.

11. AT&T's retail market share, while higher across all business categories (1-9 employees up to 75+ employees), is misleading because AT&T also controls the last mile access for the vast majority of TDS CLEC's and likely other CLECs' retail customers. I therefore estimated AT&T's market share based on other carrier's use of its last mile facilities. I calculated this figure by first totaling the market share of AT&T, TDS CLEC, other CLECs, and CLECs that I understand primarily provide service to over-the-top customers ("OTT"). I reduced this total by the percentage of TDS CLEC's customers that are served on-net. I

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conservatively assumed that other CLECs have the same percentage of customers on-net as TDS CLEC and reduced the total accordingly. Because OTT customers may ride on the RBOC's, CLEC's, or cable last mile, I assumed that the RBOC does not provide the last mile to 50% of OTT customers and subtracted those from the total. AT&T's Madison business customer market share based on its estimated control of the last mile is **[BEGIN HIGHLY CONFIDENTIAL]** [REDACTED] **[END HIGHLY CONFIDENTIAL]** of businesses overall in Madison. This shows that no matter how AT&T attempts to portray its losses to cable, AT&T still has considerable market power in the Madison business market for last mile access.

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I declare under penalty of perjury that the foregoing statements are true and correct to the best of my information and belief.

  
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Matthew J. Loch

Dated: March 24, 2016