

April 20, 2016

VIA ECFS

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

Re: *Investigation of Certain Price Cap Local Exchange Carrier Business Data Services Tariff Pricing Plans*, WC Docket No. 15-247; *Special Access for Price Cap Local Exchange Carriers*; *AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, WC Docket No. 05-25, RM-10593

Dear Ms. Dortch:

On April 18, 2016, Frontier's President and Chief Executive Officer, Daniel McCarthy (by phone), and the undersigned (in person) spoke with Jonathan Sallet of the Office of General Counsel, Matthew Del Nero of the Wireline Competition Bureau, and Stephanie Weiner of Chairman Wheeler's office regarding the above-referenced matters. During the discussion, Mr. McCarthy discussed the evolution of the Ethernet market and the ways in which growing demand for Ethernet services and other marketplace trends have enhanced the competitiveness of the business data services marketplace. The Commission has exempted virtually all of the price-cap ILECs from tariffing and dominant carrier regulation with respect to their Ethernet offerings, resulting in a massive expansion of fiber and other Ethernet-capable facilities. These facilities have been deployed not only by ILECs but also by CLECs and cable providers, ushering in vigorous competition and dramatic price cuts.

As Frontier and others have emphasized, U.S. retail carrier Ethernet pricing fell by double-digit rates for all services across all speeds between 2010 and 2015. *See, e.g., Vertical Systems Group Pricing Data by Service Segment 2011 – 2015*. Even in the below-10 Mbps category ideally suited to substitute for legacy T1 facilities, average monthly pricing has decreased more than 20 percent for Ethernet private line and virtual private line services since 2011. *See id.* Mr. McCarthy discussed the ways in which demand for Ethernet is likely to grow further, leading to expanded revenue opportunities and an ever-improving business case for competitive deployment, as 4G wireless services give way to higher-bandwidth 5G services requiring more and more robust backhaul networks. These facts counsel strongly against the

