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REGINA M. KEENEY

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September 24, 2009

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

Re: GN Docket Nos. 09-29, 09-47, 09-51; RM-11358
Ex Parte Notice

Dear Ms. Dortch:

On Wednesday, September 23, 2009, Carl Grivner, Chief Executive Officer at XO Communications, LLC ("XO"), Heather Burnett Gold, Senior Vice President of External Affairs at XO, Lisa Youngers, Vice President, Federal Affairs at XO, Richard Metzger of Lawler, Metzger, Keeney & Logan, LLC, and I met with Paul De Sa, Blair Levin, Robert Curtis, Carlos Kirjner, and Thomas Koutsky from the Federal Communications Commission. At this meeting, XO's representatives described how robust competition is critical to advancing the Commission's broadband goals, including increased broadband penetration, greater innovation, and lower prices. We explained that a competitive broadband marketplace requires efficient access to last-mile facilities and services, bottlenecks that are currently dominated by incumbent local exchange carriers ("LECs"). We also pointed out that today's existing, ubiquitously deployed copper infrastructure is already in place as a solution for the delivery of broadband services throughout the United States. Given its nationwide reach, copper facilities can be used for faster and more cost-effective deployment of broadband than other technologies, including the fiber facilities that currently extend to less than twenty percent of the nation's business locations. We explained that incumbent LECs' premature retirement of copper plant represents a major obstacle to increased broadband access throughout the United States.

Significantly, advances in copper technology have enabled the deployment of "Ethernet Over Copper" ("EoC") technology, which supports data speeds up to 45 Mbps today and possibly greater than 100 Mbps in the future. Certainly, the cost-effective deployment of EoC promises important benefits for rural areas of the United States that have previously lacked affordable broadband access. This technology will promote regional economic development in rural areas by attracting small, medium, and large businesses that require high-speed transmission services.

At the meeting, we provided Commission staff with a slide presentation addressing these broadband issues, as well as a summary of recent studies on the development of the backhaul service market. These materials are attached as part of this written *ex parte* notice. Pursuant to section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(2), this *ex parte* notification and the attached materials are being filed electronically for inclusion in the public record of the above-referenced proceedings.

Sincerely,

/s/ Regina M. Keeney
Regina M. Keeney

cc: Paul De Sa
Blair Levin
Donald Draper Campbell
Robert Curtis
Carlos Kirjner
Thomas Koutsky

XO Communications

XO Communications

A National Broadband Strategy

September 22, 2009

About XO Communications

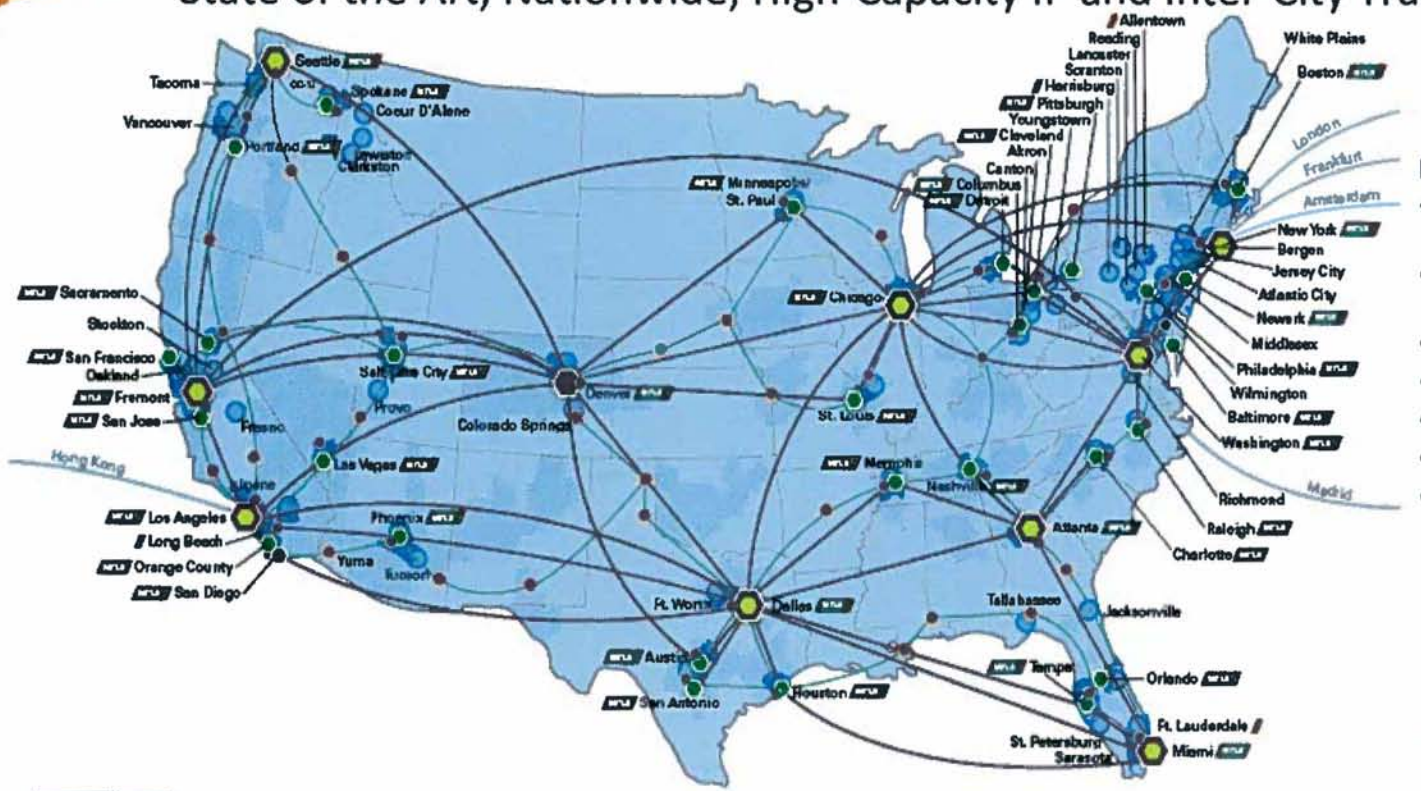
XO Communications

- One of the nation's largest providers of innovative broadband and other competitive services
- Leading alternative for businesses - 90,000 customers - small and medium businesses and large enterprises
- Over $7 billion in network investment, annual revenues of nearly $1.5 billion, 4,000 employees
- Serves 75 markets in 23 states

Broad Nationwide Reach

XO Communications

State of the Art, Nationwide, High-Capacity IP and Inter-City Transport Networks



LEGEND

Core IP Node	Media Gateway	MPLS IP-VPN PoP	Local Voice Footprint
Metro IP Node	Longhaul Termination (All Bandwidths)	Nx10Gigabit Ethernet	BroadbandWireless Spectrum
Core IP Node w/ Peering	Longhaul Termination (OC-48 & Above Only)	Inter-City Long Haul Network	XO Market

FIBER ASSETS

- Terabit-Capable Nationwide IP Network
- 1.2 Terabit Inter-City Transport Network
- 18,000 Route Miles
- 75 Markets
- Reach 40% of U.S. businesses
- Robust Softswitch Platform
- >15B Minutes of VoIP Traffic Each Year

WIRELESS ASSETS

- 28 GHz-31 GHz spectrum
- Deliver 10-100 Mbps DIA and Ethernet services
- Reach locations up to 10 miles

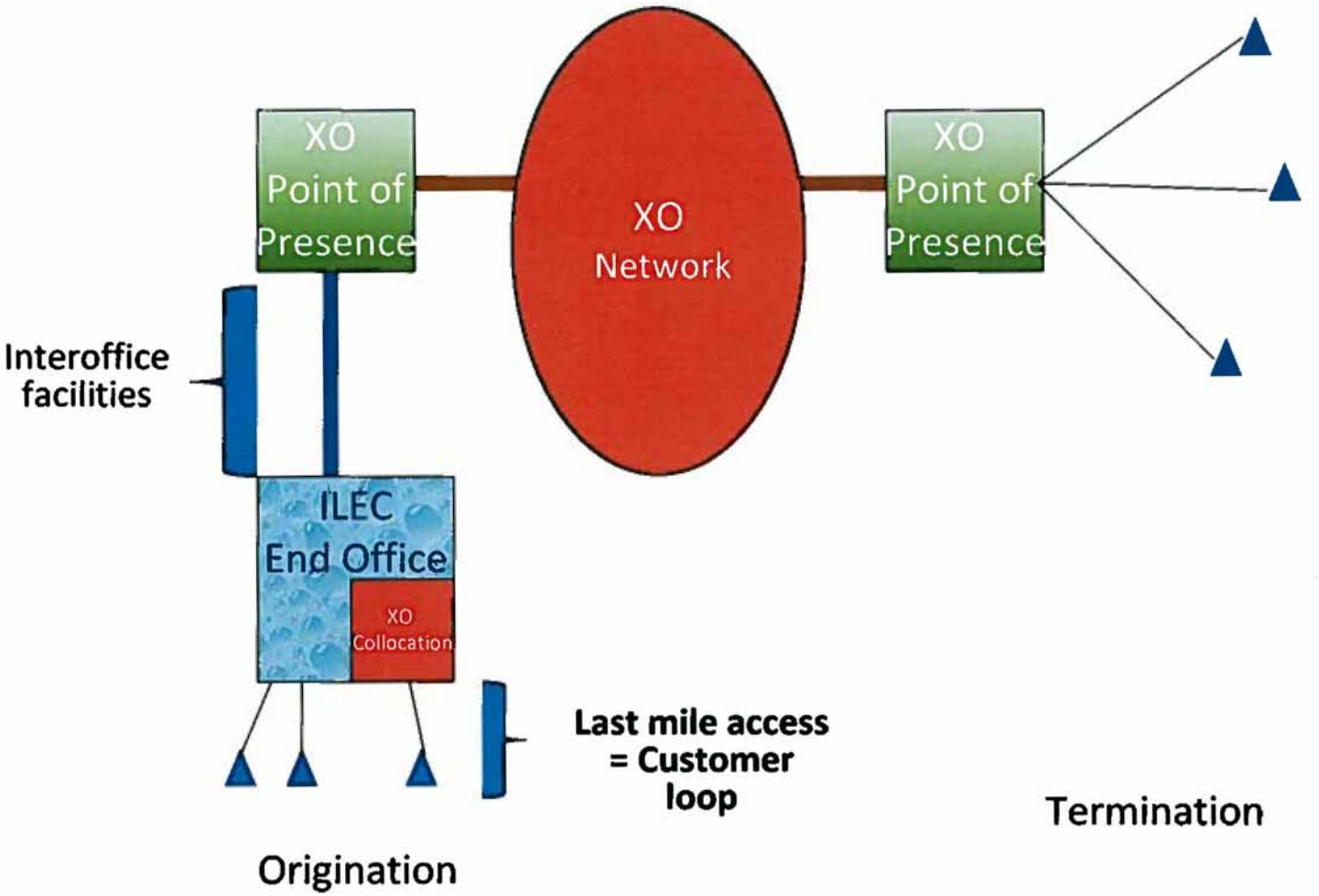
National Broadband Strategy

XO Communications

- **Competition Policy is Key**
- **Robust Competition Advances FCC Broadband Goals:**
  - **Promotes Broadband Entry - Now**
  - **Promotes Broadband Penetration - Now**
  - **Encourages Innovation**
  - **Puts Downward Pressure on Prices**

Greater Availability of Broadband = Economic Development and Job Creation

How XO Provisions Its Services



Last Mile Access

XO Communications

Vigorously Competitive Broadband Requires Cost-Effective Access to Last Mile Bottlenecks

- **Despite billions of dollars in investment, XO remains highly dependent upon the incumbent for last mile access**
  - **96% ILEC**
  - **3% alternative vendors**
  - **1% XO owned**
- **Existing facilities -- *Copper* -- could be used for more rapid and cost-effective deployment of Broadband**
  - **To all business customers**
  - **Many underserved residential customers**

Lack of Last Mile Options Constrain Broadband Competition

XO Communications

Last mile options extraordinarily limited <u>even in urban areas</u>.

MSA	Commercial Buildings	% Commercial CLEC Lit Buildings
Boston	192,227	0.12%
New York	446,122	0.09%
Philadelphia	217,725	0.14%
Pittsburgh	85,694	0.18%
Providence	56,927	0.40%
Virginia Beach	72,229	1.90%

Lack of Last Mile Options

XO Communications

Even wire centers with the largest number of competitors offer few last mile alternatives.

Wire Centers in Each MSA With Highest % of CLEC Lit Buildings	Commercial Buildings	% Commercial CLEC Lit Buildings
Boston WLHM WE	1,007	1.49%
New York NYCMNS	4,008	1.07%
Philadelphia PHLAP ALO	4,676	0.68%
Pittsburgh PITBP ADT	4,137	1.09%
Providence PRVDRIWA	8,129	0.97%
Virginia Beach NRL V ABL	1,654	4.29%

Copper: Key to Robust, Cost-Effective Broadband Deployment

XO Communications

- **Copper Plant: Nationwide, Ubiquitous, Ready-to-go, and Cost-Effective**
  - **Far greater reach and more cost-effective than fiber**
- **Advances in copper technology have enabled Ethernet deployment**
  - **Up to 50 Mbps today, possibly 100 Mbps+ in future**
- **Needless Retirement of Copper Plant: A Major Obstacle to Quick and Robust Broadband Deployment by Competitors**

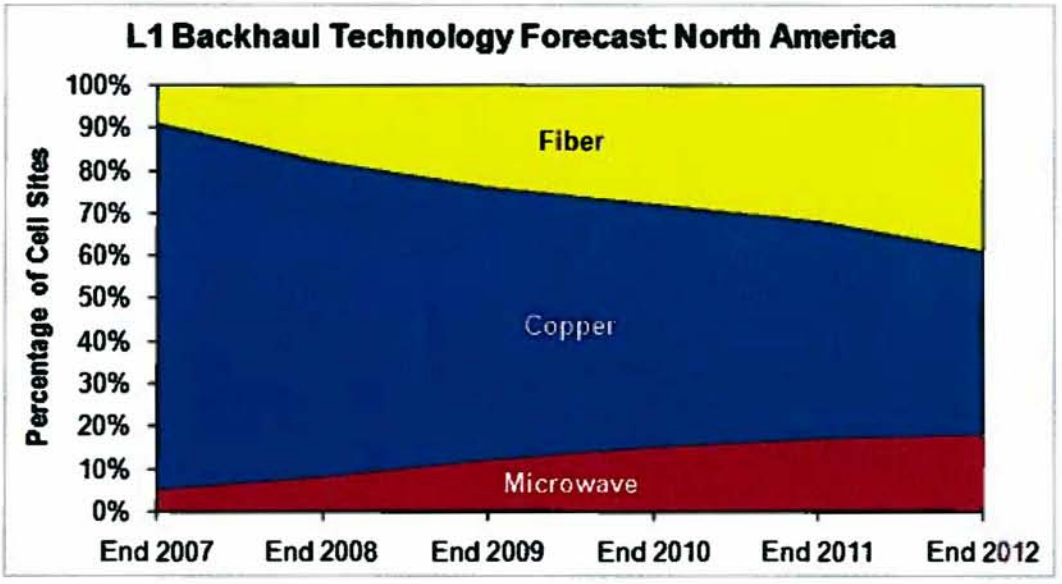
Wireless Backhaul Market Study (Oct-08) - New Paradigm Resources Group

Cell Tower Bachhaul Access by Medium (2005 - 2013) - % of Total

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Copper	85.5%	82.2%	77.2%	73.7%	70.9%	68.6%	66.5%	64.5%	62.0%
Fiber	**5.8%**	**8.4%**	**11.5%**	**14.5%**	**16.8%**	**18.4%**	**19.8%**	**20.9%**	**22.3%**
Fixed Wireless	8.7%	9.4%	11.3%	11.8%	12.3%	12.9%	13.7%	14.6%	15.7%

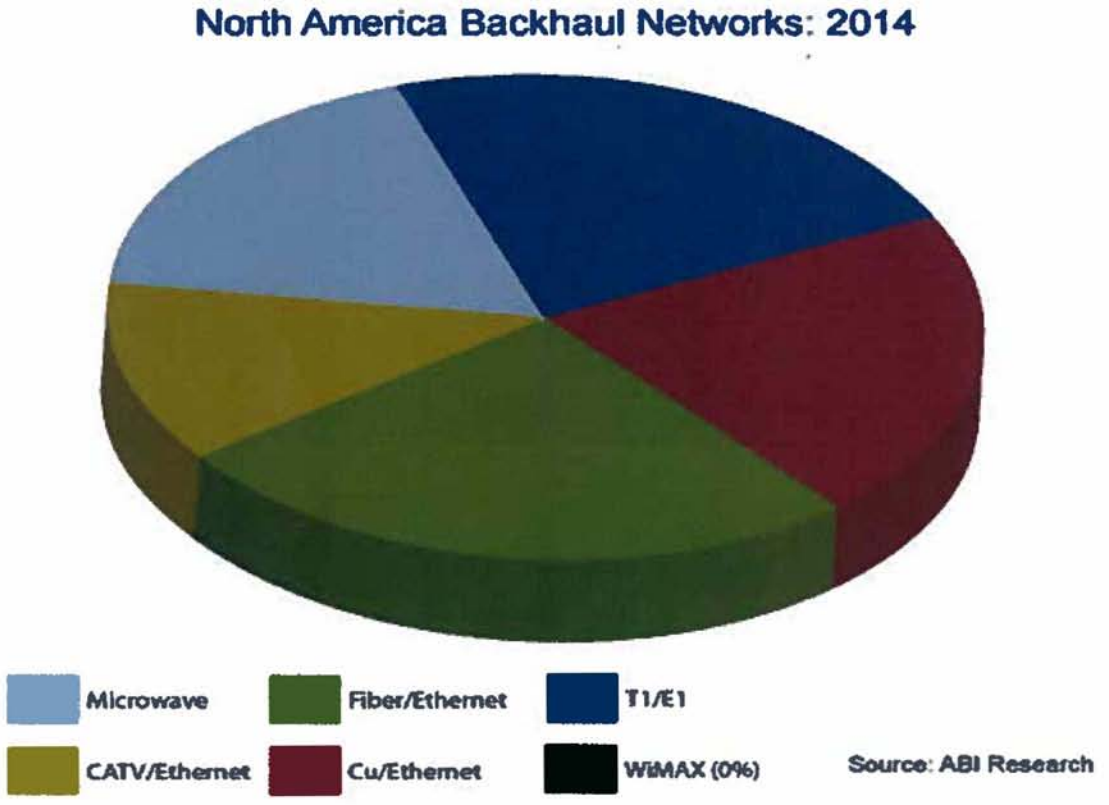
- Fiber-to-cell site growth projected to grow 15.4% CAGR & fixed wireless 7.6% CAGR
- Estimate 230,000 U.S. cell sites in mid-2009, growing 4.2% CAGR (2008 - 2013)
- Average cell tower site has 2.3 service providers (530,000 points of presence)
- ILEC share of backhaul market is projected to fall from 95% in 2003 to 84% in 2013 (90% in 4Q-08).
- Average traffic load per cell site is projected to increase 40% CAGR (2008 - 2013).
- Cell tower backhaul service revenue midline forecasts projected to increase 33% CAGR (2008 - 2013) [$5.9B – 2008, $8.8B – 2009, $12.4B – 2010, $16.8B in 2011, $21.5B – 2012, $25.3B – 2013]

Ethernet Backhaul Quarterly Market Tracker (Mar-09) - Heavy Reading



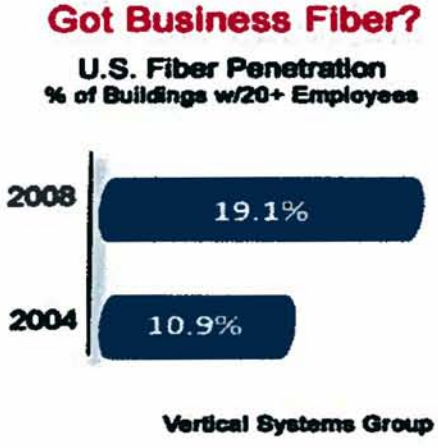
- Fiber-served sites will increase from 44,000 (18%) at year-end 2008 to 109,000 (39%) sites by year-end 2012.
- Copper will decrease from 179,000 (74%) sites at year-end 2008 to 121,000 (43%) sites by year-end 2012.
- Microwave will grow from 19,000 (8%) cell sites at year-end 2008 to 50,000 (18%) sites by year-end of 2012.
- Total North America mobile backhaul (242,000) sites at year-end 2008 are projected to grow 4% annually to 282,000 sites by year-end 2012.

Mobile Backhaul - Global Market Analysis and Forecast (Apr-09) – ABI Research



- Ethernet-over-fiber will become the primary backhaul technology in North America by 2014 (25% market share)
- By 2014, T1/E1 backhaul use will disappear in most markets and will be significantly reduced in North America, Latin America, and Eastern Europe.
- Worldwide revenues from wireless backhaul leasing are expected to double over the next 30 months, The growth curve even accelerates after 2012, resulting in a fivefold revenue increase between 2009 and 2014.
- AT&T Mobility has found that typical iPhone users generate as much data traffic as 30 basic phone users.

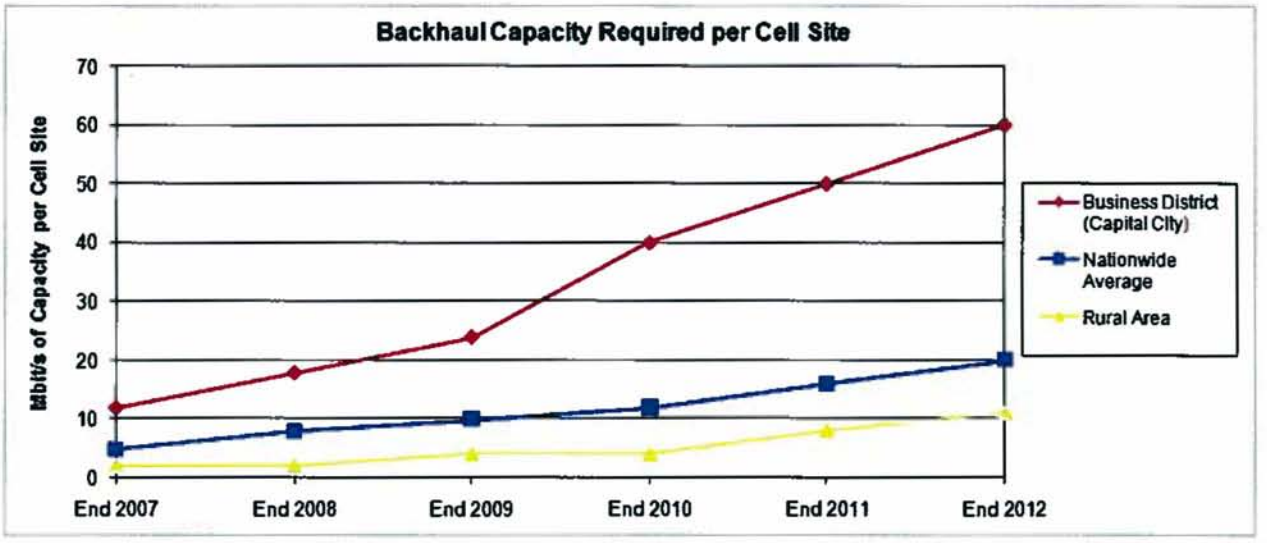
U.S. Commercial Building Fiber Penetration (Mar-09) – Vertical Systems Group



2003	2004	2005	2006	2007	2008
10.2%	10.9%	11.7%	13.4%	15.3%	19.1%

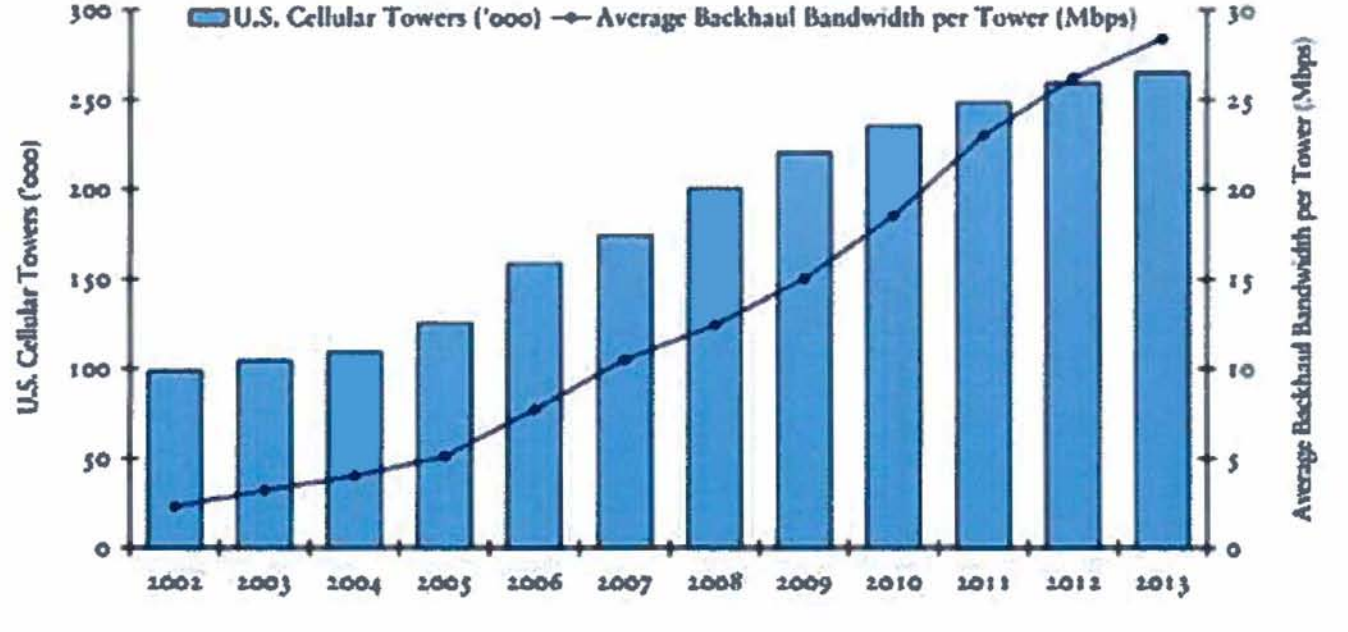
- Fiber penetration in 20+ person commercial buildings is growing about 2% annually.
- Fiber availability nearly doubled between 2003 and 2008 (10.2% => 19.1%) with an increasing growth rate.

Mobile Backhaul Market Dynamics (Feb-09) - Metro Ethernet Forum



- US backhaul avg capacity at cell tower sites is projected to increase from 5Mbps (2007) to 20Mbps (2012).
- Capital business district tower site capacity is projected to be 200% larger than the national avg by 2012

U.S. Cell Tower and Backhaul Bandwidth Forecasts (2002–2013) – Frost & Sullivan



Notes: All figures are rounded; the base year is 2007. Source: Frost & Sullivan

- Avg backhaul bandwidth per cell tower site = 15Mbps (2009) => 28Mbps (2013) - 16% CAGR
- US cell tower sites estimated at 225,000 (2008) projected to grow (4% CAGR) to 270,000 (2013)

SOURCES

New Paradigm Resources Group – Wireless Backhaul Market Study (Oct-08)
50-pages - Cost = $3250
DETAILS - store.nprg.com/Products/2077-wireless-backhaul-market-study-foundational-analysis-market-projections-and-key-players.aspx

Heavy Reading - Ethernet Backhaul Quarterly Market Tracker (Mar-09)
Quarterly PowerPoint (30-page) Presentation – Cost = Free preview available
Physical-Layer Access Technologies: North America - Patrick Donegan, Senior Analyst
DETAILS - www.lightreading.com/document.asp?doc_id=147796

ABI Research – Mobile Backhaul - Global Market Analysis and Forecast (Apr-09)
Report Code: RR-MIB (74-pages) - Cost = $4200
DETAILS - www.abiresearch.com/research/1003419-Mobile+Backhaul+-+Global+Market+Analysis+and+Forecast?

Emerging Network Services (Fiber Commercial Business Penetration) - Vertical Systems Group (Dec-08)
DETAILS - www.verticalsystems.com/prarticles/stat-flash-0409-fiber.html

Metro Ethernet Forum - Mobile Backhaul Implementation Agreement (Feb-09)
Mobile Backhaul Market Dynamics
DETAILS – www.metroethernetforum.org/PPT_Documents/Briefing_deck_2009-Feb-12.ppt

U.S. Cell Tower and Backhaul Bandwidth Forecasts (2002–2013) – Frost & Sullivan (Feb-09)
DETAILS - www.frost.com/prod/servlet/report-brochure.pag?id=N48F-01-00-00-00

One additional quantitative, detailed source for this data is GeoResults who produces a National Cellular Infrastructure Database. It tracks over 142,000 U.S. cell site locations and 4400 mobile switch (MTSO) locations in 330 metropolitan statistical areas.

GeoResults produces customizes research and analysis based on their in-depth database for customers who are usually carriers. Costs are negotiable, but are usually fairly reasonable.

DETAIL - georesults.com/CellularInfra.htm James F. Kenny (SVP - Business Development) 770-205-8111