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FILED/ACCEPTED

November 25, 2009

NOV 25 2009

VIA HAND DELIVERY

Federal Communications Commission
Office of the Secretary

Marlene H. Dortch
Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: GN Docket Nos. 09-47, 09-51, 09-137

Dear Ms. Dortch:

Pursuant to the protective order released on November 16, 2009 in the above referenced dockets,¹ on behalf of tw telecom inc., please find enclosed two redacted copies of a highly confidential ex parte notice and presentation filed today in the above-referenced dockets. Two unredacted copies of the highly confidential version will be filed with Elvis Stumbers, and one unredacted copy will be filed with the Secretary's Office under separate cover.

Please let us know if you have any questions with respect to this submission.

Respectfully submitted,



Jonathan Lechter

Attorney for tw telecom inc.

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¹ *A National Broadband Plan for Our Future et al.*, Protective Order, DA 09-2415 (rel. Nov. 16, 2009).

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EX PARTE

Marlene H. Dortch
Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street S.W.
Washington, D.C. 20554

Re: GN Docket Nos. 09-51, 09-137, 09-47

Dear Ms. Dortch:

On November 24, 2009, Don Shephard, Kelsi Reeves, Paul Jones, John Merriman, and Mike Rouleau of tw telecom inc., ("TWTC") as well as Thomas Jones, counsel to TWTC, participated in a conference call with Paul de Sa, Chief of the Office of Strategic Planning and Policy Analysis, Jonathan Baker, William Sharkey and Steven Rosenberg of the Office of Strategic Planning and Policy Analysis, and Pamela Arluk and Albert Lewis of the Wireline Competition Bureau.

Those present reiterated points made in TWTC's filings in the above-referenced dockets and discussed the enclosed materials related to TWTC's costs of fiber deployment.

Please let us know if you have any questions or concerns in connection with this filing.

Pursuant to Section 1.1206(b) of the Commission's rules, a copy of this notice is being filed electronically in the above-referenced proceedings.

Marlene H. Dortch
November 25, 2009
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Respectfully submitted



Thomas Jones
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Attorneys for tw telecom inc.

Enclosure

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tw telecom Fiber Lateral Deployment Build/Buy Decision Process

tw telecom (TWTC) considers a range of different factors when determining whether it is economic to deploy a fiber lateral facility to an end user location. A central part of this assessment consists of a determination of whether the revenue opportunities associated with a particular customer are sufficient to cover the average costs of lateral deployment, plus a sufficient return on invested capital. The actual costs of each deployment are different. For example, lateral deployment is generally distance-sensitive, so the actual costs of a lateral deployment depend on the specific length of the lateral. In addition, the costs and delays associated with obtaining access to public rights of way, pole attachments, conduit, and multi-tenant commercial buildings can vary substantially from location to location. Other variables include the specific service configuration demanded by the end user customer and the customer's required provisioning date. All of these factors can materially affect the feasibility of lateral facility deployment to a particular location.

Notwithstanding these variables, TWTC has developed a simplified model that utilizes the average deployment cost in a particular area as a tool to assess commercial buildings to which TWTC might be able to deploy lateral facilities. For example, TWTC used such a model for Phoenix, Arizona, and submitted a description of the model in the Qwest Phoenix UNE forbearance proceeding. The model assumes that the average cost for deploying lateral facilities to a location one mile from the TWTC transport network in Phoenix is [HIGHLY CONFIDENTIAL BEGIN] [HIGHLY CONFIDENTIAL END] per building. TWTC used one mile deployment costs because it is generally too expensive to deploy lateral facilities to buildings that are further than one mile from TWTC's fiber network. TWTC generally looks to earn an internal rate of return ("IRR") for on-net facilities of 30 percent over a 36 month period. In the Phoenix example, the minimum monthly recurring revenue required to justify deployment of lateral facilities to a building is approximately [HIGHLY CONFIDENTIAL BEGIN] [HIGHLY CONFIDENTIAL END]. After accounting for the [HIGHLY CONFIDENTIAL BEGIN] [HIGHLY CONFIDENTIAL END] buildings to which TWTC had already built out lateral facilities as of July 2009, there were, according to GeoResults, [HIGHLY CONFIDENTIAL BEGIN] [HIGHLY CONFIDENTIAL END] potential commercial buildings with two or more DS1s of demand. The model further assumes that TWTC could win [HIGHLY CONFIDENTIAL BEGIN] [HIGHLY CONFIDENTIAL END] of the telecommunications spend at a commercial building. Applying these assumptions, TWTC determined that [HIGHLY CONFIDENTIAL BEGIN] [HIGHLY CONFIDENTIAL END] of the buildings with two or more DS1s of demand in the Phoenix MSA met TWTC's simplified criteria as potential targets for lateral facility deployment.

It is important to emphasize that this analysis is based on average lateral deployment costs in the Phoenix MSA. Depending on the particular market, costs can range from [HIGHLY CONFIDENTIAL BEGIN]

[HIGHLY CONFIDENTIAL END].

The above analysis provides a macro view of the factors to be considered when estimating the number of buildings for which lateral deployment might be economically feasible for TWTC. This can be a valuable tool for the sales force, but it is not a substitute for the location-by-location analysis that TWTC actually performs for each potential customer location. The location-specific analysis sometimes yields the conclusion that the costs or delay associated with lateral deployment to a building prevent lateral deployment even though the building meets the simplified criteria described above. In addition, the analysis sometimes yields the conclusion that, because of unusually large revenue opportunities at a location, lateral deployment is feasible to a building that does not meet the simplified criteria described above. As of September 30, 2009, TWTC has over 10,000 on-net, fiber-connected buildings across the nation; and has been adding buildings at a rate of about 1,000 per year. Nonetheless, these buildings represent [HIGHLY CONFIDENTIAL BEGIN] [HIGHLY CONFIDENTIAL END] of all TWTC customer locations. This ratio is primarily a function of multi-location customers' increasing demand that service providers manage the customers' communications needs at all of their locations, both those to which deployment is feasible and those to which deployment is infeasible.