



John M. Ryan
Asst. Chief Legal Officer

TEL: (720) 888-6150
FAX: (720) 888-5134
John.Ryan@Level3.com

August 20, 2010

VIA ELECTRONIC FILING

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

Re: In the Matter of Special Access for Price Cap Local Exchange Carriers, WC Docket No. 05-25; AT&T Corp. Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access, RM-10593

Dear Secretary Dortch:

On Thursday, August 19, 2010, James Crowe (CEO of Level 3 Communications, Inc.) and I met with (a) Commissioner Meredith Baker and Christi Shewman, and (b) Chairman Julius Genachowski, Sharon Gillette, Paul de Sa, Zac Katz, Edward Lazarus and Doug Sicker.

During the meetings, Mr. Crowe discussed the current state of competition in the special access marketplace, and discussed Level 3's concerns that demand lock-up provisions contained in discount tariffs were constraining competition for special access services. Mr. Crowe stressed that, increasingly, the lack of competitive supply for special access services was having a negative impact on the availability of consumer wired and wireless broadband services.

Mr. Crowe noted that many former "Bell Operating Company" ("BOC") contract tariff and tariff discount plans require customers, as a condition to receiving discounts, to commit to maintain 90-100% of their current spend with the BOC. While such "demand lock-up" commitments may, under certain circumstances, be acceptable in highly competitive markets, the market for special access services is not competitive. BOCs already possess monopoly-level market shares in special access services, and Level 3 believes that BOC demand lock-up commitments foreclose competition for special access services in large segments of the market. Demand lock-up commitments enable these carriers to maintain monopoly market power in special access services.

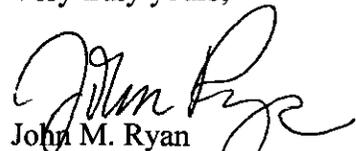
Mr. Crowe noted that the competitive problem created by demand lock-up commitments is becoming more severe as consumer wired and wireless broadband demand explodes. Historically much of the demand for special access was driven by enterprise needs – largely in the central business district of metropolitan areas where some competitive carriers had deployed limited fiber networks. Presently and in the future, however, the need for special access backhaul to support ever-growing demand for wired and wireless consumer broadband has shifted the demand for special access to less densely populated areas in suburban and rural areas (for example, special access needed to support backhaul from broadband cell towers).

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Demand lock-up commitments allow the BOC to leverage its ubiquitous network in these less dense areas to impact competition across the entire market (including in the central business district). Competitive carriers are left to scramble to compete for the small portions of demand that haven't already been committed to the BOC through contract tariffs and discount plans.

Mr. Crowe encouraged the Commission to move quickly to evaluate the impact of demand lock-up commitments on competition for special access services.

Very truly yours,

A handwritten signature in black ink, appearing to read "John M. Ryan". The signature is fluid and cursive, with the first name "John" being particularly prominent.

John M. Ryan
Assistant Chief Legal Officer
Level 3 Communications, LLC