

Eric J. Branfman
Direct Phone: 202.373.6553
Direct Fax: 202.373.6415
Eric.branfman@bingham.com

February 4, 2011

VIA ELECTRONIC FILING

EX PARTE

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

Re: Special Access Rates for Price Cap Local Exchange Carriers
WC Docket No. 05-25

Dear Ms. Dortch:

On February 3, 2011, Robert Yates, Senior Vice President and Assistant Chief Legal Officer of Level 3 Communications, Andrew D. Lipman, Partner, Bingham McCutchen, LLP, and I, met in with Elizabeth “Betsy” McIntyre, Steve Rosenberg, Eric Ralph, Pam Arluk, Nick Alexander, and Albert Lewis of the Wireline Competition Bureau.

Level 3 stressed the harm to competition that results from contracts that are imposed by AT&T, Verizon, and Qwest on virtually all customers of special access, forcing each customer to purchase virtually all of its special access demand from the monopoly supplier. We pointed out that such contracts foreclose competitive entry by locking-up virtually all demand, and enabling the monopoly suppliers to maintain prices that are higher, and quality that is often lower, than would prevail in a competitive market. Level 3 stated that it did not in general object to term and volume contracts that were not based on the customer’s prior purchase volume. We suggested that by prohibiting special access contracts that are tied to the customer’s prior purchase volume, the Commission could open this currently highly monopolistic market to competitive entry and thus obtain the benefits of competition.

Sincerely yours,

/s/ electronically signed

Eric J. Branfman

cc (by e-mail):

Boston
Hartford
Hong Kong
London
Los Angeles
New York
Orange County
San Francisco
Santa Monica
Silicon Valley
Tokyo
Walnut Creek
Washington

Bingham McCutchen LLP
2020 K Street NW
Washington, DC
20006-1806

T 202.373.6000
F 202.373.6001
bingham.com

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Ms. Marlene H. Dortch, Secretary
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Page 2

cc: Elizabeth “Betsy” McIntyre
Steve Rosenberg
Eric Ralph
Pam Arluk
Nick Alexander
Albert Lewis