



Mr Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554
USA

18 March 2011

Dear Chairman Genachowski

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

You will know that we believe the Commission should promptly conduct its review of the special access market and remedy the market failure that exists. This matter has cost the U.S. economy billions of dollars in lost output and opportunities to create tens of thousands of jobs. This has been the consistent finding of studies spanning eight years.

In 2003, a study sponsored by AT&T estimated that a “reduction in special access prices of 42% ... would generate 64,000 new jobs and \$11.6 billion in new economic activity in the first year alone.”¹ By 2007 these figures had grown to 95,000 new jobs and \$17.2 billion in GDP according to a study sponsored by a users’ group of large corporations.² This latest study, filed with the Commission on March 15, 2011, by Sprint and also by the NoChokePoint Coalition (of which BT is a member) estimates that special access reform could increase U.S. output by as much as \$37.7 billion and create 176,000 jobs.³ The only thing that has changed over the eight years is the magnitude of benefits that special access reform could bring to the U.S. economy -- this has substantially increased. The harm to competition caused by the special access market failure, meanwhile, has also increased.

¹ Rappaport, P., Taylor, L. Menko, A. and Brand, T., *Macroeconomic Benefits from a Reduction in Special Access Prices*, June 12, 2003.

² Economics and Technology, Inc., *Special Access Overpricing and the U.S. Economy*, prepared for the Ad Hoc Telecommunications Users Committee, August 2007.

³ Siwek S., *Economic Benefits of Special Access Price Reductions* (Mar. 2011), filed by Sprint in WC Dkt. No. 05-25 on Mar. 15, 2011.

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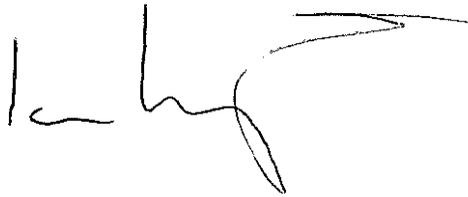
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I feel it is very important to jobs, growth and competitiveness, and to fair competition, that the Commission progresses and concludes its review of the special access market as soon as possible. I do hope to meet you again soon in Washington or London, and please do say if you need more information from BT.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ian Livingston'. The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

IAN LIVINGSTON