

ORIGINAL

Tel: 202 303 1000
Fax: 202 303 2000

REDACTED - FOR PUBLIC INSPECTION

EX PARTE OR LATE FILED

October 26, 2011

FILED/ACCEPTED

VIA COURIER AND ECFS

OCT 26 2011

EX PARTE PRESENTATION

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

Federal Communications Commission
Office of the Secretary

Re: *Developing a Unified Intercarrier Compensation Regime; Establishing Just and Reasonable Rates for Local Exchange Carriers; Connect America Fund; High-Cost Universal Service Support; A National Broadband Plan for Our Future*,
CC Dkt. No. 01-92, WC Dkt. Nos. 07-135, 10-90, & 05-337, GN Dkt. No. 09-51

Dear Ms. Dortch:

On behalf of tw telecom inc., please find enclosed two copies of the redacted version of an *ex parte* letter (“tw telecom’s *Ex Parte* Filing”) for filing in the above-referenced dockets. One machine-readable copy of the redacted version of tw telecom’s *Ex Parte* Filing will also be filed electronically via ECFS.

Pursuant to the *Protective Order* in this proceeding,¹ one original of the confidential version of tw telecom’s *Ex Parte* Filing is being filed with the Secretary’s Office under separate cover. In addition, pursuant to the *Protective Order*, two copies of the confidential version of tw telecom’s *Ex Parte* Filing will be delivered to Lynne Hewitt Engledow of the Pricing Policy Division of the Wireline Competition Bureau.

¹ *Developing a Unified Intercarrier Compensation Regime; Establishing Just and Reasonable Rates for Local Exchange Carriers; Connect America Fund; High-Cost Universal Service Support; A National Broadband Plan for Our Future*, CC Dkt. No. 01-92, WC Dkt. Nos. 07-135, 10-90, & 05-337, GN Dkt. No. 09-51, *Protective Order*, DA 10-1749 (rel. Sept. 16, 2010) (“*Protective Order*”).

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Please do not hesitate to contact me at (202) 303-1111 if you have any questions regarding this submission.

Respectfully submitted,

Thomas Jones/N.P.

Thomas Jones

Counsel for tw telecom inc.

Enclosures

WILLKIE FARR & GALLAGHER LLP

1875 K Street, N.W.
Washington, DC 20006-1238

October 26, 2011

Tel: 202 303 1000
Fax: 202 303 2000

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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
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Re: *Developing a Unified Intercarrier Compensation Regime; Establishing Just and Reasonable Rates for Local Exchange Carriers; Connect America Fund; High-Cost Universal Service Support; A National Broadband Plan for Our Future, CC Dkt. No. 01-92, WC Dkt. Nos. 07-135, 10-90, & 05-337, GN Dkt. No. 09-51*

Dear Ms. Dortch:

Pursuant to Sections 1.1203(a)(1), 1.1204(a)(10)(iv) and 1.1206(b)(2)(v) of the Commission's Rules, 47 C.F.R. §§ 1.1203(a)(1), 1.1204(a)(10)(iv) and 1.1206(b)(2)(v), the undersigned, representing tw telecom inc., hereby submits this written *ex parte* presentation in the above-referenced dockets in response to a request made via telephone by Zac Katz, Chief Counsel and Senior Legal Advisor to Chairman Julius Genachowski, on October 24, 2011. Mr. Katz requested information regarding the financial impact on competitive LECs of a reduction in intrastate terminating access rates to interstate terminating access levels by July 1, 2013, as proposed in the America's Broadband Connectivity Plan ("ABC Plan").¹

tw telecom estimates that if the Commission were to reduce intrastate terminating access rates to interstate levels by July 1, 2013, as proposed in the ABC Plan, tw telecom would experience a revenue reduction of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] annually over the first 24 months of the transition, representing [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL]. This would result in [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] reduction in tw telecom's modified EBITDA margin, from [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL].

¹ See Letter from Robert W. Quinn, Jr., AT&T, Steve Davis, CenturyLink, Michael T. Skrivan, FairPoint, Kathleen Q. Abernathy, Frontier, Kathleen Grillo, Verizon, and Michael D. Rhoda, Windstream, to Marlene H. Dortch, Secretary, FCC, WC Dkt. Nos. 10-90 et al., Att. 1, at 11 (filed July 29, 2011).

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tw telecom's market capitalization was approximately \$3.1B on June 30, 2011, based on the closing price of its stock multiplied by its outstanding shares. Market capitalization represents the valuation the market gives to tw telecom. tw telecom is valued on multiples of modified EBITDA, or approximately [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] modified EBITDA. Therefore, a Commission order that reduces intrastate terminating access rates to interstate levels by July 1, 2013 has the potential to reduce tw telecom's market capitalization by [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] in the first 24 months of the transition.

Please do not hesitate to contact me at (202) 303-1111 if you have any questions or concerns regarding this submission.

Respectfully submitted,

/s/ Thomas Jones
Thomas Jones

Counsel for tw telecom inc.

cc (via email): Zac Katz