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July 17, 2012

Ex Parte

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

Re: Special Access Rates for Price Cap Local Exchange Carriers, WC Docket No. 05-25 and RM-10593

Dear Ms. Dortch:

Yesterday, Maggie McCready, Ed Shakin, and the undersigned of Verizon met separately with Nick Degani of Commissioner Pai's office and Angie Kronenberg of Commissioner Clyburn's office. Ms. McCready, Curtis Groves, Fred Moacdieh, and I also met with Deena Shetler, Nick Alexander, Eric Ralph, Luis Reyes, Steve Rosenberg, Joseph Lilly, Ben Childers, Elizabeth McIntyre, Max Slackman, Ken Lynch and Jack Erb of the Wireline Competition Bureau. In those meetings, we discussed the appropriate analytical framework to evaluate competitive alternatives to ILEC special access and the type of data the Commission should solicit from all competitors in a mandatory data request.

In particular, we explained that the Commission's analytical framework must be forward-looking in order to capture current competitive activity and to address the dynamic nature of the high-capacity services marketplace. We stressed that the Commission should evaluate the contestability of the marketplace by examining both where competitors currently provide service and where they can provide service. We also explained that regulation must not undermine investment in new high-speed technologies and platforms that customers are demanding.

Regarding the impending data request, we explained that in order to conduct its analysis the Commission needs to obtain data to determine where competitors are offering service, where they can offer service, and where they plan to offer service in the near future. We also explained that a simple market share analysis would be inappropriate because it is inherently backward-looking and presents a static view that will not provide an accurate picture of how the competitive marketplace is evolving. We noted that to determine the extent to which competitors are capable of entering the market and not just where competitive entry has already occurred, the

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Commission should ask providers to identify geographic areas where they currently provide or are technically capable of providing high-capacity services, to provide data or maps that show the geographic areas where they plan to offer high-capacity services in the near future, and to provide information about where they submitted competitive bids to provide high-capacity services to other customers. Furthermore, we emphasized that the mandatory data request should make clear that providers that do not respond will face consequences.

Sincerely,

A handwritten signature in black ink that reads "Donna Epps". The signature is written in a cursive, flowing style.

cc: Nick Degani
Angie Kronenberg
Deena Shetler
Nick Alexander
Elizabeth McIntyre