

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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

**COMMENTS OF
THE AD HOC TELECOMMUNICATIONS USERS COMMITTEE**

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Filed: February 11, 2013

Summary

Because Ad Hoc admits no carriers as members and accepts no carrier funding, it has no commercial self-interest in imposing unnecessary regulations on the ILECs. But Ad Hoc nevertheless has consistently urged the Commission to re-vamp the special access rules because special access markets simply are not competitive. The Commission's de-regulatory initiatives must be based on marketplace facts, not the kind of unjustified assumptions and blithe speculation about the emergence of competition that the Commission relied on to justify its failed experiment with the pricing flexibility rules. The Commission's decision to pursue a forthright, data-driven analysis of this market is most welcome and long overdue.

The *FNPRM* states in several places that it seeks to "promote" investment via the rules adopted in this proceeding. The Commission should clarify that its primary goal under the Communications Act is to ensure just and reasonable rates, not new sources of investment revenue for incumbents and competitors.

The Commission asks at paragraph 73 of the *FNPRM* whether it should give any factors more weight in its market analysis. The aggregate supply constraints on competitors should be heavily weighted in the Commission's analysis.

The *FNPRM* also asks how the Commission can develop a forward-looking market analysis while still relying on non-speculative data. Ad Hoc urges the Commission to abandon wishful predictions of competition as a justification for deregulation and rely on the more rigorous economic concept of "potential competition".

Paragraph 74 asks for comment on ILEC claims that the Commission should not undertake a market power analysis in this docket. But deregulation can only be justified

in areas where the Commission determines that market power is constrained by competition. The panel regressions proposed in the *FNPRM* may be useful but are not necessary to move deregulated prices back under price caps.

Paragraph 75 asks how to take into account the transition from legacy services to packet-mode services. That transition is a routine and inevitable migration that has been playing out in private and public networks for decades. It does not change the underlying market forces that make regulation necessary for last mile transmission services. Carriers have sown confusion over this very issue to obtain unjustifiable deregulation of Ethernet services which the Commission should redress.

Paragraph 76 seeks comment on the bizarre notion that “best efforts business broadband Internet access services” are “potential substitutes” for special access services. But special access connections are, by definition, dedicated to the exclusive use of the customer and they originate and terminate at locations designated by the customer, neither of which is true for best efforts business broadband Internet access services that take customers to the Internet and only to the Internet.

Finally, paragraph 78 of the *FNPRM* repeats a claim supported only by the ILECs: that the evidence already on the record in this docket doesn't support relief from the ILECs' excessive rates. In fact, the massive record in this proceeding has more than enough evidence to allow the Commission to identify areas that were prematurely deregulated and change the rules to ensure just and reasonable rates.

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**COMMENTS OF
THE AD HOC TELECOMMUNICATIONS USERS COMMITTEE**

The Ad Hoc Telecommunications Users Committee (“Ad Hoc” or “Committee”) submits the following comments in response to the Commission’s Further Notice of Proposed Rulemaking¹ in the dockets captioned above.

INTRODUCTION

Ad Hoc represents a broad cross section of job-creating businesses that depend upon special access services as the building blocks of their corporate networks, from workhorse DS1s to the growing number of Ethernet connections to the highest capacity OCns. The Committee’s members collectively spend an estimated \$2-3 billion per year on purchases of communications products and services. The members represent a broad range of industries, including automotive, banking, financial services,

¹ *Special Access for Price Cap Local Exchange Carriers; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, WC Docket No. 05-25, RM-10593, Report and Order and Further Notice of Proposed Rulemaking, DA 12-53, rel. Dec. 18, 2012) (“*Further Notice*” or “*FNPRM*”).

construction, insurance, information technology, paper products, package delivery, transportation/logistics, and medical, electronic, and manufacturing components.

Ad Hoc began challenging the Commission's special access rules when the incumbent local exchange carriers ("ILECs") responded to the FCC's regulatory flexibility rules by raising their prices in de-regulated geographic areas and earning historically unprecedented profit levels from those supposedly competitive services.² The Commission initiated this rulemaking after Ad Hoc and other parties repeatedly challenged the rules and the carriers' exploitation of them in filings with the FCC, and after AT&T (before it merged with an ILEC) filed a mandamus petition seeking a court order directing the FCC to address the problems in its special access regulations. Since then, competition in the special access market has not improved in any substantial way. It remains a market with no meaningful competition to discipline the ILECs' behavior, as the carriers have demonstrated consistently by their pricing behavior.³

Because Ad Hoc admits no carriers as members and accepts no carrier funding, it has no commercial self-interest in imposing unnecessary regulatory constraints on the ILECs. In fact, Ad Hoc has been a long-standing and enthusiastic supporter of forbearance authority for the FCC and de-regulation for competitive telecom markets whenever a market becomes competitive. As high-volume purchasers of

² The carriers solved the problem of excessive earnings by persuading the Commission to kill the filing requirement that exposed those earnings to public view. See, e.g., *Petition of Qwest Corporation for Forbearance from Enforcement of the Commission's ARMIS and 492A Reporting Requirements Pursuant to 47 U.S.C. § 160(c)*, WC Docket Nos. 07-204 and 07-273, Memorandum Opinion and Order, 23 FCC Rcd 18483 (2008).

³ For example, Verizon filed tariff transmittals to raise the rates for its supposedly competitive "pricing flexibility" areas by 12% in a single ten-month period. See Verizon Tariff Transmittal No. 1152, filed July 1, 2011, and Transmittal No. 1187, filed May 1, 2012. A comparison of rate increases in Transmittal No. 1187 to rates in regulated areas is displayed in the table attached hereto as Appendix A.

telecommunications services, Ad Hoc members have historically been among the first beneficiaries of the FCC's de-regulatory efforts in competitive markets.

Ad Hoc nevertheless has been urging the Commission since the first round of comments in this docket to re-vamp the special access rules because special access markets simply are not competitive. The Commission's failed experiment with its ill-conceived pricing flexibility rules⁴ is a sobering reminder that de-regulatory initiatives must be grounded in marketplace facts, not the unjustified assumptions and blithe speculation about the imminence and inevitability of competition upon which the Commission relied to justify the pricing flexibility rules. The ILECs' repetitive and self-serving claims regarding the success of the Commission's de-regulatory efforts and the "robust" competition that exists for special access services – and the Commission's refusal to look behind them – resulted in premature de-regulation of this market in years past, with disastrous consequences for end users. The Commission's decision to pursue a forthright, data-driven analysis of this market is most welcome and long overdue.

In the *Further Notice*, the Commission asks a series of specific questions about the market analysis it should undertake to ensure that its special access rules "reflect the state of competition today and promote competition, investment, and access to services used by businesses across the country."⁵ Ad Hoc is filing these comments to address specific issues of particular concern to enterprise customers.

⁴ *Special Access for Price Cap Local Exchange Carriers; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, WC Docket No. 05-25, RM-10593, Report and Order, 27 FCC Rcd 10557 (2012).

⁵ *FNPRM* at para. 56.

DISCUSSION

The *FNPRM* notes in several places that it seeks in this proceeding not only to ensure just and reasonable rates but also to “promote” investment,⁶ avoid “hindering” investment,⁷ and evaluate the “effects” of regulation on investment.⁸ The discussion of a panel regression analysis at paragraph 71 even suggests that, once the Commission’s structural market analysis confirms that markets aren’t competitive enough to protect end users from excessive rates, the Commission would nevertheless tolerate high rates in order to attract investment by incumbents and/or competitors so that the Commission could abandon regulation, rather than regulating lower-cost incumbents directly in order to ensure that their rates are just and reasonable.⁹

The Commission should clarify that, under the Communications Act, it is charged with ensuring just and reasonable rates; the Act does not permit, much less direct, the Commission to establish or tolerate supra-competitive rates merely to encourage investment by reluctant incumbents or by high-cost entrants that could not compete at lower, just and reasonable rates. However appealing de-regulation may be, the Commission cannot abandon its statutory duties and subject end users to excessive rates merely to establish a pricing umbrella that increases “free” revenues for incumbents (who may or may not use it to make capital investments in regulated services) or attracts inefficient new entrants. A regulatory scheme that generates new revenues for incumbents or creates an excessively high price umbrella to attract new

⁶ *FNPRM* at para. 56.

⁷ *FNPRM* at para. 67.

⁸ *FNPRM* at note 162.

⁹ “[W]e will consider whether our current regulatory regime may be hindering, for example, by keeping prices low, competitive investments that would reduce or obviate the need for regulation.” *FNPRM* at para. 67.

entrants who could not cost-justify entry at lower rates, violates the Act if it results in excessive rates for consumers. In other words, faced with a market that has natural monopoly characteristics (i.e., the most efficient operation and lowest prices are achievable only by a single incumbent or a very limited number of providers, because of the market's economic characteristics), the FCC is required by the statute to establish just and reasonable prices as well as sufficient investment levels even if that means direct economic regulation of incumbents. The statute does not authorize the Commission to abandon direct regulation and instead stimulate inefficient entry or investment by CLECs or generate higher revenues for ILECs at the expense of just and reasonable rates for consumers.

The Commission asks at paragraph 73 of the *FNPRM* whether certain factors should be weighed “more or less heavily” in its analysis. Aggregate supply constraint should be heavily weighted in the Commission’s analysis. For this purpose, Ad Hoc has previously argued that the appropriate geographic market definition for special access services is an individual building¹⁰ and that is still true today. The Commission agreed with this definition in its 2010 *Qwest Phoenix Forbearance Order*¹¹ rejecting Qwest’s bid for quasi-deregulation in Phoenix. Nothing has changed since that order to justify a departure from that approach. Using that geographic market definition, the Commission

¹⁰ Ad Hoc Comments filed Jan. 19, 2010 in *Parties Asked to Comment on Analytical Framework Necessary to Resolve Issues in the Special Access NPRM*, WC Docket No. 05-25, RM-10593, Public Notice, 24 FCC Rcd 13638 (2009) at 5 (“*Ad Hoc 2009 PN Comments*”). Indeed, as the Commission itself recognizes in the *FNPRM*, the record indicates that competition in the provision of special access may be at an even more granular level: at a specific floor within a building. *FNPRM* at para. 38.

¹¹ See *Petition of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Phoenix, Arizona Metropolitan Statistical Area*, Memorandum Opinion and Order, 25 FCC Rcd. 8622, 8623 (2010), *aff’d Qwest Corp. v. FCC*, No. 10-9543 (10th Cir. Aug. 6, 2012)(“[E]ach customer location constitutes a separate relevant geographic market, given that a customer is unlikely to move in response to a small, but significant and nontransitory increase in the price of the service.”)

must evaluate potential competition by examining not only the demand characteristics and geographic proximity of the individual location to competitors, but also the aggregate supply constraints of the potential competitors. If, for example, a competitive carrier's annual construction budget only allowed for the extension of owned-facilities into 10 buildings per year, then the fact that there may be 1000 buildings sitting directly in front of that particular carrier's fiber – even assuming that sufficient demand existed in each building to warrant construction of laterals into them by the competitor – does not, by itself, allow the inference that the competitive carrier's presence poses a significant enough threat of potential entry to constrain the incumbent's prices. Nor can the Commission infer that there is a price-constraining "potential" for competition to develop in a sufficiently robust manner to constrain incumbent prices.

Nor, contrary to the ILEC arguments cited by the *FNPRM* at note 166, would this weighting of supply constraints require the Commission to "determine whether 'actual and potential competition extends to every nook and cranny of an MSA.'" If the potential reduction in profits from market share losses is less than the profit reduction that would result from the reductions in market price necessary to retain the contested customer(s), the incumbents would have no incentive to lower market prices to react to that competition. That would be true where competitors are supply-constrained and thus unable to contest more than a small share of the market. In that case, the more likely response of the incumbent would be an across-the-board increase in prices, to recoup any profits that were lost from the small, non-price constraining incursions by competitors.¹² Using an example to illustrate again, if the Commission finds that

¹² See, for example, the price increases referenced in note 3, *supra*, and summarized in Appendix A.

existing competitors offer service over owned facilities at only 5% of locations nationwide, and that the aggregate supply capability is such that additional owned facilities could increase by even as much as half in the following year – then there would be no potential of pricing disciplining competition at more than 90% of locations, even over a two year time horizon.

The *FNPRM* also asks how the Commission “can balance the need for an analysis that is forward-looking with the importance of relying on non-speculative data.”¹³ Ad Hoc has on several occasions urged the Commission not to use “predictions” of future competition as a surrogate for potential competition. As Ad Hoc pointed out in earlier comments in this proceeding,

In evaluating the power of “potential competition” to ensure special access prices that are just and reasonable, the Commission must distinguish between predictions that competition will develop at some point in the future and “potential competition” as an economic concept. Except in the rare circumstance of an absolute barrier to any entry (as when competition is prohibited by law), there is always the “potential” for competition to develop in the future in a particular market. In recent decisions, the Commission has relied heavily on predictions of imminent competition – from satellite services, from wireless providers, from broadband over power line technologies, or even from as yet unimagined technological change – to declare that regulation was no longer necessary in particular markets. These predictions proved to be overly optimistic, if not wildly unrealistic. But even if they had been more accurate, they are not what antitrust experts, the courts, and economic treatises are referring to when they discuss the “potential competition” that constrains market power. The reference is to existing suppliers or other present day marketplace forces that are capable of introducing competition in response to the behavior of a dominant company, not to imaginary providers or theoretical possibilities that may or may not emerge in an undefined future.

Ad Hoc 2009 PN Comments at 13-14.

¹³ *FNPRM* at para 73.

Thus, in order to have a price-constraining impact on competitive providers, “potential competition” must be a real, credible and relatively short-term threat. By definition, a “forward-looking” analysis of “potential competition” is an analysis of competition that is not currently operative, and as such, the impact of “potential competition” must be estimated and to some extent “predicted.” To the extent that some speculation is a necessary component of the potential competition analysis, the Commission must err on the side of protecting customers of special access services from possible overpricing. Protection of customers who run the risk of being charged supra-competitive prices today should weigh heavily in any calculus of the “forward-looking” analysis of “potential competition.”

Paragraph 74 asks whether the Commission’s proposed market analysis responds adequately to ILEC assertions that the Commission need not undertake the same kind of market power analysis that would be used in determining whether a carrier was dominant in a particular market. But AT&T’s claim that the “pricing flexibility rules are merely an incremental measure within the context of dominant carrier regulation”¹⁴ is a red herring. The pricing flexibility rules were developed to give carriers pricing flexibility only in areas where competition could be expected to constrain any abuses of market power. In order to confirm that those rules have utterly failed in that effort, a determination of the ILECs’ market power is entirely appropriate.

Moreover, the practical effect of the Commission’s pricing flexibility rules has been the deregulation of prices for affected services. In combination with the

¹⁴ *FNPRM* at para. 74.

broadband forbearance petitions granted by the Commission over the past decade,¹⁵ the deregulation of special access services is substantial whether it is labeled “pricing flexibility” or “deregulation.” The panel regressions that the *FNPRM* proposes as part of the one-time, multi-faceted market analysis may well offer useful insights and information that can assist the Commission in fashioning a new deregulatory regime to replace the broken pricing flexibility rules. The panel regressions are not necessary, however, to reach a finding that competition (actual and potential) is insufficient to constrain incumbent market power. Nor are the regressions necessary, if the Commission makes such a finding, for the Commission to move the services for which prices have been deregulated back under the price caps rules and the rate levels set by those rules.

The Commission asks at paragraph 75 how it can structure its analysis to appropriately take into account the fact that some carriers and customers may be transitioning away from legacy services toward IP-enabled services. Routine and inevitable migrations in transmission technology such as the evolution from TDM to packet-mode services like IP (which has been playing out in private and public networks for several decades) have never affected the Commission’s imposition of pricing regulation when they do not change the underlying market structures and economic forces that make regulation necessary in order to achieve the objectives of the

¹⁵ See FCC News Release, *Verizon Telephone Companies’ Petition for Forbearance from Title II and Computer Inquiry Rules with Respect to their Broadband Services Is Granted by Operation of Law* (rel. Mar. 20, 2006); *Petition of AT&T Inc. for Forbearance Under 47 U.S.C. § 160(c) from Title II and Computer Inquiry Rules with Respect to Its Broadband Services*; *Petition of BellSouth Corporation for Forbearance Under Section 47 U.S.C. § 160(c) from Title II and Computer Inquiry Rules with Respect to Its Broadband Services*, Memorandum Opinion and Order, 22 FCC Rcd. 18705 (2007). The sole remaining practical vestiges of traditional regulation for services provisioned in pricing flexibility areas are the requirement that carriers’ respond to requests for service and that services be made available on a wholesale basis.

Communications Act. The Commission must therefore structure its analysis in this docket to ensure that the particular transmission protocol that carriers may choose to use on non-competitive loop plant does not cloud its economic and policy analysis.

In fact, the evolution of public and private networks from legacy services to packet-mode services does not change the underlying market characteristics or market power conditions for last mile transmission facilities. The “transition” the Commission identifies in paragraph 75 is a change in the transmission protocol used to send information over special access transmission facilities; it is not a change in the facilities and marketplace forces that confer market power on the ILECs. Whether traffic is transmitted over copper or fiber, using legacy TDM transmission protocols or over those same facilities using packet-mode transmission protocols, the relevant metric for the Commission’s analysis is competition for the provision of the facility. Change in the transmission protocol of traffic transmitted over a physical facility – or even a change in the transmission protocol demanded by customers – does not necessarily introduce additional “competition” into the market. And there is no evidence in the record that it does so for special access services.

The Commission has previously allowed confusion over this very issue to produce unjustifiable decisions to forbear from regulating Ethernet services.¹⁶ The data request in the Report and Order properly includes Ethernet services in the scope of services for which information is being collected and as a result should assuage any

¹⁶ *Id.*

concerns that the transition “away from legacy services toward IP-enabled services” is not adequately addressed by the Commission’s proposed analytical framework.¹⁷

Paragraph 76 seeks comment on the novel notion, which is surfacing for the first time in this extensive, multi-year docket, that “best efforts business broadband Internet access services” are “potential substitutes” for special access services. The Commission’s inquiry into this issue is especially puzzling because even the issue’s proponents filed earlier pleadings that are inconsistent with this view and now rely only on ambiguous advertising puffery for the notion that the two services are substitutes.¹⁸

A passing familiarity with the nature and history of special access services is sufficient to de-bunk this idea. All special access services have two definitional characteristics which distinguish them from best efforts business broadband Internet access services – special access connections are, by definition, dedicated to the exclusive use of the customer and they originate and terminate at locations designated by the customer, not the carrier.

First, as dedicated services (or “private line” services, as they were known historically), special access offers customers a higher reliability option and higher capacities than traditional switched services provided over shared loop plant and shared end office facilities. Carriers sell special access at specified capacities or speeds (DS1, DS3, Ethernet, etc.) and customers buy them in order to obtain fixed capacity transmission links that are dedicated to their exclusive use, guaranteeing that the minimum bandwidth they purchase will always be available when they want to use it. There are no busy signals when special access is used for voice service. ILECs commit

¹⁷ *FNPRM* at para. 17.

¹⁸ See *FNPRM* at para. 17 and inconsistent pleadings cited therein.

to provide a specified capacity level that does not fluctuate when they sell special access to their customers. By comparison, best efforts business broadband Internet access services are, well, best efforts – the antithesis of special access and the modern day equivalent of traditional switched voice service which may or may not be available (or too slow) when the network is busy.

Second, special access services are services for which the customer, rather than the carrier, specifies the end points. Theoretically, a customer could choose an Internet access point as the terminating end of a special access connection. But the choice is the customer's. By definition, best efforts business broadband Internet access services take customers to the Internet and only to the Internet, via the carrier's choice of Internet access point; they cannot provide a dedicated connection between two premises designated by the customer, such as a bank ATM machine, a merchant's point-of-sale terminal, a secure data storage facility, or a cellular service tower.

Finally, paragraph 78 of the *FNPRM* does not pose any additional questions. It does, however, include several troubling and unsupported statements that merit comment. First, the paragraph includes the remarkable assertion that

[t]he record makes clear that we are unlikely to be able to conduct a comprehensive market analysis—and thus are unlikely to be able to evaluate the impact of the suspended rules on the reasonableness of special access rates, terms and conditions or develop improved ones—without the data similar to that described above and a more detailed review of competitive conditions in the special access market than has been possible to date.

The only support the *FNPRM* can cite for this startling characterization of the record is, not surprisingly, filings made by incumbent LECs and an ILEC advocate. In point of fact, however, the lengthy and robust record in this proceeding contains substantial

evidence regarding the ILECs' market power for special access services and their exercise of that market power, including more than sufficient evidence for a market power analysis and a determination that special access rates in both the pricing flexibility and price caps areas are not just and reasonable. Indeed, much of that evidence is described at length in the preceding paragraphs of the *FNPRM*. Moreover, the Commission's earlier voluntary data request yielded terabytes of relevant data from a statistically significant sample of the country. That information, which has never been made public, includes substantial, probative data that justify, at a minimum, Commission action to bring the higher rates in pricing flexibility areas back under the levels established by the price caps rules.

Even more troubling to enterprise customers is the statement that “[t]he goal of the proposed market analysis is to gain a fulsome picture of competition in the special access market so we can develop rules to more precisely provide regulatory relief as necessary.” Developing a replacement for the failed pricing flexibility regime is an appropriate secondary goal for the Commission's market analysis. The Commission's primary goal should be an immediate identification of the areas in which its failed policies have resulted in premature deregulation and excessive rates, so that customers in those locations can obtain essential services (including DS-1, DS-3, Ethernet, and other packet-mode services) at just and reasonable rates from carriers who face neither actual nor potential competition that is sufficient to discipline their pricing behavior.

CONCLUSION

The Commission's decision to pursue a data-driven analysis of the special access market is a significant positive step towards just and reasonable rates for special

access customers and opportunities for competition to emerge. Ad Hoc urges the Commission to make those goals its priority as it considers new special access regulations based on marketplace realities.

Respectfully submitted,
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Filed: February 11, 2013

Certificate of Service

I, Amanda Delgado, hereby certify that true and correct copies of the preceding Comments of Ad Hoc Telecommunications Users Committee were filed this 11th day of February, 2013, via the FCC's ECFS system.

A handwritten signature in black ink that reads "Amanda Delgado". The signature is written in a cursive style and is positioned above a horizontal line.

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APPENDIX A

Verizon: FCC # 1															
Delaware, DC, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia															
ZONES	Price Caps			Price Flex - June 2011			Price Flex - July 2011			Proposed Price Flex - May 15 2012			Relationship of Proposed Price Flex to Price Caps		
	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
DS1 Elements															
<i>Channel Terminations</i>															
Month to Month	\$197.00	\$218.16	\$231.49	\$225.63	\$283.55	\$293.06	\$239.17	\$300.56	\$310.64	\$253.52	\$318.59	\$329.82	129%	146%	142%
One Year	\$197.00	\$218.16	\$231.49	\$225.63	\$283.55	\$293.06	\$239.17	\$300.56	\$310.64	\$253.52	\$318.59	\$329.28	129%	146%	142%
Three Year	\$147.75	\$163.62	\$173.62	\$169.22	\$212.16	\$219.80	\$179.37	\$224.89	\$232.99	\$190.14	\$238.38	\$246.97	129%	146%	142%
Five Year	\$128.05	\$141.80	\$150.47	\$146.66	\$184.31	\$190.49	\$155.46	\$195.37	\$201.92	\$164.79	\$207.09	\$214.04	129%	146%	142%
<i>Channel Mileage Term, Fixed</i>															
Month to Month	\$46.66	\$46.66	\$46.66	\$55.00	\$55.00	\$55.00	\$58.30	\$58.30	\$58.30	\$61.80	\$61.80	\$61.80	132%	132%	132%
One Year	\$46.66	\$46.66	\$46.66	\$55.00	\$55.00	\$55.00	\$58.30	\$58.30	\$58.30	\$61.80	\$61.80	\$61.80	132%	132%	132%
Three Year	\$38.89	\$38.89	\$38.89	\$41.25	\$41.25	\$41.25	\$43.73	\$43.73	\$43.73	\$46.35	\$46.35	\$46.35	119%	119%	119%
Five Year	\$34.45	\$34.45	\$34.45	\$35.75	\$35.75	\$35.75	\$37.90	\$37.90	\$37.90	\$40.17	\$40.17	\$40.17	117%	117%	117%
<i>Channel Mileage, per mile rate</i>															
Month to Month	\$19.17	\$19.17	\$19.17	\$27.37	\$27.37	\$27.37	\$29.01	\$29.01	\$29.01	\$30.75	\$30.75	\$30.75	160%	160%	160%
One Year	\$19.17	\$19.17	\$19.17	\$27.37	\$27.37	\$27.37	\$29.01	\$29.01	\$29.01	\$30.75	\$30.75	\$30.75	160%	160%	160%
Three Year	\$14.38	\$14.38	\$14.38	\$20.53	\$20.53	\$20.53	\$21.76	\$21.76	\$21.76	\$23.07	\$23.07	\$23.07	160%	160%	160%
Five Year	\$10.19	\$10.19	\$10.19	\$14.00	\$14.00	\$14.00	\$14.84	\$14.84	\$14.84	\$15.73	\$15.73	\$15.73	154%	154%	154%
DS3 Elements															
<i>Channel Terminations</i>															
Month to Month	\$2,310.00	\$2,425.50	\$2,541.00	\$3,025.00	\$3,176.25	\$3,327.50	\$3,206.50	\$3,366.83	\$3,527.19	\$3,398.89	\$3,568.83	\$3,738.78	147%	147%	147%
One Year	\$2,310.00	\$2,425.50	\$2,541.00	\$2,750.00	\$2,887.50	\$3,025.00	\$2,915.00	\$3,060.75	\$3,206.50	\$3,089.90	\$3,244.40	\$3,398.89	134%	134%	134%
Three Year	\$2,079.00	\$2,182.95	\$2,286.90	\$2,475.00	\$2,598.75	\$2,722.50	\$2,623.50	\$2,754.68	\$2,885.85	\$2,780.91	\$2,919.96	\$3,059.00	134%	134%	134%
Five Year	\$1,501.50	\$1,418.92	\$1,486.49	\$1,787.50	\$1,876.88	\$1,966.25	\$1,894.75	\$1,989.49	\$2,084.23	\$2,008.44	\$2,108.86	\$2,209.28	134%	149%	149%
<i>Channel Mileage Term, Fixed</i>															
Month to Month	\$701.25	\$701.25	\$701.25	\$825.00	\$825.00	\$825.00	\$874.50	\$874.50	\$874.50	\$926.97	\$926.97	\$926.97	132%	132%	132%
One Year	\$701.25	\$701.25	\$701.25	\$825.00	\$825.00	\$825.00	\$874.50	\$874.50	\$874.50	\$926.97	\$926.97	\$926.97	132%	132%	132%
Three Year	\$631.13	\$631.13	\$631.13	\$742.50	\$742.50	\$742.50	\$787.05	\$787.05	\$787.05	\$834.27	\$834.27	\$834.27	132%	132%	132%
Five Year	\$455.81	\$455.81	\$455.81	\$536.25	\$536.25	\$536.25	\$568.43	\$568.43	\$568.43	\$602.53	\$602.53	\$602.53	132%	132%	132%
<i>Channel Mileage, per mile rate</i>															
Month to Month	\$131.78	\$131.78	\$131.78	\$155.03	\$155.03	\$155.03	\$164.33	\$164.33	\$164.33	\$174.19	\$174.19	\$174.19	132%	132%	132%
One Year	\$131.78	\$131.78	\$131.78	\$155.03	\$155.03	\$155.03	\$164.33	\$164.33	\$164.33	\$174.19	\$174.19	\$174.19	132%	132%	132%
Three Year	\$118.60	\$118.60	\$118.60	\$139.53	\$139.53	\$139.53	\$147.90	\$147.90	\$147.90	\$156.77	\$156.77	\$156.77	132%	132%	132%
Five Year	\$85.66	\$85.66	\$85.66	\$100.77	\$100.77	\$100.77	\$106.82	\$106.82	\$106.82	\$113.22	\$113.22	\$113.22	132%	132%	132%