

2851 Charlevoix Drive SE, Suite 209  
Grand Rapids, MI 49546

954-252-1023

786-363-0147 (fax)

FILED APR 15, 2014

DOCUMENT NO. 01716-14

FPSC - COMMISSION CLERK

April 14, 2014

**Via UPS Delivery**

Ms. Beth W. Salak  
Office of Telecommunications  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED-FPSC  
14 APR 15 PM 2:50  
COMMISSION  
CLERK

**RE: 2014 Local Competition Data Request**

Dear Ms. Salak:

Enclosed for filing with the Commission is the 2014 Local Competition Report for Business Telecom, Inc. dba EarthLink Business- TX105 and a copy of our Form 477 with the most current calendar year data as submitted March 1, 2014 to the FCC. Please note that data has been provided as of December 31, 2013. We request that information contained be treated as confidential. Per Ron Kooistra's conversation with Greg Fogleman on April 2, 2014, I understand the FCC Form 477 data attached with this filing will be treated as confidential.

Please acknowledge receipt of this filing by date-stamping the enclosed copy of this cover letter to Ron in the self-addressed, stamped envelope I have provided for this purpose.

Should you have any questions regarding this filing, please contact me at 954-252-1023 or via e-mail at [Becky.West@corp.earthlink.com](mailto:Becky.West@corp.earthlink.com).

Sincerely,



Rebecca W. West  
Senior Manager Regulatory Compliance

**Enclosures**

14 APR 15 PM 1:20  
OFFICE OF  
TELECOMMUNICATIONS

**2014 Competitive Local Exchange Carrier (CLEC) Questionnaire**  
(Due by March 1, 2014)<sup>1</sup>

Legal Company Name: Business Telecom, Inc.

D/B/A: EarthLink Business

FPSC Company Code (e.g., TX000) TX105

Contact name & title: Rebecca W West, Senior Manager Regulatory Compliance

Telephone number: 954-252-1023

E-mail address: Becky.West@corp.earthlink.com

Stock Symbol (if company is publicly traded): Stock of parent company, EarthLink Inc is traded under the symbol ELNK

1. Please provide a copy of the Form 477 you filed with the FCC with data as of **December 31, 2013**.

2. Are you currently operating under Chapter 7 or Chapter 11 bankruptcy protection? Please check yes or no.

Yes  
 No

3. What services, other than local service, does your company currently provide in Florida? Please check all that apply.

<input checked="" type="checkbox"/> Private line/special access	<input type="checkbox"/> Wholesale loops
<input type="checkbox"/> VoIP	<input type="checkbox"/> Fiber or copper based video service
<input checked="" type="checkbox"/> Wholesale transport	<input type="checkbox"/> Cable television
<input checked="" type="checkbox"/> Interexchange service	<input type="checkbox"/> Satellite television
<input type="checkbox"/> Cellular/wireless service	<input type="checkbox"/> Broadband Internet access

4. What percentage of your Florida residential and business customers purchase bundled (i.e. voice service packaged with additional services such as internet or video service) offerings? Please provide the percentage below. Do not include bundles of telecom-only services. If you do not offer bundled services, indicate "not applicable."

0% Residential  
 70% Business  
 Not applicable

5. Have you experienced any significant barriers in entering Florida's local exchange markets? Please list and describe any major obstacles or barriers encountered that you believe may be impeding the growth of local competition in the state, along with any suggestions as to how to remove such obstacles. Any additional general comments or information you believe will assist staff in evaluating and reporting on the development of local exchange competition in Florida are welcome.

See Attachment

<sup>1</sup> The due date is established by Section 364.386(1)(b), Florida Statutes. Failure to comply with this rule may result in the Commission assessing penalties of up to \$25,000 per offense, with each day of noncompliance constituting a separate offense per Section 364.285(1), Florida Statutes.



## **2014 Competitive Local Exchange Carrier (CLEC) Questionnaire**

Business Telecom, Inc.; FPSC Company Code TX105

Attachment – Response to Question #5:

The greatest continuing threat to competition in Florida's local exchange markets is the deregulation of incumbent local exchange carriers' (ILECs') wholesale services obligations. Maintaining healthy wholesale markets is the key to consumer choice in retail markets and lessens the need for government regulation. Competitors in Florida's local exchange service that rely on incumbent wholesale markets face serious challenges. This gives AT&T the opportunity to raise the cost to competitors for interconnection, UNEs and special access services. As a result of federal deregulation of incumbents, an increasing number of telecommunications services that we purchase from ILECs to use as wholesale inputs for our services can only be purchased through "commercial agreements" (so-called market-based agreements) or other lightly regulated special access services for which there are few alternatives. As a result of the incumbents' lack of product development, high-pricing and minimal support for these "commercial" services, Florida has and will continue to see a decrease in competition for important segments of consumers. This trend is already apparent to us at the DS1 level, which is the type of telecommunications facility typically used to support small to medium-sized business customers. To the extent ILECs obtain additional relief from their unbundling obligations (e.g., in state legislatures, through the grant of the ILEC's FCC "forbearance petitions," the removal of wire centers from "impaired" lists), we expect a worsening of competitive conditions. Despite the costs avoided by ILECs when selling services to CLECs, wholesale pricing to CLECs for newly deregulated IP and data services, for example, are similar to the prices offered to their retail business customers -- without the added services that the ILECs provide to these businesses. This "price squeeze" hampers competitive carriers' ability to offer local exchange and broadband services which would have been part of competitive carriers' larger strategy to bring better pricing, support and innovation to Florida consumers.

The incumbents are expected to continue to leverage their increasing market power to the detriment of competitors. Affected states like Florida should assert their independent state authority to promote competition, particularly in wholesale markets if the state wants consumers to continue to benefit from choices among facilities-based telecommunications service providers. Similarly, we would also encourage the Commission to engage in fact gathering and hearings related to any incumbent forbearance petition filed with the FCC in order to assist in developing a record that contains a discussion of the unique interests of consumers in the State of Florida. The continued authority of the Florida Public Service Commissions to resolve interconnection disputes between carriers regardless of the technology utilized is critical to the preservation of competition. We expect to see an increase in legal issues related to VoIP services, until state and national rules for service and competition are resolved. Further, we expect to see minimal competition between Verizon and AT&T (and all their various subsidiaries), as these companies focus on their own ILEC territories. As for other significant barriers to market entry, we would urge the Commission to undertake an examination of why incumbents' rates for intrastate special access and special construction are so high and to implement state rules concerning the (anti-competitive) retirement and the subsequent re-use of retired copper wire, which would allow competitors like us to offer advanced, Ethernet broadband services over copper.

Additional uncertainty regarding wholesale services and nondiscriminatory interconnection exist in conjunction with AT&T's proposed transition to an all internet protocol network and the discontinuance of the existing public switched telephone network. In a filing with the FCC AT&T has proposed IP transition technical trials in Carbon Hill, AL and Kings Point, FL. In recently filed comments at the FCC the Alabama Commission has indicated it will provide extensive third party oversight and monitoring of the Carbon Hill trial to determine the impact of new and or replacement services on retail and wholesale consumers. We urge the Florida Commissions to take similar action if the Kings Point trial is approved by the FCC.