



17 APR 18 AM 9:00

OFFICE OF
TELECOMMUNICATIONS

2851 Charlevoix Drive SE, Suite 209
Grand Rapids, MI 49546
954-252-1023
786-363-0147 (fax)

April 14, 2017

Via Fed Ex Delivery

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

COMMISSION
CLERK

2017 APR 18 PM 12:26

RECEIVED-FPSC

RE: 2017 Local Competition Data Request

Dear Ms. Salak:

Enclosed for filing with the Commission is the 2017 Local Competition Report for Business Telecom, LLC. dba EarthLink Business– TX105 and a copy of our Form 477 with the most current calendar year data as submitted March 1, 2017 to the FCC. Please note that data has been provided as of December 31, 2016. 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.

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.

Sincerely,

A handwritten signature in black ink, appearing to read "Rebecca W. West".

Rebecca W. West
Senior Manager Regulatory Compliance

Enclosures



2017 Competitive Local Exchange Carrier (CLEC) Questionnaire

(Due by April 17, 2017)¹²

Business Telecom LLC

TX105

EarthLink Business

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

Telephone number: 954-252-1023

E-mail address: Becky.West@windstream.com

Stock Symbol (if company is publicly traded): Business Telecom LLC dba EarthLink Business is privately owned, indirect subsidiary of EarthLink Holdings Corp., which is publicly traded under the stock symbol "ELNK"

Questions About Your Company

1. Please provide a copy of the Form 477 you filed with the FCC with data as of **December 31, 2016**.
The attached 477 is a consolidated 477 filing including Business Telecom LLC dba EarthLink Business
2. Are you currently operating under Chapter 7 or Chapter 11 bankruptcy protection?

Yes (Chapter 7) _____ Yes (Chapter 11) _____ No x

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
<input type="checkbox"/> Other	

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.

Residential 1% Business 99% Not applicable _____

5. Does your company currently publicly publish your service and price schedules for services offered in Florida at a location other than the Florida Public Service Commission? If yes, please indicate where and include the complete address or hyperlink if on a webpage. (Chapter 364.04, F.S.)

Yes _____ If yes, where? _____ No x

PLEASE TURN OVER

¹² 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.

Questions About the Competitive Markets

6. Have you experienced any significant barriers in entering Florida's local exchange markets? Please describe any major barriers encountered that 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 information is welcome.

The pricing of type 2 access is very expensive and makes it hard to compete. In many instances what the ILEC charges a CLEC for last-mile access is higher than what the ILEC itself is selling on a retail basis to its own customers. Windstream has documented these problems in a current proceeding at the FCC. See Business Data Services in an Internet Protocol Environment, WC Docket No. 16-143; Investigation of Certain Price Cap Local Exchange Carrier Business Data Services Tariff Pricing Plans, WC Docket No. 15-247; Special Access for Price Cap Local Exchange Carriers, WC Docket No. 05-25; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Service, RM-10593.

Another barrier is the ILECs' practice of passing through special construction charges to companies like Windstream, which blocks access for the customer. In many cases customers believe they can avoid special construction if they buy directly from the incumbent. The incumbents do not act quickly and are generally unresponsive to trouble tickets and make installation coordination difficult.

7. What types of customers do you pursue/what does your typical customer look like?

We are pursuing middle market to large enterprise customers. Typically, they are multi-site or multi-city customers with small bandwidth needs (3M to 1G). They typically have mission critical applications.

8. How do you compete for customers today, and how has that changed in the past five years? The past 10 years? 20?

It's much harder to compete today than it was 20 years ago. We use a much more targeted approach to find possible customers. We put together a tailored solution that solves critical issues for the customer. We strive to reduce costs and increase efficiency, but it's getting harder and harder to do that. In addition, Verizon's acquisition of XO Communications and CenturyLink's proposed acquisition of Level 3 will reduce competitive pressure on the ILECs.

9. Other than Special Access/Business Data Services pricing, what are CLECs' main issues/challenges today?

Our ability to compete (besides the challenges of high wholesale charges from the ILEC when CLECs purchase last-mile access) is impacted by: (a) the ever-declining availability of UNEs; (b) increased copper retirements; and (c) when self-deploying last-mile access facilities, the ability to obtain (i) conduit space from the ILEC, and (ii) reasonable building access (including fees) from the building landlords.

Questions About the Competitive Markets

10. What decisions have the FCC and/or states made since the 1996 Federal Telecom Act that affected your company the most (good or bad)?

There have been many proceedings at the FCC that were mandated by TA96 to open up the telecommunications market to competition. A decision that has caused significant harm to CLECs was the FCC's grant of Phase II pricing flexibility to the largest ILECs with regard to special access. The granting of Phase II pricing flexibility allowed the largest ILECs to be relieved of price cap rate regulation in a large number of MSAs, whereby they could and have raised DS1 and DS3 special access rates in markets that were supposedly competitive. Also, the FCC granted many of these same large ILECs forbearance from price cap regulation regarding their Ethernet product offerings.

11. Did your company try to interconnect via IP and/or purchase any wholesale IP services from AT&T in their IP trial central office in West Delray Beach? If so, what was your experience there?

No

12. What can states do/what should states be doing to ensure competition for telecom services continues to grow in their state, including "best practices"?

States public regulation commissions need to be active in monitoring and participating in the competitive proceedings ongoing at the FCC and also in participating in regulatory bodies such as NARUC on these issues.

13. What do you think will be the major proceedings/decisions from the FCC over the next five years?

The most immediate proceeding at the FCC that will negatively impact CLECs nationwide is: Business Data Services in an Internet Protocol Environment, WC Docket No. 16-143; Investigation of Certain Price Cap Local Exchange Carrier Business Data Services Tariff Pricing Plans, WC Docket No. 15-247; Special Access for Price Cap Local Exchange Carriers, WC Docket No. 05-25; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Service, RM-10593.

The FCC currently has a pending draft order in this docket, which is expected to be voted on at their April 20, 2017 Open Meeting. If this order is adopted in current form, it will effectively eliminate pricing regulation for the largest ILECs in the vast majority of the nation. The expected outcome of such adoption would be:

- Complete deregulation in the packet-based BDS (Business Data Services) market*
- Complete deregulation of the transport market*
- Deregulation for channel terminations for TDM DS1 and DS3 circuits in 63 percent of the counties in the nation, covering 90% of the nation's BDS locations.*
- Mandatory detariffing for these services within 18 months.*

The impact on customers of CLECs if this order is adopted will be:

- Rate increases as a result of the ILEC raising the wholesale prices to the CLEC and the CLEC needing to recover these cost increases.*
- The customer being required to move off of the TDM services to Ethernet services, which will increase the cost to the customer, require hardware changes in CPE equipment at the customer's expense, and months of transitioning platforms and programming changes both by the carrier and the customer side of the network.*

Windstream has very serious concerns if the draft order is adopted. For a more thorough discussion of Windstream's concerns, see the attached document, which is an ex-parte communication filed in the above-mentioned docket.