
Dear Ms. Dortch:

Granite Telecommunications, LLC ("Granite") provides this brief response to Verizon's ex parte letter filed in these dockets on November 9, 2015. In its previous filings in these dockets, Granite has rebutted most of the arguments raised by Verizon. However, Verizon does raise one new argument in its November 9th letter. Verizon asserts for the first time that the Commission's Omaha Forbearance Order\(^1\) supports USTelecom's petition for forbearance, claiming that the Commission found in that order that ILECs used commercial agreements to keep customers on the ILECs' network in the face of "ubiquitous" cable competition. However, Verizon fails to point out that the Omaha Forbearance Order found "most persuasive" the unique circumstances wherein Cox Cable had a significantly high share of the residential market compared to Qwest.\(^2\) The Omaha Forbearance

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\(^{1}\) Petition of Qwest Corporation for Forbearance Pursuant to 47 USC § 160(c) in the Omaha Metropolitan Statistical Area, Memorandum Opinion and Order, 20 FCC Rcd 19415 (2005), pets. for rev. dismissed and denied on the merits, Qwest v. FCC, 482 F.3d 471 (D.C. Cir. 2007).

\(^{2}\) See id. ¶ 25; see also ¶¶ 28, 45. It is also noteworthy that in ¶ 38 of the order, the Commission found that "even if Qwest has some advantages regarding lower costs, sheer size, superior resources, financial strength, or technical capabilities -- an issue we do not decide in the abstract -- Qwest does not have such advantages relative to Cox in the Omaha MSA." These circumstances are simply not present throughout the United States as a whole, which is the geographic area in which USTelecom seeks forbearance. For example, when Verizon itself sought to apply the principles of Omaha to six of its own markets, the Commission denied Verizon's application, stating that: "Verizon's market shares in the MSAs at issue, measured consistent with our approach in the Qwest Omaha Forbearance Order and ACS Dominance Forbearance Order, are sufficiently high to suggest that competition in these MSAs is not adequate to ensure that the 'charges, practices, classifications, or regulations... for... or in connection with that... telecommunication service are just and reasonable' absent the regulations at issue. As a threshold matter, the record evidence does not reflect that in any of the 6 MSAs do the cable operators, even in the aggregate, have more than a [REDACTED] percent share of the market for mass market telephone services in an MSA." Petsitions of Verizon Telephone
Order did not address the types of multi-location business customers that Granite serves with wholesale voice platform services. As Granite has demonstrated in several filings, the vast majority of Granite's customers are not served by cable providers, and cannot be served by cable providers without construction costs. Therefore, there is no basis to conclude that if Verizon or other ILECs stop offering wholesale platform services at commercially reasonable rates, as they now do, they would be at risk of losing significant numbers of customers now served by the platform to cable providers.

Granite further points out that while Verizon stated in its November 9th letter that it has been continuing to allow CLECs to serve customers under Wholesale Advantage agreements after switching from copper to fiber, neither Verizon nor any other ILEC has committed that CLECs will be able to continue to use wholesale voice platform services after the ILEC switches to IP.

Please contact me if you have questions regarding this filing.

Very truly yours,

Michael B. Galvin
General Counsel

Enclosure

cc: (by email)
Matthew DelNero
Daniel Kahn
Randy Clarke
Jodie May
Clark Hedrick
Shanna Holako
Megan Capasso
Alexis Johns
Brian Hurley
Sam Kline
Paula Foley


3 See Letter from Thomas Jones, Counsel, Granite Telecommunications, LLC, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 13-5 et al., at Attach. (filed June 3, 2015) (stating that Granite serves 4,800 companies with 1.4 million business lines at 400,000 customer locations across all 50 states); Letter from Thomas Jones, Counsel, Granite Telecommunications, LLC, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 13-5 et al., at Attach. (filed May 29, 2015) (asserting that "[i]n 51% - 85% of our customer locations, the ILECs will be the only provider available to the small business market, if wholesale use of RBOC/ILEC network is not continued.").