October 6, 2015

Via ECFS

Marlene H. Dortch,
Secretary
Federal Communications Commission
445 12th St., SW
Washington, DC 20554


Dear Ms. Dortch:

I write on behalf of Access Point, Inc. ("API"), a CLEC of which I am the CEO and Chairman. I read with great interest the September 22, 2015 ex parte letter submitted in these dockets by Eric J. Branfman on behalf of Granite Telecommunications, LLC ("Granite"). Mr. Branfman recounted in that letter Granite’s invocation of Section 271 and Granite’s resort to the FCC’s Enforcement Bureau in April 2009 in order to induce AT&T to agree to more reasonable rates and terms for its commercial business voice line agreement. In fact, later that year, Mr. Branfman and his firm represented API and several other CLECs in negotiating LWC agreements as a group. In those negotiations, the invocation of the availability of a Section 271 remedy at the FCC also helped API to achieve more reasonable rates and terms in its commercial voice line agreement with AT&T.

API, like Granite, enters into commercial agreements with RBOCs to obtain the voice grade service it provides to retail customers for the vast majority of its business voice lines, and the § 271 requirement has been extremely helpful in enabling API to obtain reasonable commercial agreements for voice grade service. API believes that without a § 271 requirement, the competitive pressure that Granite and other CLECs using this means of competition place on the RBOCs would be lessened, resulting in reduced consumer welfare benefits (i.e. higher end user rates, less customer choice and lower service quality).

Since that episode in 2009, API has had several more renegotiations of its commercial voice line agreements with AT&T, which I handled personally, without the assistance of counsel. During these renegotiations, it was understood by both parties that if AT&T did not provide at least somewhat reasonable rates, terms, and conditions, API would have the ability to complain to the FCC that AT&T was not complying with its Section 271 obligations. If the FCC were to rule in
these proceedings that AT&T was no longer required to comply with Section 271, I would expect that AT&T would be much less reasonable than it has been.

One reason that I believe that this is so is that API also purchases some unregulated service, such as PRIs, from AT&T. AT&T has taken advantage of the absence of regulation to impose enormous increases in prices for such service. Such price increases are orders of magnitude higher than AT&T’s increases in prices for business voice lines in commercial agreements. I believe that absent Section 271, AT&T would do likewise with the prices of business voice lines in commercial agreements, even assuming it offered such agreements at all.

Based on API’s experience, it joins in Granite’s observations about the availability of wholesale cable and service to serve small business customers. API has frequently asked cable providers whether they can provide wholesale service to API at customer locations. At the vast majority of API customer locations, the incumbent cable company does not have facilities. Moreover, the rates that these cable companies quote us to extend facilities to these locations are prohibitive, given the relatively small demand that API’s customers have at each location. Most API customer locations require four or fewer voice lines. Because of the small demand at each location, other CLECs rarely, if ever have facilities at those locations, and therefore do not provide API with a competitive alternative to the ILEC.

Please do not hesitate to contact me if you have any questions or concerns regarding this submission.

Respectfully submitted,

Richard Brown
CEO and Chairman, Access Point, Inc.