



January 13, 2014

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition; Petition of NTCA for a Rulemaking to Promote and Sustain the Ongoing TDM-to-IP Evolution, GN Docket No. 12-353; Technology Transitions Policy Task Force, GN Docket No. 13-5; Connect America Fund, WC Docket No. 10-90; High-Cost Universal Service Support, WC Docket No. 05-337*

Dear Ms. Dortch:

On Friday, January 10, 2014, Shirley Bloomfield, Chief Executive Officer of NTCA–The Rural Broadband Association (“NTCA”), Joshua Seidemann, Director–Policy of NTCA, and the undersigned, together with Dave Bickett, General Manager and Chief Executive Officer of Park Region Telephone and Otter Tail Telecom; Eric Cramer, Chief Executive Officer of Wilkes Communications; Denny Law, Chief Executive Officer of Golden West Telecommunications; Brian Thomason, Chief Executive Officer of Blue Valley Tele-Communications; Jimmy Todd, Chief Executive Officer of Nex-Tech; and Jeff Wilson, Chief Executive Officer of West Carolina Tel (collectively, the “NTCA Representatives”), met with Jonathan Sallet, Jonathan Chambers, Julie Veach, Carol Matthey, and Patrick Halley in connection with their work on the Technology Transitions Task Force regarding matters in the above-referenced proceedings.

The NTCA Representatives first detailed the substantial efforts they have already made to deliver the promise of technological evolution to consumers in some of the most difficult-to-serve areas of the United States. They provided context on the areas they serve, describing customer densities that often fall below five households per square mile, a customer base that consists of few, if any, medium to large businesses, and topographical challenges that include hilly terrain, many bodies of water or wetlands, and/or national parks and forest land spread across vast distances. They discussed different drivers of investment in different kinds of rural areas; the NTCA Representatives explained that even if some business case may exist to deploy networks in somewhat larger rural towns where very small businesses and some anchor institutions reside, it can be difficult in some cases to obtain access to capital to do so. They also noted that it is dramatically harder still, however, to deploy and operate networks in outlying, less densely populated areas in the absence of sufficient and predictable explicit ongoing universal service support that is aimed not only at helping to build such networks (*i.e.*, supporting capital expenses) but sustaining them and keeping the services offered over them affordable and reasonably comparable (*i.e.*, supporting operating expenses).

The NTCA representatives then described their ongoing migration from circuit switching to IP-based softswitches and their work to deploy fiber deeper into their networks in response to consumer demands, as well as efforts to meet consumer needs through other technological platforms, such as fixed wireless. They noted that, above all else, the delivery of affordable, high-quality services to consumers remains the mission of all small rural telcos, whether cooperative or privately-owned, and after reiterating that the work they had undertaken to date was made within the context of existing regulatory and statutory frameworks, they urged the Federal Communications Commission (the “Commission”) to avoid treating mere technological evolution in underlying networks as an excuse or justification in and of itself for departure from core principles of universal service, consumer protection, or reasonable competitive policies.

The NTCA Representatives discussed their commitment to service quality, and expressed concern regarding the lack of standards or focus on such quality that seems to arise across the industry in the context of IP-enabled services. For example, they noted many of them and many other rural telcos are at this point “all-IP” within their networks, but that careful management of the networks – including continuing dedication to operating effectively as a carrier of last resort in terms of the quality of service delivered to consumers – is essential to ensuring that the benefits of this IP evolution in fact flow to consumers. Citing the ongoing frustration of rural consumers with call completion as a case study, the NTCA Representatives described what an all-IP world can look like in the absence of reasonable regulatory oversight and a committed focus on customer service, network management, and seamless interconnection that maintains service quality and does not foist the costs of long transport networks unreasonably and disproportionately upon small rural customer bases.

The NTCA representatives also discussed the continuing importance of *both* voice *and* broadband in “all-IP” world. While not every customer may wish to adopt both services, it is important that both services be available to consumers – and that both types of service be both affordable and of high quality. Thus, no consumer should be denied access to broadband at reasonably comparable rates simply because that consumer makes the affirmative choice to adopt only broadband, underscoring the need for the kind of update to the universal service support mechanism for rural telcos first proposed by NTCA in its November 2012 IP Evolution petition. At the same time, no consumer who wants it should be denied access to affordable, reliable voice service simply in a rush to get broadband “out there.” In this regard, several of the companies discussed their experience with fixed wireless operations which, while perhaps enabling some minimal level of broadband for consumers who might otherwise have lacked such access, cannot provide scalable broadband services and, more importantly, do not provide reliable voice service for those consumers who need to conduct business, speak with loved ones, or contact public safety in times of need.

Finally, we discussed the Commission’s interest in conducting “trials” and how rural telcos – many of whom again have taken substantial steps along the path toward “IP evolution” – might participate to help ensure that this evolution is both realized and then sustainable in all areas. The NTCA Representatives expressed interest in participating in trials to the extent such trials would help ensure and promote core values of universal service and consumer protection in rural America, would take account of the unique circumstances of serving widely varying swaths of rural areas, and would recognize that it is important not only to “get broadband out there,” but also to *keep* broadband out there, keep it affordable, and ensure that consumers have access to affordable, reliable voice service as well.

Marlene H. Dortch
January 13, 2014
Page 3 of 3

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS.

Sincerely,

/s/ Michael R. Romano
Michael R. Romano
Senior Vice President – Policy

cc: Jonathan Sallet
Jonathan Chambers
Julie Veach
Carol Matthey
Patrick Halley