

June 26, 2014

Ex Parte Notice

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

Dear Ms. Dortch:

On Tuesday, June 24, 2014, the undersigned on behalf of NTCA–The Rural Broadband Association ("NTCA"), together with the attached NTCA members and staff listed on Attachment A hereto, met in Arlington, Virginia, with Matthew DelNero, Deputy Chief of the Wireline Competition Bureau, to discuss matters in the above-referenced proceedings.

First, we discussed the recent announcement by Chairman Wheeler regarding attempts to understand better how networks interconnect in the exchange of data. While generally welcoming efforts to understand how larger entities like Comcast and Netflix interconnect with one another, meeting participants noted that smaller providers have little, if any, market power – and in many rural areas, limited choices – for interconnection with larger networks or exchange of data controlled by larger content providers. Meeting participants further noted that the lack of transparency in these markets can undermine their effectiveness and often appears to result in a paradigm where "biggest always wins" with costs and transport burdens being pushed "downward" onto smaller entities.

Next, we discussed how transport and interconnection costs arising out of interactions with larger networks and content providers can have a particularly disproportionate impact on smaller providers operating in rural areas. The sparsely populated and geographically dispersed nature of these areas can limit even best efforts to obtain scale and manage costs. Meeting participants noted, for example, that even the most ambitious efforts to manage network costs by caching content may yield only limited, short-term savings as more "livestream" content (such as World Cup soccer matches or other sporting events) migrates from traditional platforms to over-the-top delivery mechanisms. Accordingly, solving these rural transport and interconnection cost issues through a combination of carefully constructed rules of the road for traffic exchange and refined, sufficient universal service support mechanisms must be seen as an essential component of a 21st century broadband-focused universal service policy.

Re: Connect America Fund, WC Docket No. 10-90; High-Cost Universal Service Support, WC Docket No. 05-337; 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; Protecting and Promoting the Open Internet, GN Docket No. 14-28

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Finally, meeting participants discussed the need to ensure the continuing integrity of communications in an IP-enabled world powered by broadband-capable networks. Technology transition and the deployment of more robust, broadband-capable networks should yield benefits for consumers in terms of service function, service price, service quality, and service reliability. Technology transition should not become – as it has for some in recent years – an excuse for decreased service quality, lack of reliability, or evasion of basic rules needed to ensure networks interconnect seamlessly with one another. Increases in recent years of call completion problems and call spoofing incidents provide troubling indications of what can happen when actors believe that technological changes permit evasion of basic rules of the road. Meeting participants urged the Federal Communications Commission (the "Commission") to renew and actively demonstrate its commitment to core public interest principles of consumer protection, competition, public safety, network reliability, and universal access regardless of the technologies employed in the underlying networks that facilitate delivery of services.

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,

<u>/s/ Michael R. Romano</u> Michael R. Romano Senior Vice President – Policy

cc: Matthew DelNero

ATTACHMENT A PARTICIPANTS IN NTCA MEETING WITH MATTHEW DELNERO JUNE 24, 2014

Dennis Bachman, Citizens Telephone Cooperative (WI) Janet Bathurst, S & A Telephone Company (KS) Mark Benton, Midstate Communications (SD) Rvan Boone, Premier Communications (IA) Janet Britton, EATEL (LA) David Clark, Kerman Telephone Company (CA) Richard Coit, South Dakota Telecommunications Association Tom Conry, Farmers Mutual Cooperative Telephone Company (IA) Paul Cooper, Fred Williamson & Associates (MO) (via phone) Eric Cramer, Wilkes Telecommunications (NC) Jason Dandridge, Palmetto Rural Telephone Cooperative (SC) Robert DeBroux, TDS Telecom (WI) Chad Duval, Moss Adams (CA) Thomas Farm, Olson Thielen (MN) David Fox, Clinton County Telephone Company (MI) Jim Frame, National Exchange Carrier Association Allen Gillum, Appalachian Wireless (KY) Rhonda Goddard, Nex-Tech (KS) Laura Graff, Atlantic Telephone Membership Corporation (NC) Kevin Hess, TDS Telecom (WI) Don Jackson, Tri-County Telephone Association (WY) Brock Johansen, Emery Telcom (UT) Kevin Kelly, TCA (CO) Christopher Kyle, Shentel (VA) Denny Law, Golden West Telecommunications (SD) Dan Lindgren, KPU Telecommunications (AK) Barb Main, Pigeon Telephone Company (MI) Steve Meltzer, JSI (MD) Steve Merriam, Arctic Slope Telephone Association Cooperative (AK) Roger Nishi, Waitsfield & Champlain Valley Telecom (VT) Keith Oliver, Home Telephone Company (SC) Renee Reeter, Green Hills Telephone Corporation (MO) Jeff Smith, GVNW Consulting (OR) Manny Staurulakis, JSI (MD) (via phone) Larry Thompson, Vantage Point Solutions (SD) Bruce Todd, STRATA Networks (UT) Kelley Wells, Panhandle Telephone Cooperative (OK) Jonathan West, Twin Lakes Telephone Cooperative Corporation (TN) Candace Wright, Blue Valley Tele-Communications (KS) Joshua Seidemann, NTCA Brian Ford, NTCA Jessica Golden, NTCA (via phone) Hillary Crowder, NTCA Leif Oveson, NTCA (via phone) Michael Romano, NTCA