July 10, 2019

FILED VIA ECFS

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Notice of Ex Parte Presentation, WC Docket No. 18-141

Dear Ms. Dortch:

On July 9, 2019, H. Edward Wynn and Christopher Surdenik of Call One Inc. met via teleconference with the following individuals at the FCC:

> Terri Natoli, Associate Bureau Chief, WCB
> Edward Krachmer, Assistant Division Chief, WCB, Competition Policy Division
> Michele Berlove, Special Counsel, WCB, CPD
> Megan Capasso, Attorney Advisor, WCB, CPD
> Claudia Pabo, Advisor to the Division Chief, WCB, CPD
> Gregory Capobianco, Attorney Advisor, WCB, CPD

The purpose of the teleconference was to discuss the comments Call One filed in this docket on August 6, 2018 and on June 25, 2019, and to discuss Call One's positions related to forbearance of the Section 251(c)(4) resale obligation.

In addition to the positions and facts in those comments, we discussed the following matters:

Although Call One maintains its position that the request for forbearance from the Section 251(c)(4) "wholesale resale" obligation should be denied for the reasons stated in our comments, we also highlighted the following should the FCC grant the request:

- Incumbent Local Exchange Carriers ("ILECs") continue to actively offer copper-wire ("TDM") services to small and medium business ("SMB") customers in competition with Call One's resale offerings of those same TDM services. Thus, for the reasons stated in our comments regarding pricing of these services, if the FCC grants forbearance from the wholesale resale obligation, it

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would effectively eliminate Call One’s ability to offer these services to SMBs even though the ILECs could continue to offer those services. This is because our cost for such services would be equal to or greater than the ILECs retail price.

- The transition period for wholesale resale services must extend until the ILECs no longer offer TDM services to SMB customers, Otherwise, the ILECs will be able to re-establish a monopoly position for such customers.

- Should the Commission prefer to establish a fixed transition date, Call One recommends a minimum 3-year (but preferred 5-year) transition period. Specifically:

  - Some of Call One’s vendor agreements that are required to provide TDM resale services to customers (e.g. related transport and facilities) have early termination liability penalties if we terminate the agreement prior to its expiration. Generally, these agreements have 3-year terms.
  - In addition, Call One’s contracts with our customers typically have 3-year terms. Requiring Call One to terminate those contracts sooner will be disruptive to those customers and may subject Call One to early termination liability or other contractual remedies.
  - Finally, Call One, as we suspect is true for most other CLECs, does not have unlimited access to capital needed to make the substantial investments in facilities required if the wholesale resale obligation were terminated without a reasonable transition. We plan for such expenditures over a 5-year period, considering both earnings and borrowing available for such investments consistent with prudent financial management. Thus, a 5-year transition period would permit Call One to make those investments without undue negative financial effects.

For these reasons we continue to urge the FCC not to eliminate the 251(c)(4) wholesale resale requirement. However, if it does, an appropriate transition period is the latter of: (a) the last date the ILECs’ discontinue offering TDM based services to SMB customers or (b) 5 years from the effective date of the FCC’s forbearance decision.

This disclosure is made pursuant to 47 C.F.R. Sec. 1.1206.

Sincerely,

H. Edward Wynn

H. Edward Wynn Christopher Surdenik

cc: Terri Natoli (via e-mail)
Edward Krachmer (via e-mail)
Michele Berlove (via e-mail)
Megan Capasso (via e-mail)
Claudia Pabo (via e-mail)
Gregory Capobianco (via e-mail)