

May 29, 2015

VIA ECFS

NOTICE OF EX PARTE

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

Re: *Technology Transitions, GN Docket No. 13-5; AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition, GN Docket No. 12-353 Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. § 160(c) from Enforcement of Obsolete Incumbent LEC Legacy Regulations that Inhibit Deployment of Next-Generation Networks, WC Docket No. 14-192; IP-Enabled Services, WC Docket No. 04-36*

Dear Ms. Dortch:

On May 27, 2015, Michael Galvin and Sam Kline of Granite Telecommunications, LLC (“Granite”) and Granite’s outside counsel, Eric Branfman of Morgan, Lewis & Bockius LLP and the undersigned, met, in person, with Carol Matthey, Randy Clarke, Dan Kahn, Jodie Donovan-May, Pam Arluk, David Zesiger, Bakari Middleton, and Virginia Metallo and, by phone, with Jean Ann Collins, Heather Hendrickson, and Michele Berlove, all of the Wireline Competition Bureau.

During the meeting, we explained that Granite and other similarly-situated competitive carriers serve multi-location business customers that have modest demands for voice services at each location by combining value-added services with underlying TDM-based telephone services purchased at wholesale from incumbent LECs. We then discussed the information in the attached presentation, which demonstrates, among other things, that wholesale agreements with incumbent LECs are the only viable means by which competitive carriers can meet such multi-location businesses’ demand that their service provider serve all or most of their business locations. Likewise, businesses that are located in most suburban or rural areas and need service at only one or a few locations, with modest demand at each location, can be served by competitors only through wholesale agreements with the incumbent LEC. As we explained, however, Granite has been unable to reach an agreement with any incumbent LEC for the wholesale purchase of IP voice services yet,¹ and effectively removing wholesale voice services

¹ While AT&T has pointed to an October 2014 wholesale agreement with Granite that extends through 2017, that agreement does not entitle Granite to purchase IP services from AT&T.

regulation by not updating those regulations to apply to substitute IP replacement products undermines Granite's attempts to reach any such agreement on reasonable rates, terms, and conditions.

Accordingly, we explained that the Commission should adopt the proposal in the *Technology Transitions NPRM* to require incumbent LECs that seek to discontinue "a legacy service that is used as a wholesale input by competitive carriers to commit to providing competitive carriers equivalent access [to IP-based services] on equivalent rates, terms, and conditions."² In so doing, the Commission should clarify that a "legacy service that is used as a wholesale input" means any service purchased by a competitor at wholesale and used by the competitor to serve its own customers, including but not limited to, commercial UNE-P replacement arrangements, retail services sold at wholesale to a reseller, and special access services. To the extent the Commission determines that this requirement should be "interim" in nature, it need not expressly tie its duration to the conclusion of a specific pending or future proceeding. But if the Commission decides that it must identify such a proceeding, it can state that the equivalent access requirement as applied to wholesale voice services shall remain in effect until such time as the Commission adopts rules governing the economic regulations governing incumbent LEC wholesale voice services in the pending *IP-Enabled Services* proceeding.³

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

Respectfully submitted,

/s/ Thomas Jones
Counsel for Granite Telecommunications, LLC

cc: Meeting participants

Enclosure

² See *Technology Transitions et al.*, Notice of Proposed Rulemaking and Declaratory Ruling, 29 FCC Rcd 14968, ¶ 110 (2014) ("*Technology Transitions NPRM*").

³ See *IP-Enabled Services*, Notice of Proposed Rulemaking, 19 FCC Rcd 4863, ¶ 73 (2004) (seeking comment on whether and how economic regulations set forth in Title II should be applied to any class of IP-enabled service provider, including providers of IP voice services).

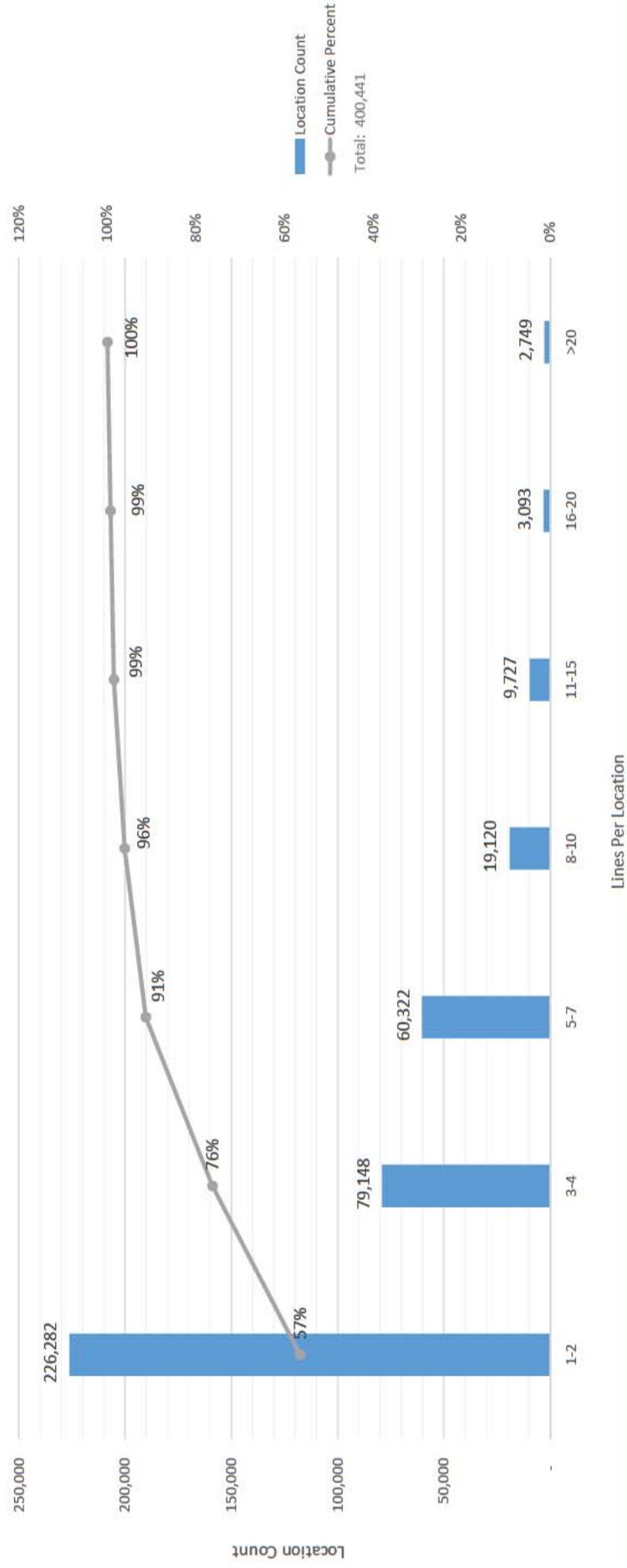
ATTACHMENT

GRANITE OVERVIEW

- 1.4 million business lines
- Focus on multi-location companies & gov't agencies
 - 86 of the *Fortune* 100
 - 400,000 customer locations
 - Serving 4,800 companies
 - Wide spread geographic footprint
 - Provide service in all 50 states
- Individual locations have profile of small businesses

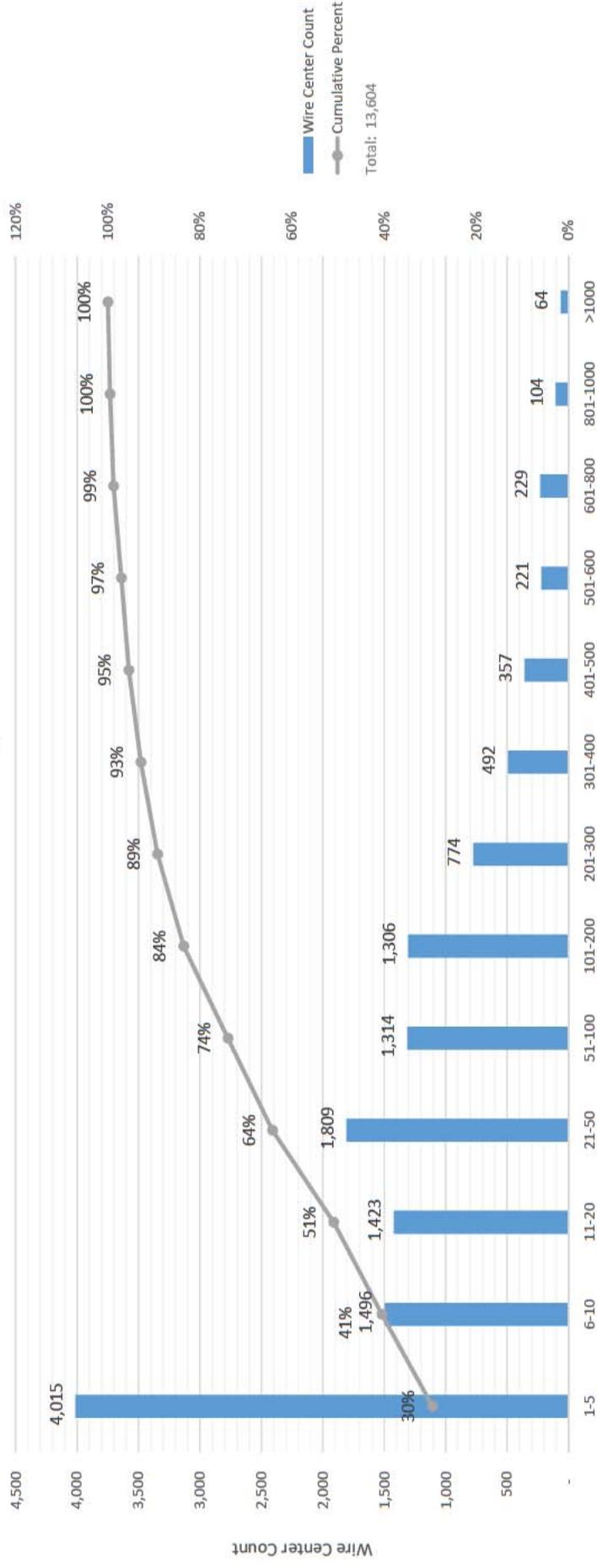


Percent of Granite Customer Locations Number of Lines Per Granite Customer Location





Wire Centers Serving Granite Customers Number of Granite Lines per Wire Center





- Voice / POTS lines per customer location
 - 57% of locations have only 1 or 2 Lines
 - Another 20% of locations have only 3 or 4 Lines
 - Only 1.5% of locations have more than 16 Lines
- Total Granite lines per Wire Center
 - 30% of Wire Centers serve only 5 or fewer Lines
 - Another 21% of Wire Centers serve only from 6 to 20 Lines
- ✓ National customers require minimal lines at many locations and across many Wire Centers
- ✓ Neither Granite nor any other CLECs / service provider could economically construct a second, duplicate network for these customers
- ✓ Granite and other non-facilities-based CLECs are dependent on wholesale ILEC networks
 - Wholesale LWC, Wholesale Advantage, etc.



**CABLE AVAILABILITY
(PREQUAL RESULTS FROM CARRIERS)**

		CONSTRUCTION COST (\$)				
		Zero	Under 3.5K (Not Zero)	Over 3.5K	Prequal Fails	Total
Total		474	984	1035	663	3156
% of Total		15%	31%	33%	21%	100%
..... economically Service:		54%		



- On a national basis, 85% of customer locations do not have cable without construction to extend cable network
- Where construction required
 - 51% cost greater than \$3,500
 - 49% cost less than \$3,500
- ✓ In 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.