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June 3, 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 June 1, 2015, Michael Galvin, Paula Foley, and, by phone, Sam Kline of Granite Telecommunications, LLC ("Granite"), Kevin Joseph, on behalf of Granite, and the undersigned, met with Matt DelNero, Randy Clarke, Dan Kahn, Pam Arluk, David Zesiger, Bakari Middleton, Michele Berlove, and Jean Ann Collins and, by phone, with Deena Shetler, Virginia Metallo, and Heather Hendrickson, all of the Wireline Competition Bureau.

During the meeting, we made the points described in Granite's ex parte filed on May 29, 2015 in the above-referenced proceedings. In addition, we discussed the data 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 multi-location businesses' demand that their service provider serve all of their business locations.

In addition, we explained that there is an equally strong basis for applying the equivalent access requirement proposed in paragraph 110 of the *Technology Transitions NPRM* [1] to wholesale TDM voice agreements and special access services. As with special access services subject to Phase II pricing flexibility, ILEC wholesale TDM-based voice services are currently governed by Sections 201 and 202 of the Act. Moreover, the IP replacement services for special access (Ethernet) and wholesale voice (IP voice) are both subject to insufficient rate regulation to protect against ILEC abuse of market power after discontinuing legacy service offerings.

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

Indeed, the situation is particularly dangerous for ILEC wholesale IP-based voice services because the FCC has not even classified VoIP as a telecommunications service, thereby leaving wholesale buyers completely at the mercy of ILEC abuse of market power. There is therefore every reason to apply the equivalent access requirement to wholesale voice just as it should apply to special access.

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

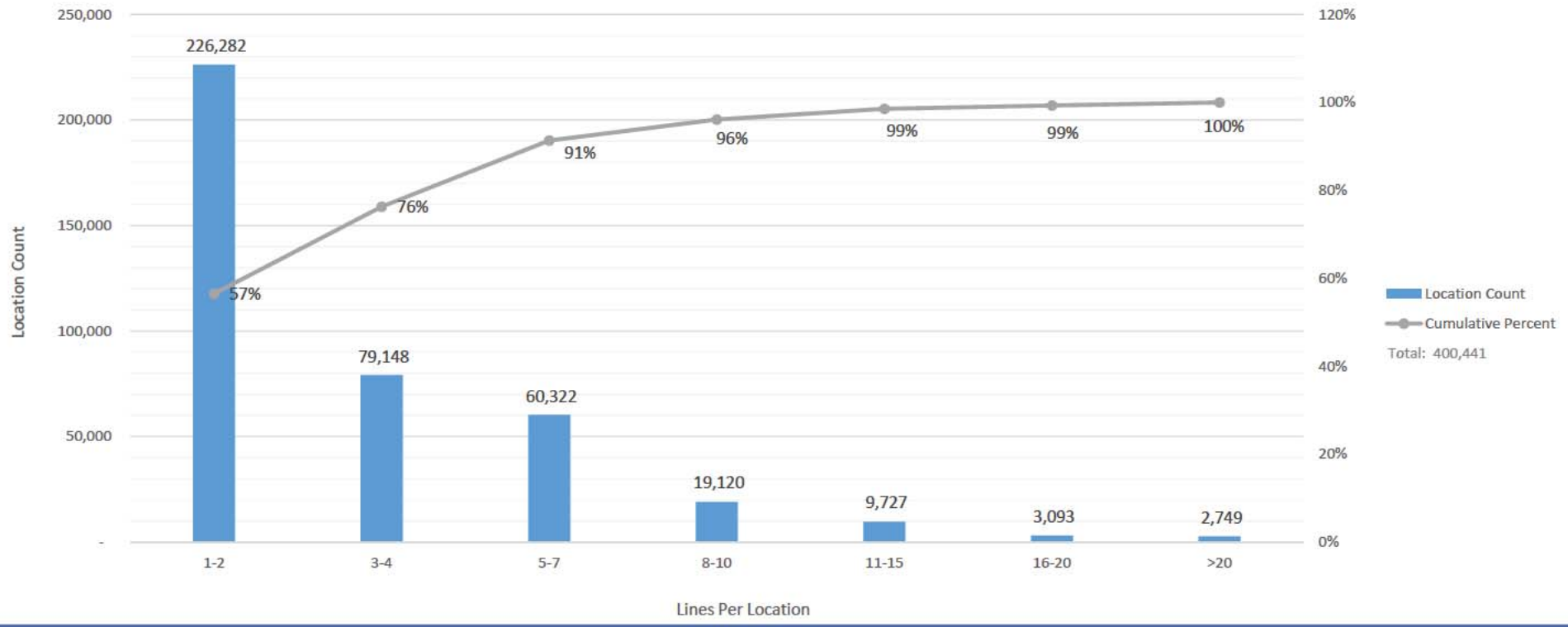
ATTACHMENT

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
- <u>Individual locations have profile of small businesses</u>

Percent of Granite Customer Locations

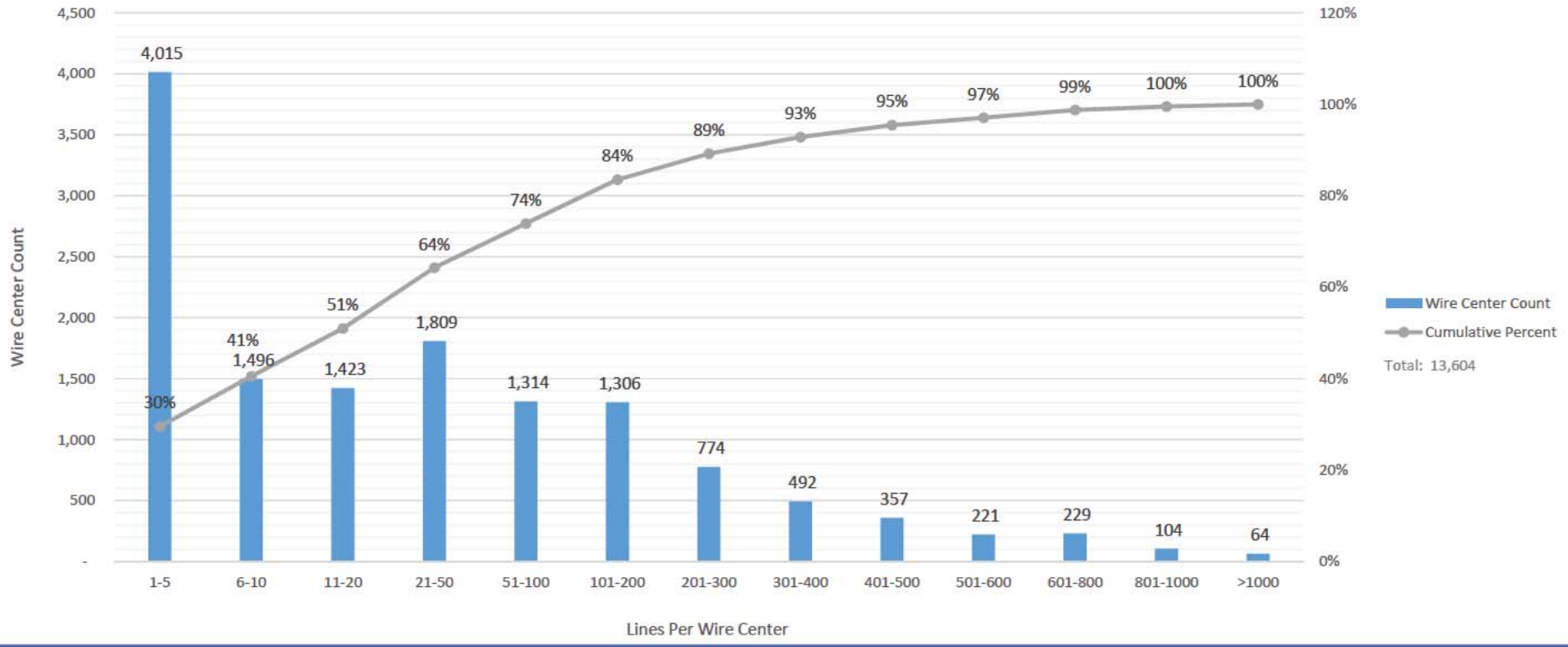
Number of Lines Per Granite Customer Location



Granite

Wire Centers Serving Granite Customers

Number of Granite Lines per Wire Center



Granite

- Customer Locations
  - 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
  - 66% of locations sole occupant
  - 78% only 1 other occupants
- Granite has Lines in 13,604 Wire Centers
  - 30% of Wire Centers serve only 5 or fewer Lines
  - Another 21% of Wire Centers serve only from 6 to 20 Lines

✓ Customers require minimal lines at many locations and across many Wire Centers

✓ Customer locations have few, if, any other tenants

✓ No duplicate, second network could economically be constructed for these customers

✓ Granite and other CLECs are dependent on unbundled ILEC/RBOC Networks

– Wholesale LWC, 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%
[illegible] economically [illegible] Service:			54%		

Cable Availability – Granite Customer Locations

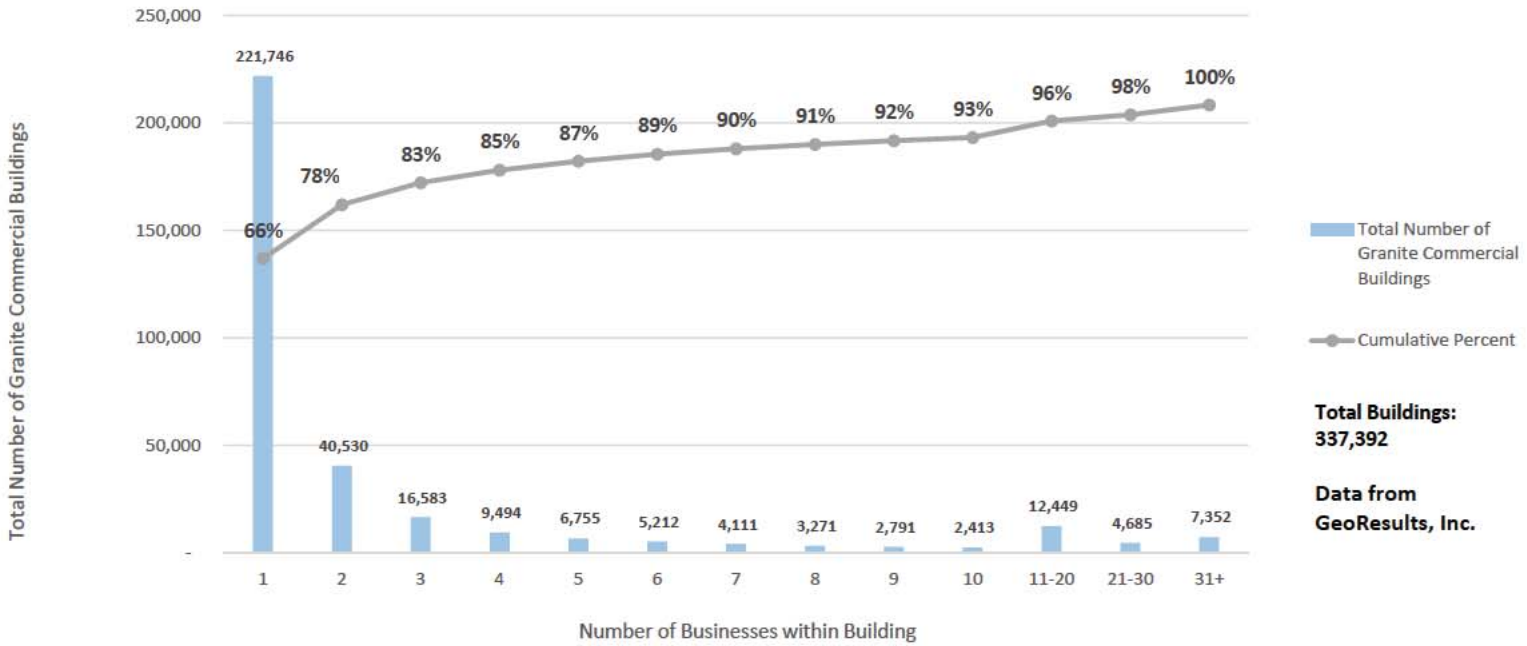
- On a national basis, 85% of customer locations do not have cable without construction to extend cable network

- 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 <u>only provider</u> available to the small business market, if wholesale use of RBOC/ILEC network is not continued.

TOTAL NUMBER OF GRANITE COMMERCIAL BUILDINGS

By Number of Businesses within Building

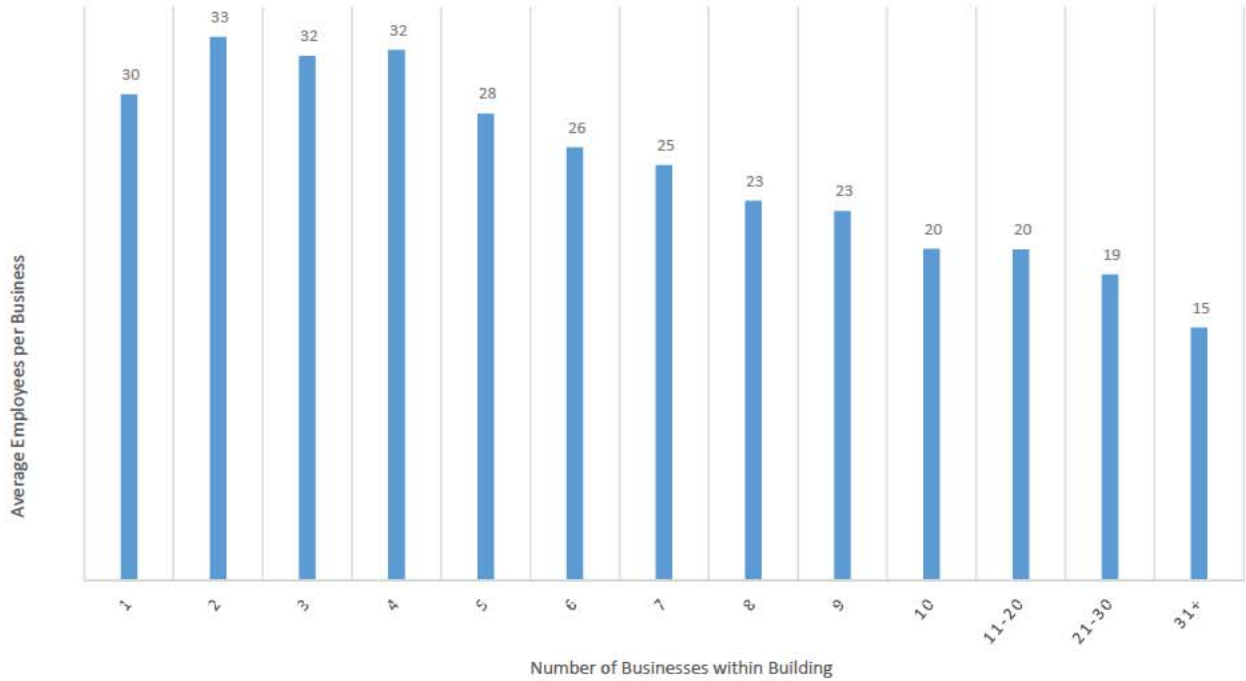


Total Buildings: 337,392

Data from GeoResults, Inc.

AVERAGE EMPLOYEES PER BUSINESS

By Number of Businesses within Building



Total Employees: 26,466,676

Total Businesses: 1,223,259

Total: 328

Data from GeoResults, Inc.