USTELECOM
THE BROADBAND ASSOCIATION

September 15, 2015

Ex Parte

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

Re: WC Docket Nos. 14-192, 13-3, 14-30

Dear Ms. Dortch:

On Friday, September 11, 2015, Lynn Follansbee and I met with Pam Arluk, Jodie May, Daniel Kahn, Pamela Megna, Madeleine Findley, Brian Hurley, Randy Clarke, and David Zesiger (all of the WCB). Also in attendance, via teleconference, was Tom Porisi (WCB).

The primary topic of our meeting was USTelecom's Petition for Forbearance, WC Docket No. 14-92 (filed October 6, 2014). We also discussed the pending proceeding on a USTelecom petition for a declaratory ruling that incumbent LECs are no longer dominant in the provision of voice services and the Commission on-going proceeding on part 32.[1]

As set out in detail in our petition, we discussed how legacy regulatory requirements divert resources from broadband to legacy services, handicapping the ability of USTelecom members to invest in fiber and modern IP services to deliver better and more competitive services to consumers and businesses. We discussed the competitive situation in voice and broadband services, noting the large percentage of households that have dropped traditional voice services in favor of mobile and competitive IP-based services as well as the breadth of cable competition across both residential and business markets.

We discussed the seven categories of relief sought in the Petition as described in the Commission's Public Notice in this proceeding. However, our discussion focused on Category 1 (remaining aspects of sections 271 and 272 obligations, equal access rules and the nondiscrimination and imputation requirements set out in the *Section 272 Sunset Order*), Category 3 (requirement to provide a 64 kbps voice channel where copper loop has been retired) and Category 7 (rules prohibiting price cap incumbent LECs' use of contract tariffs for

[1] *See,* Petition for Declaratory Ruling that Incumbent Local Exchange Carriers are Non-Dominant in the Provision of Switched Access Services, FCC, WC Docket No. 13-3 (rel. Jan. 9, 2013); In the Matter of Comprehensive Review of the Part 32 Uniform System of Accounts, WC Docket No. 14-130, 28 FCC Rcd. 10638 (rel. Aug. 20, 2014).

business data services). Our discussion of Category 1 focused on the structure and competitiveness of the long distance market and the percentage and number of households subscribed to a long distance provider separate from their local service provider. We described some of the network and IT costs of the Category 3 requirement and the potential role that service at that capacity would be likely to play in negotiations with competitive LECs and competition as well as the effect of other overlapping statutory and regulatory requirements in these areas. As part of that discussion, and throughout the meeting, we discussed the attached chart that highlights some of the relevant regulatory obligations on incumbent LECs. Our discussion of Category 7 focused on the current levels of competition for business customers and the fact that granting relief would allow only discounting of price cap business data services. We also discussed the relationship between this request for forbearance and the Commission's on-going special access proceeding. We also discussed the level of competition between mobile voice and fixed voice services and the affidavits attached to USTelecom's Forbearance Petition that provide detailed economic analyses of the competitiveness of fixed and mobile voice services.

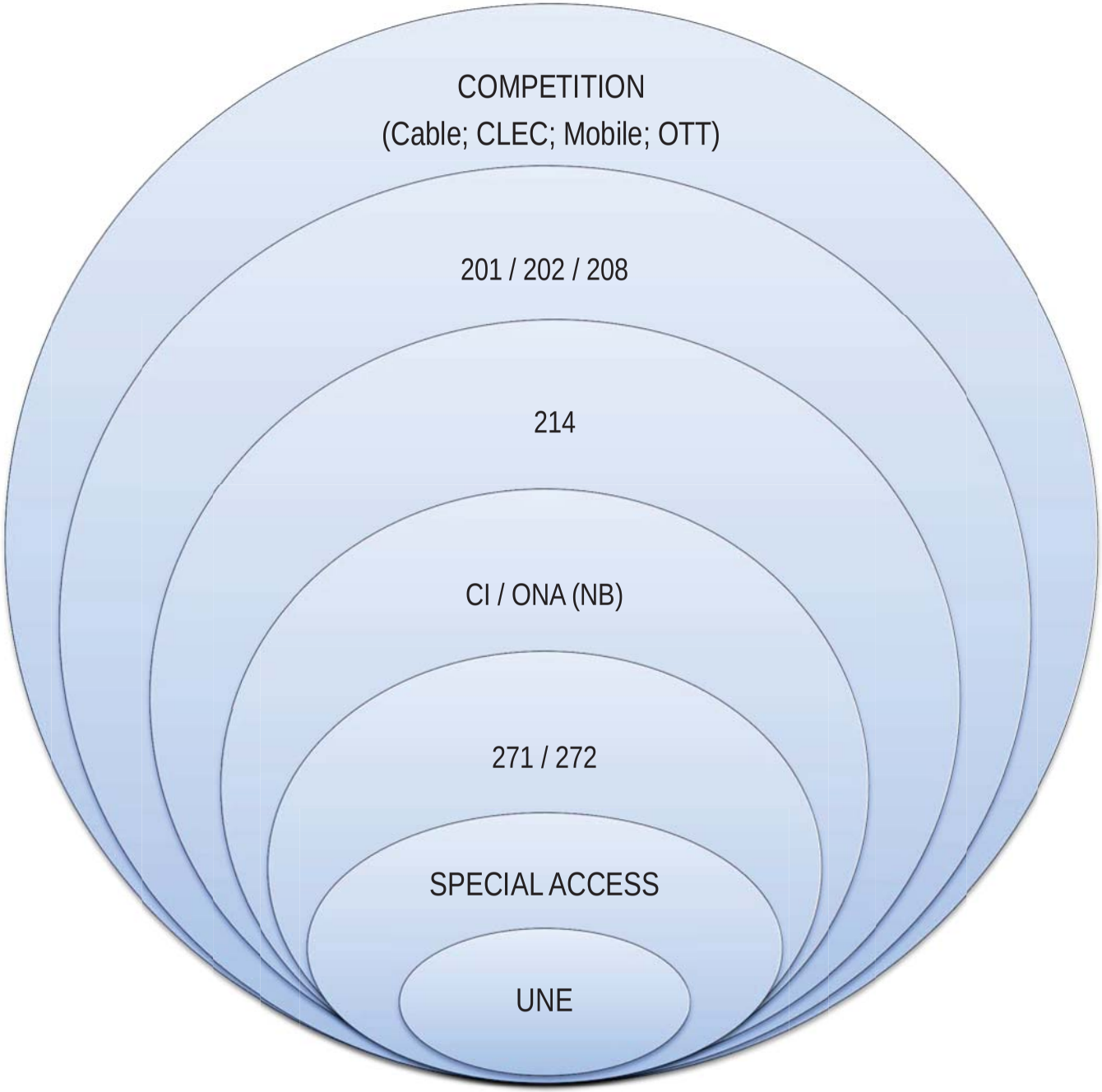
Finally, we discussed the interplay of the Petition with USTelecom's declaratory ruling petition for non-dominance cited above and in particular that voice competition has only increased since the filing of that petition in 2012, and that incumbent LEC shares of the voice market across the country continue to decline as customers switch to mobile and IP voice alternatives. In addition, we discussed that grant of relief from legacy Part 32 accounting mandates is timely, and would also remove regulatory mandates that funnel resources into legacy services and away from broadband, fiber optics and IP services.

Please contact the undersigned should you have any questions.

Sincerely,

Jonathan Banks
Senior Vice President, Law & Policy

c: Pam Arluk
Jodie May
Daniel Kahn
Pamela Megna
Madeleine Findley
Brian Hurley
Randy Clarke
David Zesiger
Tom Porisi


COMPETITION
(Cable; CLEC; Mobile; OTT)
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CI / ONA (NB)
271 / 272
SPECIAL ACCESS
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