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November 2, 2007

Via Electronic Delivery

Ms. Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentation
Universal Service (CC Docket No. 96-45)

Dear Ms. Dortch:

On November 1, 2007, Ms. Bonnie Lorang, of Montana Independent Telecommunications Systems, Mr. Rick Stevens, General Manager of Triangle Communication System, Inc. ("TCS") and the undersigned counsel met with Scott Bergmann in Chairman Adelstein's office to discuss the pending Petition to Redefine the Service Areas of Certain Rural Incumbent Local Exchange Carriers in Montana. TCS discussed the public interest benefits of its Petition for Redefinition, including the public safety benefits of providing wireless service to unserved areas in rural Montana. A summary of the issues discussed and the corresponding power point presentation are attached.

Pursuant to Section 1.1206 of the Commission's Rules, this letter is being filed with your office via ECFS. If you have any questions, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/

Rebecca L. Murphy
Counsel for Triangle Communication System, Inc.

Attachments

cc: Scott Bergmann (via email)

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Federal-State Joint Board on	)	
Universal Service	)	CC Docket No. 96-45
Triangle Communication System, Inc.	)	DA 07-3791
Petition for FCC Agreement to	)	
Redefine the Study Areas of Two Rural	)	
Telephone Companies in Montana.	)	

Ex Parte Presentation

November 1, 2007

Triangle Communication System, Inc.

CC Docket No. 96-45
DA 07-3791

Topic 1

? The MPSC has already considered the positions and arguments that the Montana Telecommunications Association now presents, once again, to the FCC.

- **A:**
- TCS Petition and FCC action is not premature. MPSC's Orders are final. The pending litigation does NOT impact the finality of the MPSC's Orders.
- **B:**
- There is no need for the FCC to initiate another proceeding to re-examine the TCS petition. The record before the FCC is complete. A Section 54.307(c)(3) proceeding is redundant and unnecessary. Initiating a proceeding only further delays grant of TCS's Petition.
- The MPSC Orders carefully weighed the merits of TCS's petition and determined it met or exceeded the stringent standards of the MPSC rules and satisfied FCC rules and guidelines.
- The MPSC considered and rejected the arguments MTA reiterates once more before the FCC.
- There is no reason for the FCC to duplicate what the MPSC has already done.

Topic 2

? The MPSC considered the density data and determined that TCS clearly was not cream skimming.

- The MPSC deemed the density data submitted in discovery, testimony, and post hearing exhibits sufficient. TCS, a small rural carrier, provided the MPSC density information in the two formats available to it at the time: 1) subscriber density by wire center and 2) population density by county.
- Supplemental density data (population by wire center) supports the MPSC conclusion that cream skimming is unlikely given the extremely rural nature of the redefined service area.
- There are no urban or metropolitan areas included in TCS's proposed ETC service area. Eight persons per square mile can hardly be considered dense or the "cream" of a potential service area.
- The populations of the wire centers in the two incumbents' study areas range from less than half a person/sq. mile to a maximum of eight persons per sq. mile. Realistically, this equates to one or two households per square mile in any of the wire centers. This difference in population density is not significant.

Topic 3

? **A:**

- TCS proposes to serve all the ILEC exchanges that fall within its 800 MHz licensed area. Equipment and propagation characteristics dictate that TCS utilize its 800 MHz licenses.

? **B:**

- Discussion of TCS's facilities.
- All incumbent exchanges geographically encompassed within TCS's 800 MHz licensed area are within the redefined study area.
- TCS does *not* hold FCC licenses geographically covering all the incumbents' exchanges.
- TCS is the first CETC designated within the incumbents' service area.
- TCS met the criteria set by the MPSC and will comply with all post-designation compliance requirements.
- The MPSC required and TCS commits to expand its network to reach 98% of the subscribers within five years at a -104dbm signal.
- TCS further commits to seek FCC licenses in areas currently unserved by other wireless providers in order to extend its network to cover the entire redefined study area.

Topic 4

? Without redefinition, consumers will continue to be denied access to wireless communications.

- Without universal service funds, TCS cannot economically deploy wireless communications in these remote Montana exchanges that have been largely bypassed by national and regional wireless providers.
- There is no support for the position that TCS must choose between serving the entire incumbent's study areas or serving none of the areas.
- It is not in the public interest to deny consumers living in frontier areas access to wireless telecommunications and its public safety benefits, including E911.
- The redefined study area includes the Fort Belknap Indian Reservation, primarily unserved by other wireless providers at this time.

Topic 5

? Any suggestion that the TCS petition is an example of how some wireless carriers are attempting to manipulate the current USF program is a blatant misrepresentation of the facts.

- TCS has responded to consumer cries for wireless communications in a largely unserved area of rural Montana.
- Evidence in the MPSC proceeding indicated that absent universal service funding, consumers in these areas will wait years for access to wireless communications.
- Designation of TCS as an ETC within the redefined service area will provide rural subscribers access to wireless telecommunications comparable to that provided to urban subscribers.
- Universal service policies are established within a context far greater than this instant redefinition proceeding involving a small Tier III wireless carrier proposing to extend service to one of the most rural, sparsely populated areas of the Nation.

<u>Topic 6</u>

? **A:**

? TCS is an example of a rural wireless company that "did it right" in seeking ETC designation.

- Unlike other wireless providers, TCS delayed seeking ETC designation.
- It filed its initial application before the Montana Public Service Commission (MPSC) in January 2004 and then promptly joined in a request that the MPSC stay all pending ETC designations until it adopted administrative rules for ETC designations and certifications.
- TCS filed its initial testimony in January 2006, *after* the MPSC ETC rules were adopted.
- TCS meticulously complied with all MPSC ETC rules and Federal requirements.
- The PSC docket spanned three years and was culminated by the MPSC unanimously affirming, not once but *twice*, that TCS had met its burden of proof and that its designation as an ETC within the redefined study area was in the public interest.

? **B:**

? The Montana PSC is an example of a State Commission that "did it right" in considering ETC designations and in adopting ETC rules.

- The MPSC recognized the importance of establishing stringent rules providing for a rigorous review of ETC petitions and continued oversight of ETCs.
- The MPSC generally delayed ETC proceedings until its ETC rules were adopted in April 2005.
- Its ETC rules are a positive model for other states.

Triangle Communication System, Inc.

Ex Parte Presentation to FCC

Nov 1, 2007

Triangle Communication System, Inc.

TCS Redefinition Proceeding

- The MPSC has already considered the positions and arguments that MT Telecommunications Association now presents, once again, to the FCC.
  - TCS Petition and FCC action is not premature
  - No need for FCC to initiate another proceeding to re-examine the TSC petition

TCS Redefinition Proceeding

- The MPSC considered the density data and determined that TCS clearly was not cream skimming

TCS Redefinition Proceeding

- TCS proposes to serve all the ILEC exchanges that fall within its 800 MHz licensed area.

TCS Redefinition Proceeding

- TCS is the first CETC designated within the ILEC service areas

TCS Redefinition Proceeding

- TCS met the criteria set by the MPSC and will comply with post-designation compliance requirements

TCS Redefinition Proceeding

- Without redefinition, consumers will continue to be denied access to wireless communications.

TCS Redefinition Proceeding

- Any suggestion that the TCS petition is an example of how some wireless carriers are attempting to manipulate the current USF program is a blatant misrepresentation of the facts

TCS Redefinition Proceeding

- TCS is an example of a rural wireless company that “did it right” in seeking ETC designation.

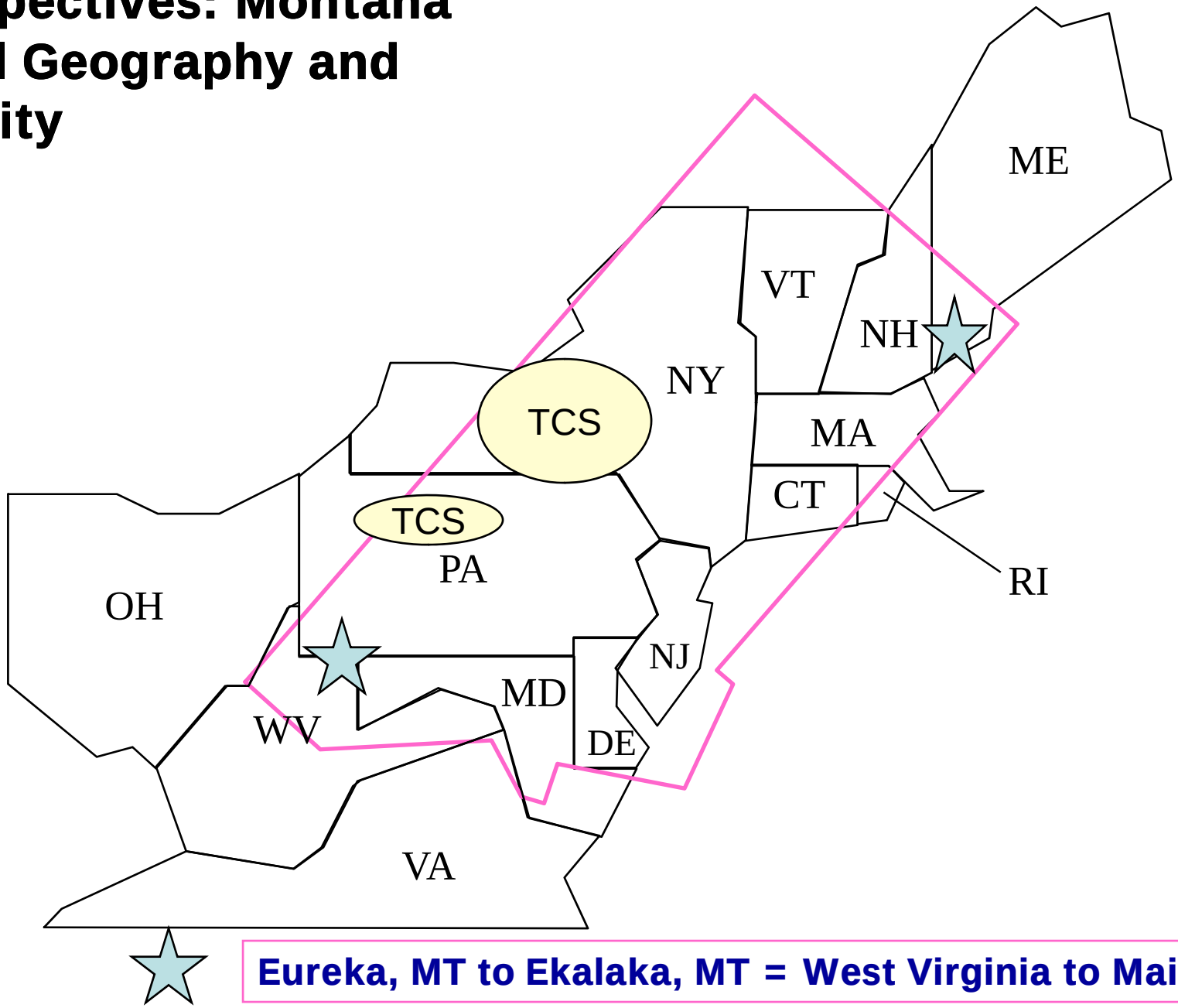
TCS Redefinition Proceeding

- The Montana PSC is an example of a State Commission that “did it right” in considering ETC designations and in adopting ETC rules.

TCS Redefinition Proceeding

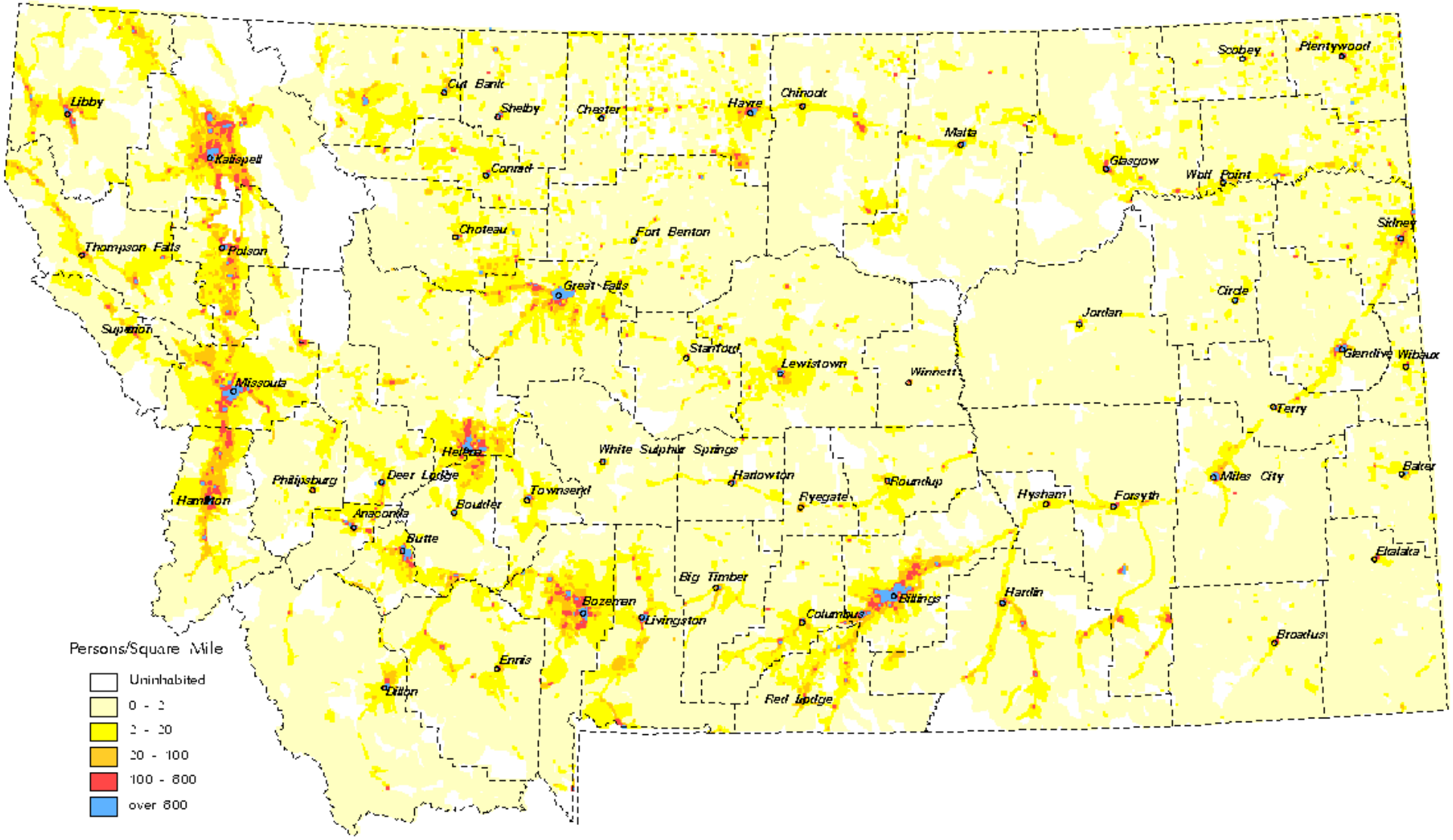
A Density Snapshot

Perspectives: Montana Rural Geography and Density



Eureka, MT to Ekalaka, MT = West Virginia to Maine

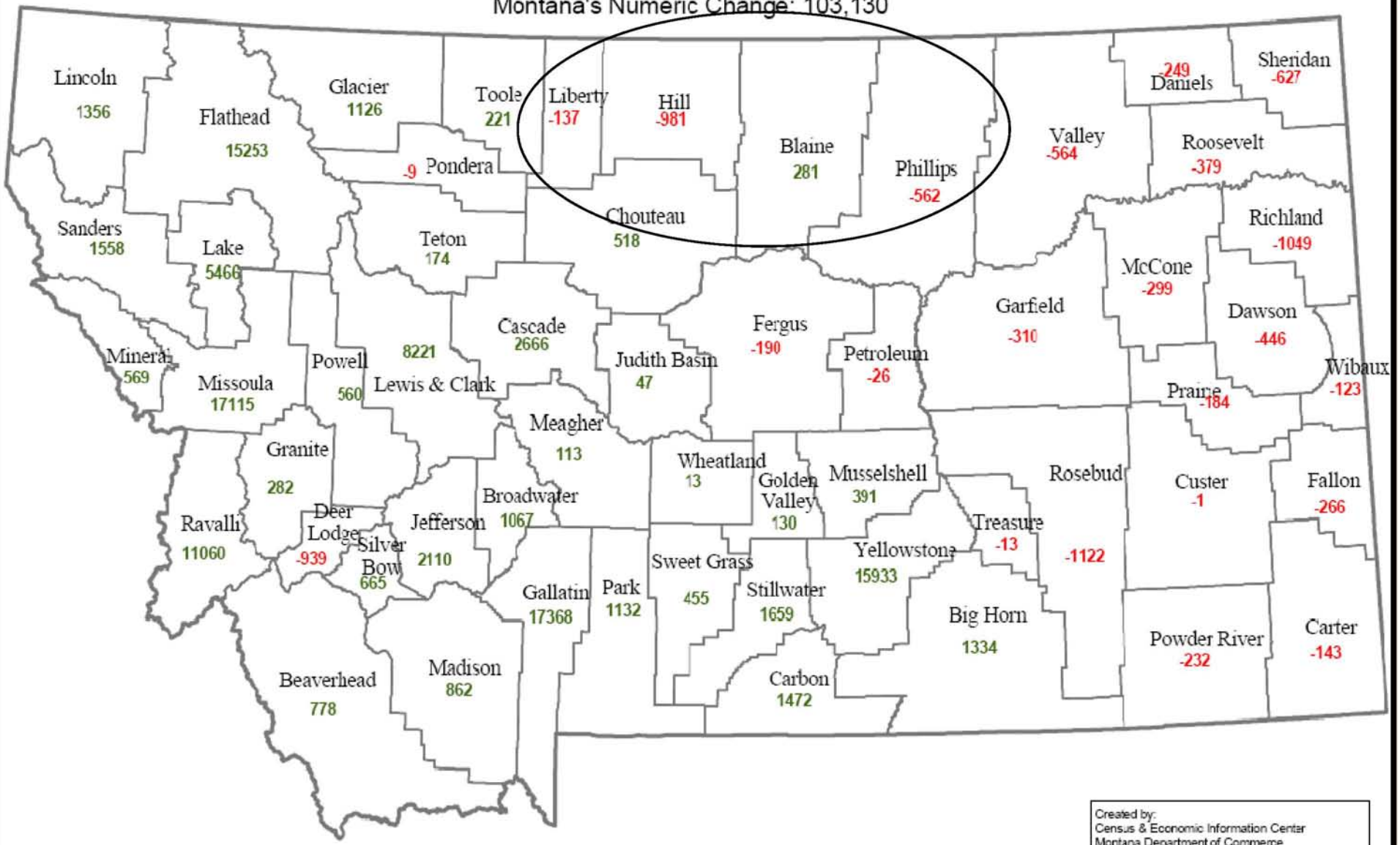
3 D's of T-Com: Distance-Density-Demand



Montana County Population

Total Numeric Change 1990 to 2000

Montana's Numeric Change: 103,130



Source: U.S. Bureau of the Census, Public Law 94-171 data. March 2001.

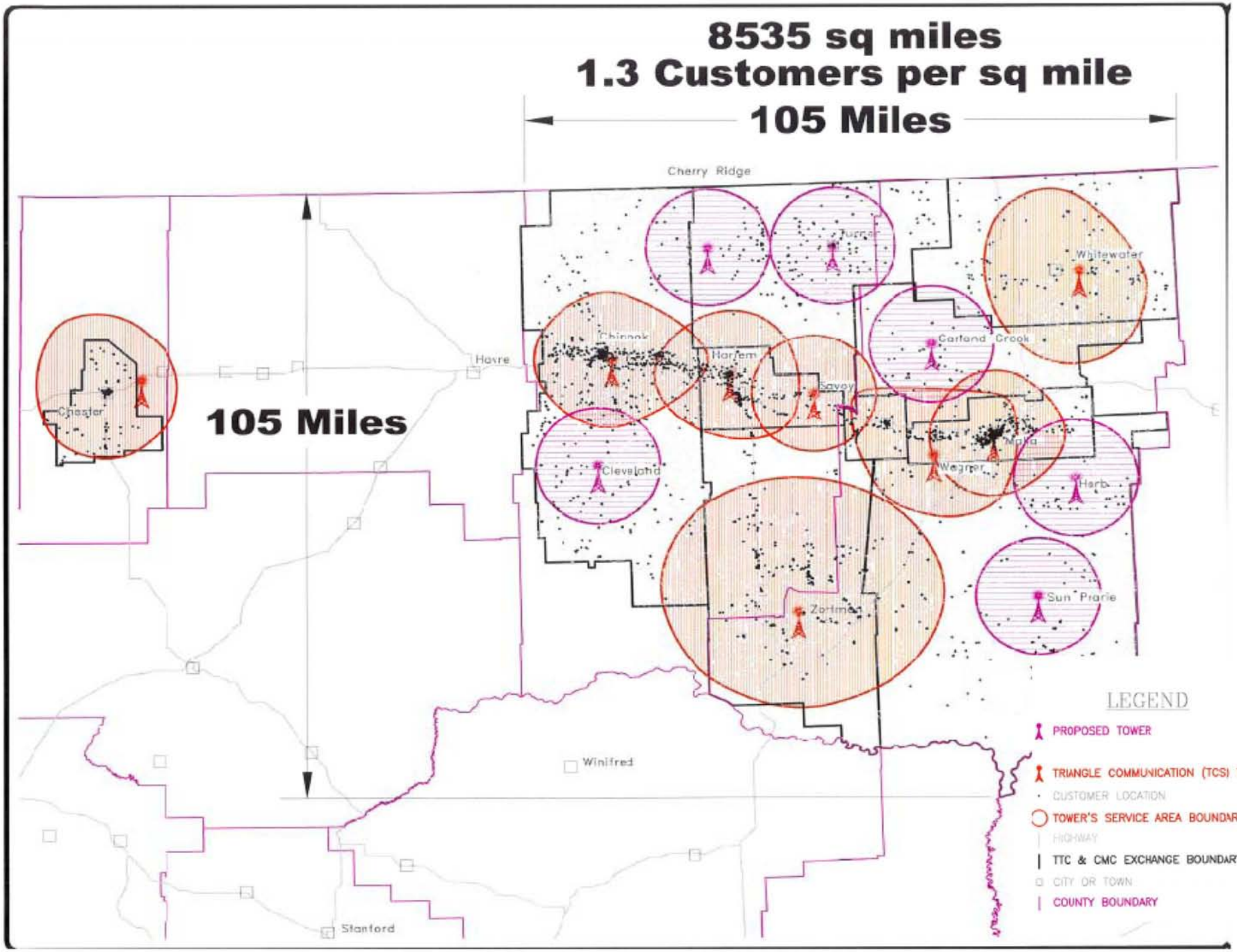
March 21, 2001

25 0 25 50 Miles

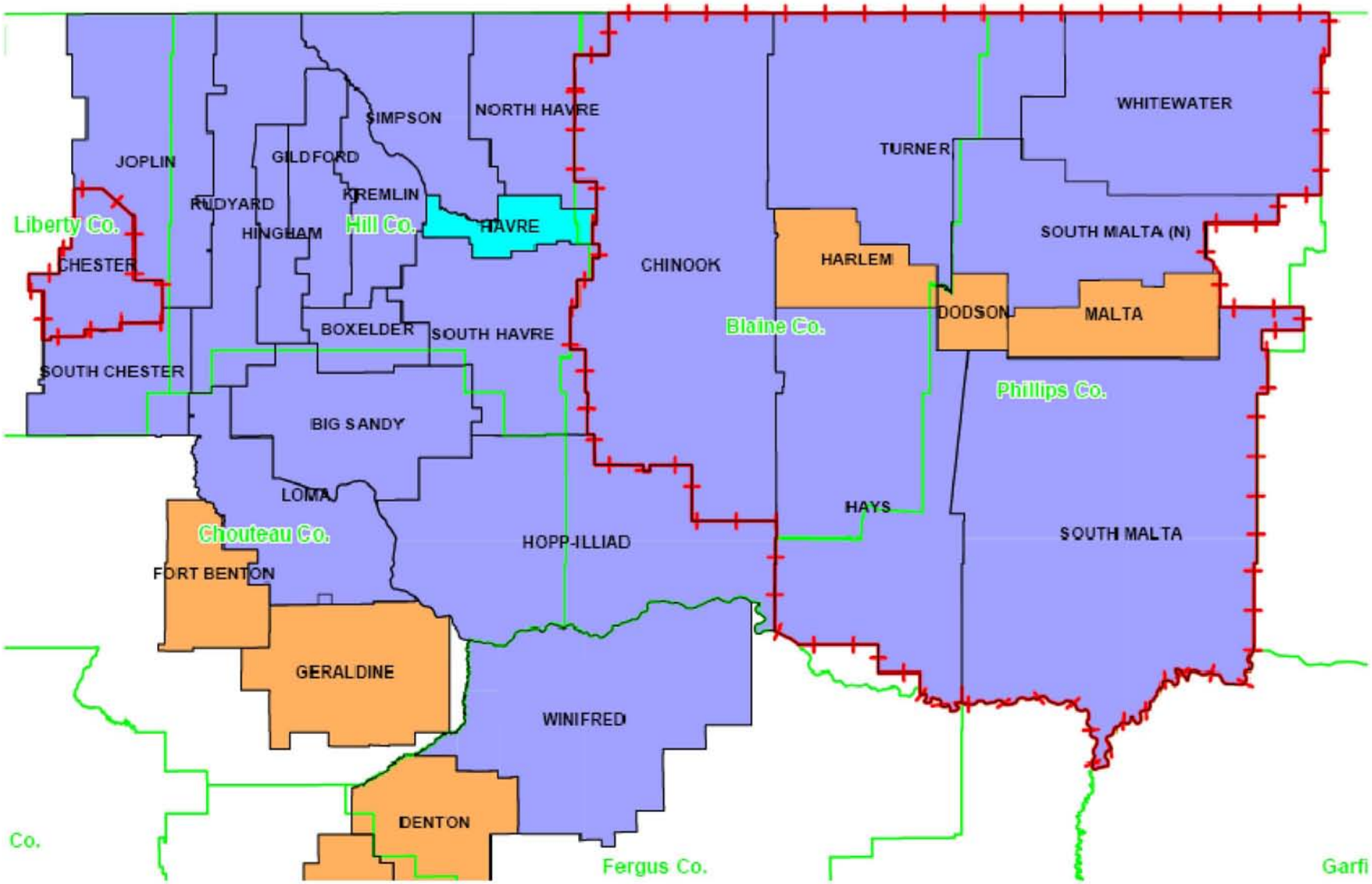
Created by:
Census & Economic Information Center
Montana Department of Commerce
1424 Ninth Ave., Helena, MT 59620-0505

406 444-2896 ceic@state.mt.us
http://ceic.commerce.state.mt.us

census_2000.apr

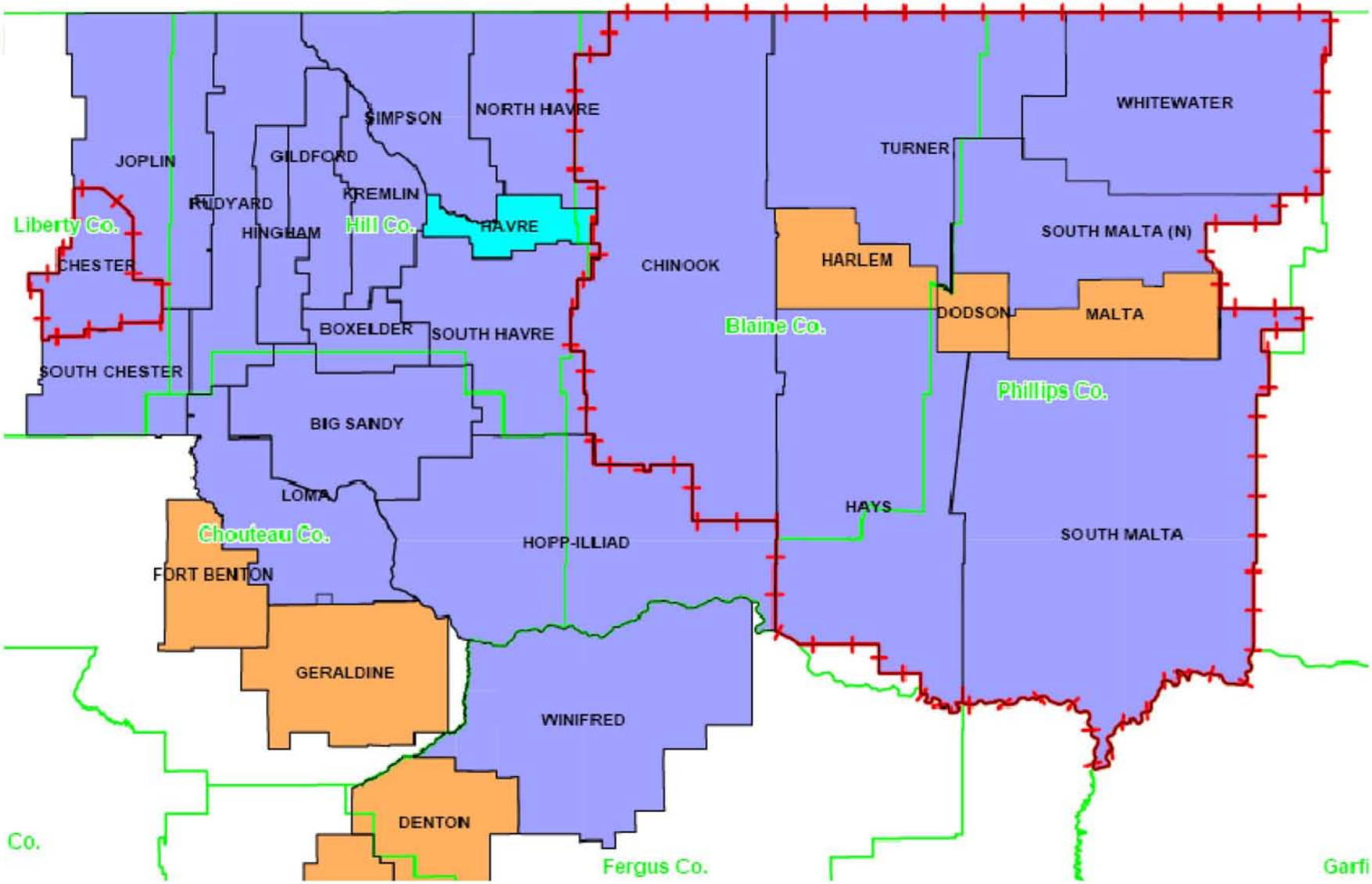

8535 sq miles
1.3 Customers per sq mile
105 Miles
105 Miles
Cherry Ridge
Turner
Whitewater
Chinook
Harlem
Garland Creek
Havre
Savoy
Chester
Malta
Wagner
Cleveland
Herb
Zortman
Sun Prairie
Winifred
Stanford
LEGEND
PROPOSED TOWER
TRIANGLE COMMUNICATION (TCS) TOWER
CUSTOMER LOCATION
TOWER'S SERVICE AREA BOUNDARY
HIGHWAY
TTC & CMC EXCHANGE BOUNDARY
CITY OR TOWN
COUNTY BOUNDARY

TCS Redefined Service Area (red outline)



Hays Exchange

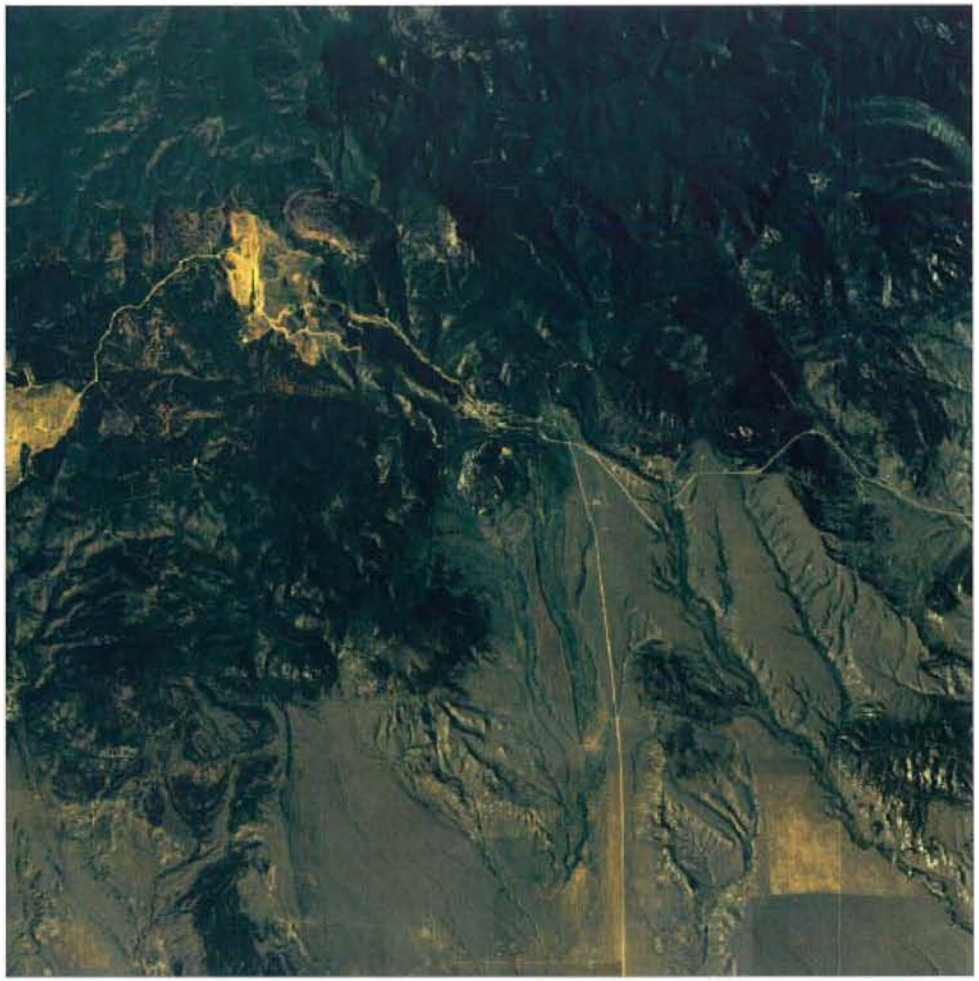
Pop: 2216 1300 sq. mi. Density: 1.7 people/sq mile



Hays Exchange
Zortman, MT Area

0 1/8 Mile 1/4 Mile 3/8 Mile 1/2 Mile

Scale: 8" = 1 Mile



0 1 Mile 2 Mile 3 Mile 4 Mile 5 Miles

Scale: 1" = 1 Mile

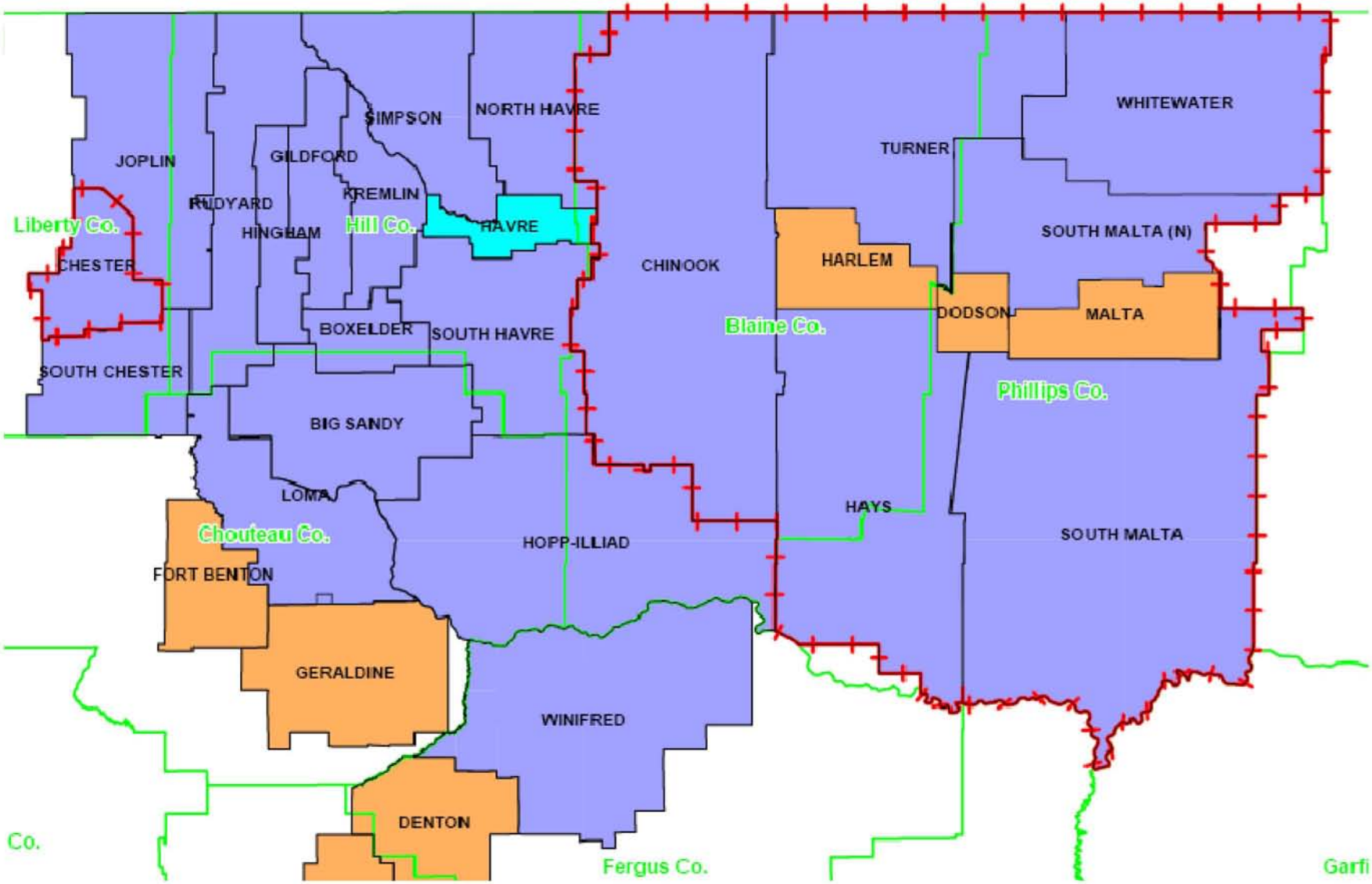
0 1/8 Mile 1/4 Mile 3/8 Mile 1/2 Mile

Scale: 8" = 1 Mile

Hays Exchange Area

Malta Exchange

Pop: 2471 296 sq. mi. 8.34 people/sq mile



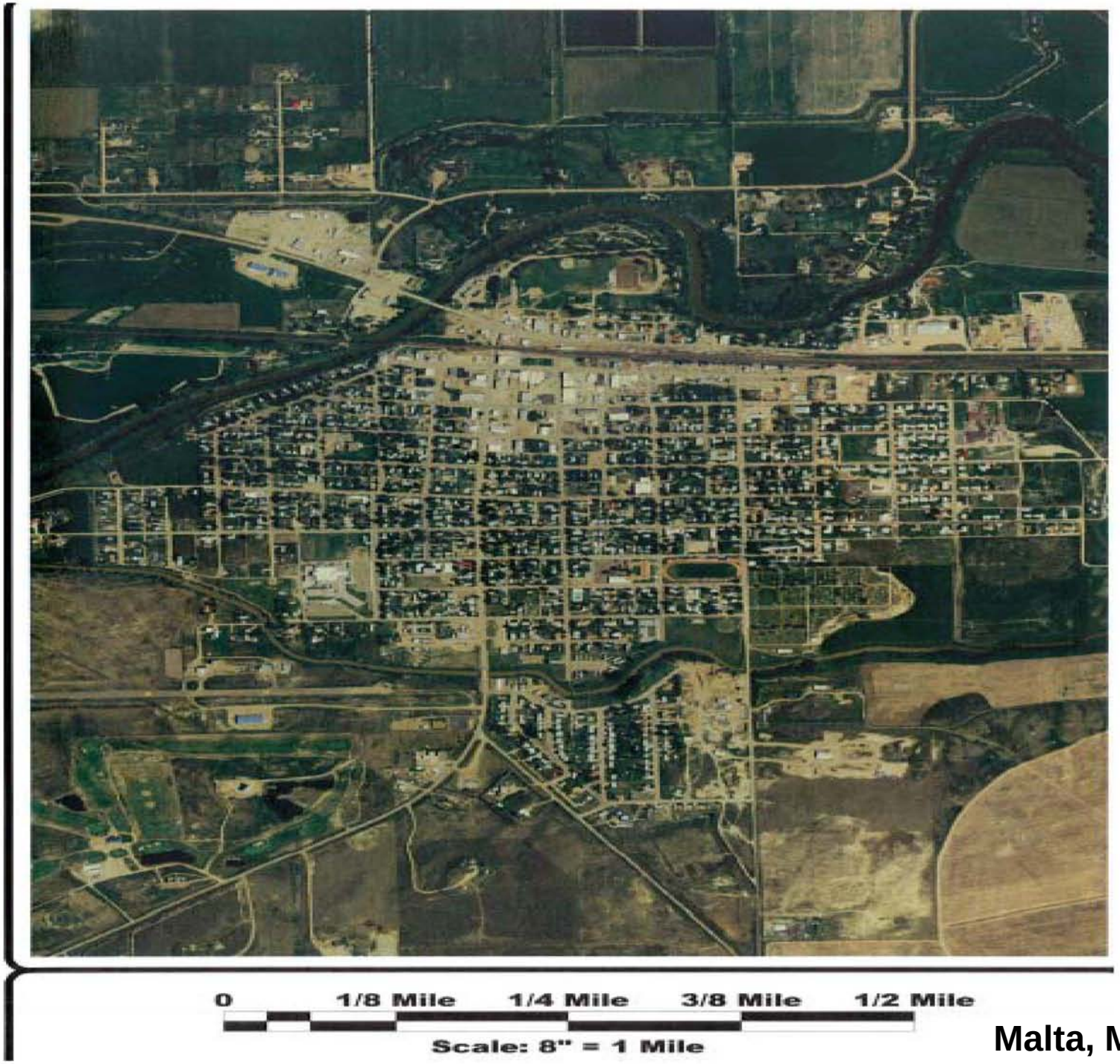
Malta, MT Area

0 1/8 Mile 1/4 Mile 3/8 Mile 1/2 Mile

Scale: 8" = 1 Mile

0 1 Mile 2 Mile 3 Mile 4 Mile 5 Miles

Scale: 1" = 1 Mile



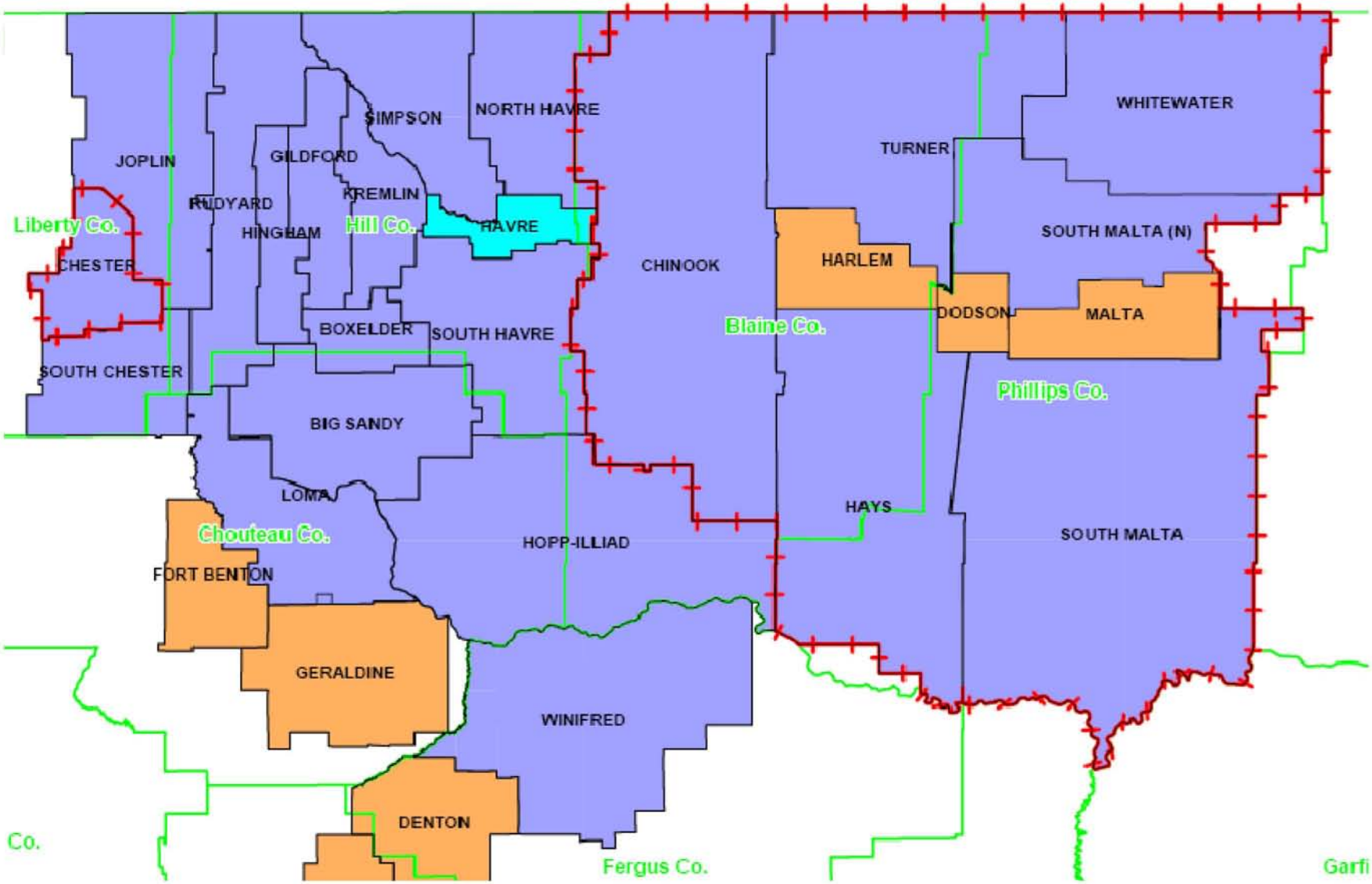
Malta, MT Area

Glad you called, Come again
HAVRE
GLASGOW

Malta, MT area

So. Malta Exchange

Pop: 567 2111 sq. mi. Density: 0.27 people/sq mile



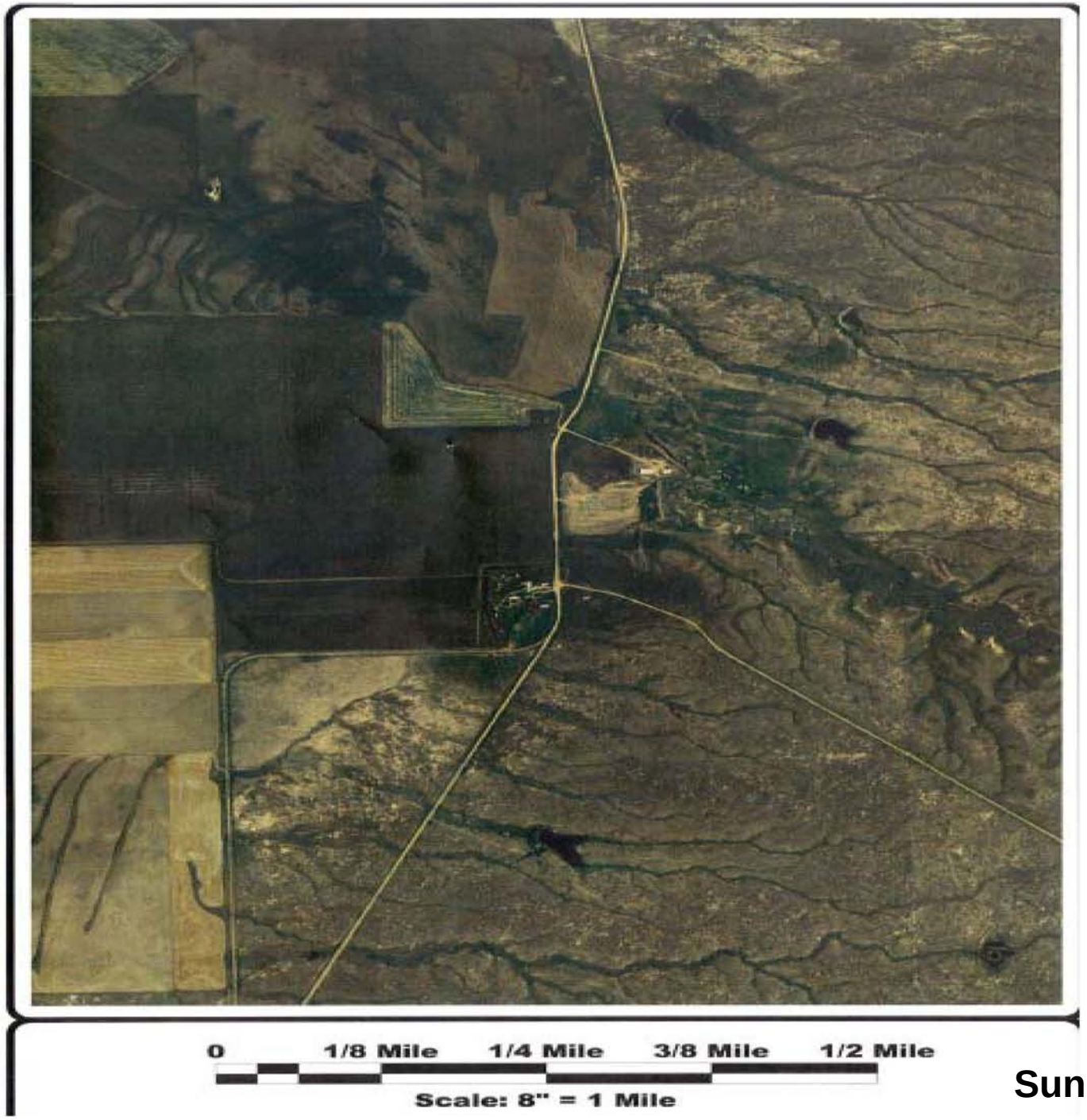
0 1/8 Mile 1/4 Mile 3/8 Mile 1/2 Mile

Scale: 8" = 1 Mile

Sun Prairie, MT So. Malta Exchange

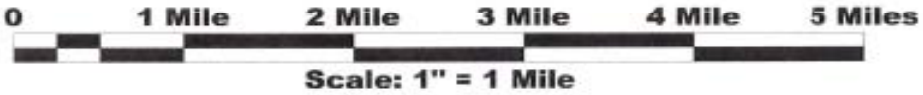
0 1 Mile 2 Mile 3 Mile 4 Mile 5 Miles

Scale: 1" = 1 Mile



Sun Prairie, MT Area

Sun Prairie, MT So. Malta Exchange

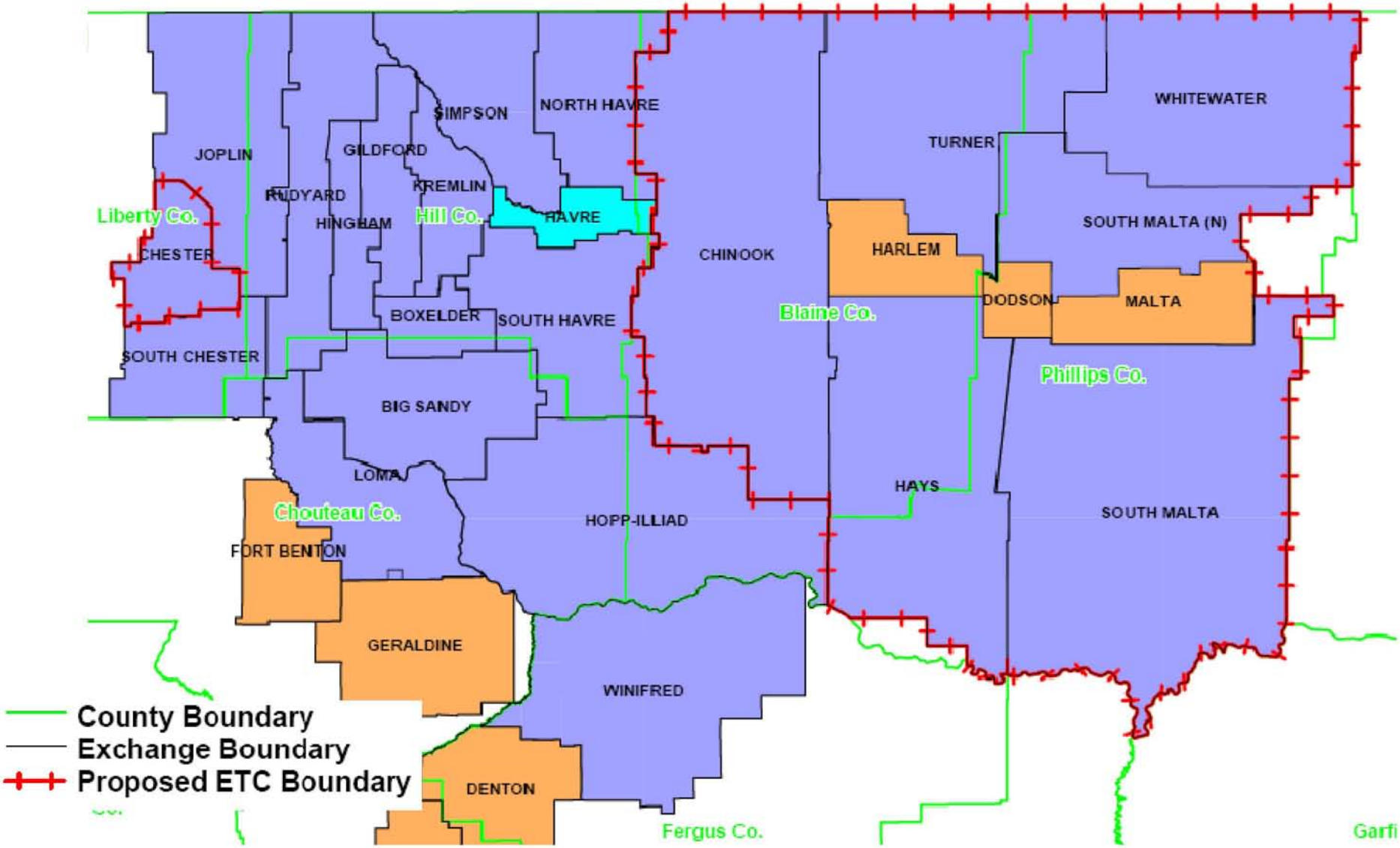


Exchange Ownership

- CENTRAL MONTANA COMMUNICATIONS, INC.
- QWEST CORPORATION
- TRIANGLE TELEPHONE COOPERATIVE ASSN., INC.

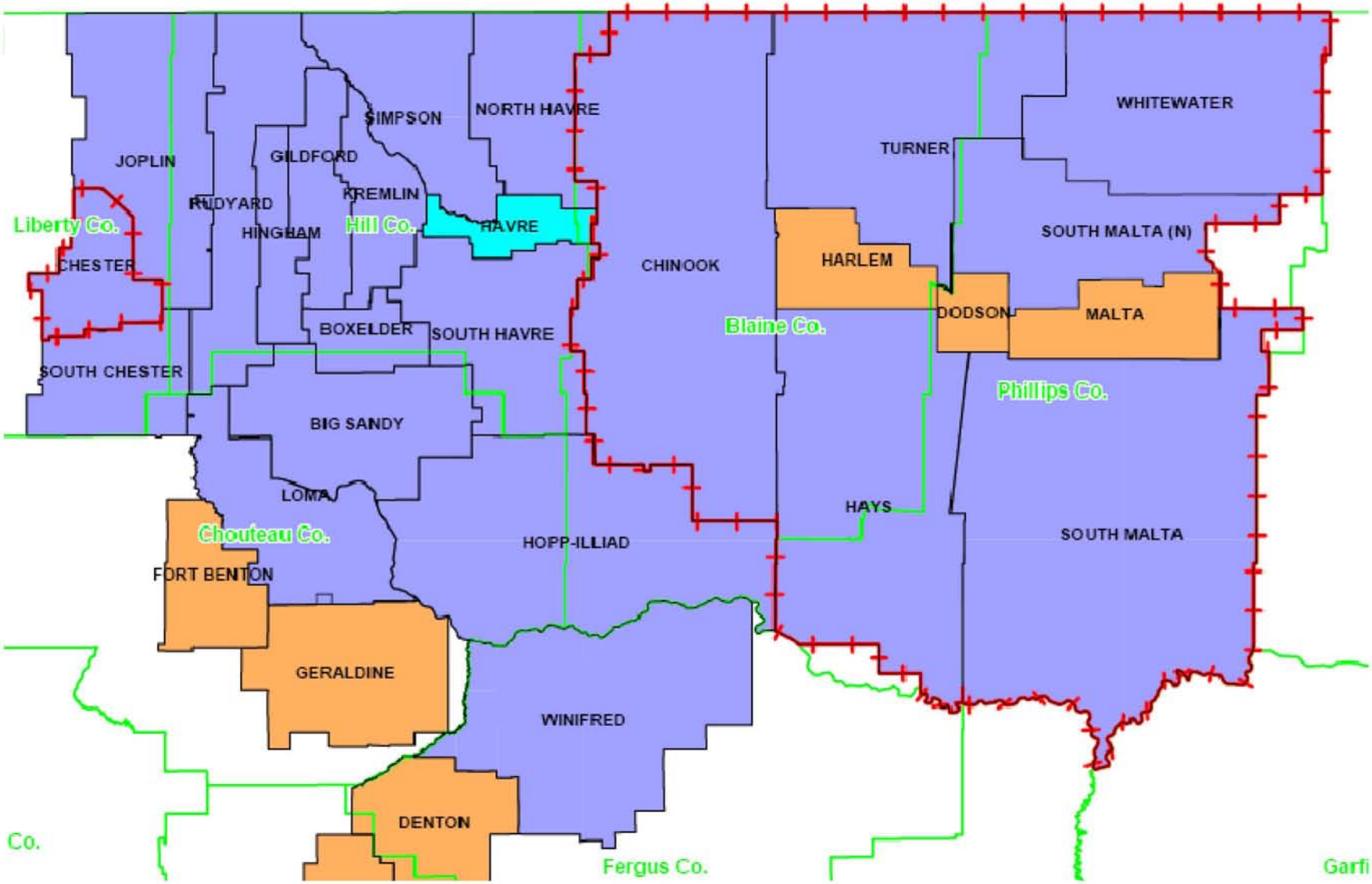
So Malta N Exchange

Pop: 395 623 sq. mi. Density: 0.63 people/sq mile



Chinook Exchange

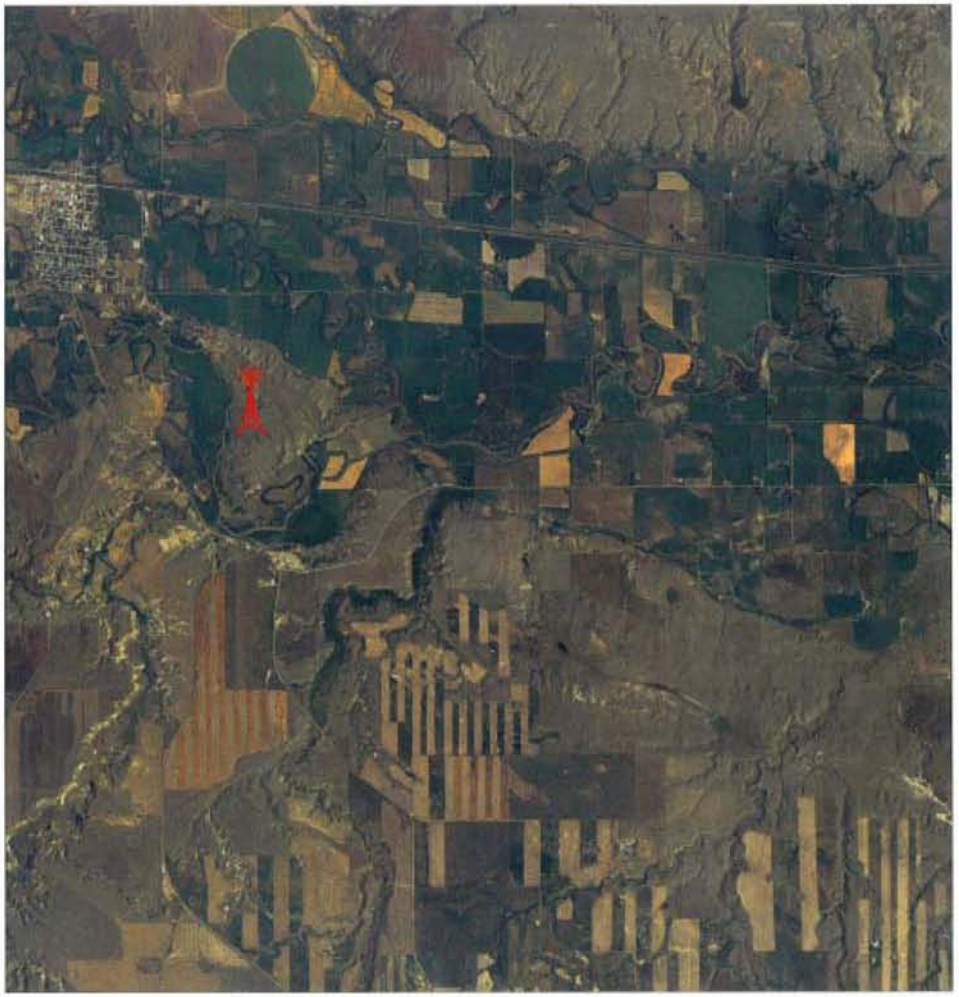
Pop: 2781 1786 sq. mi. Density: 1.56 people/sq mile



Chinook, MT area

0 1/8 Mile 1/4 Mile 3/8 Mile 1/2 Mile

Scale: 8" = 1 Mile

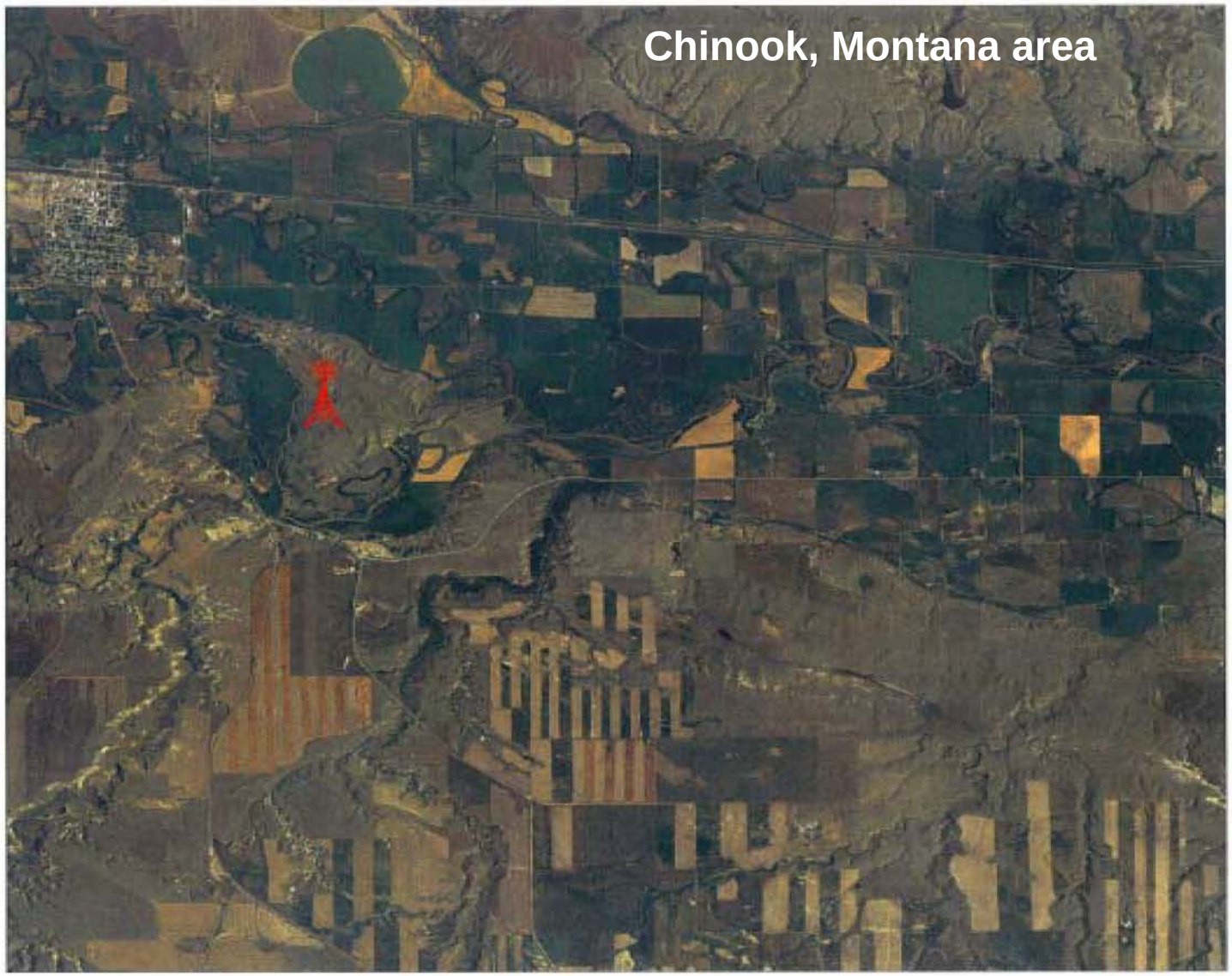


0 1 Mile 2 Mile 3 Mile 4 Mile 5 Miles

Scale: 1" = 1 Mile

0 1/8 Mile 1/4 Mile 3/8 Mile 1/2 Mile

Scale: 8" = 1 Mile



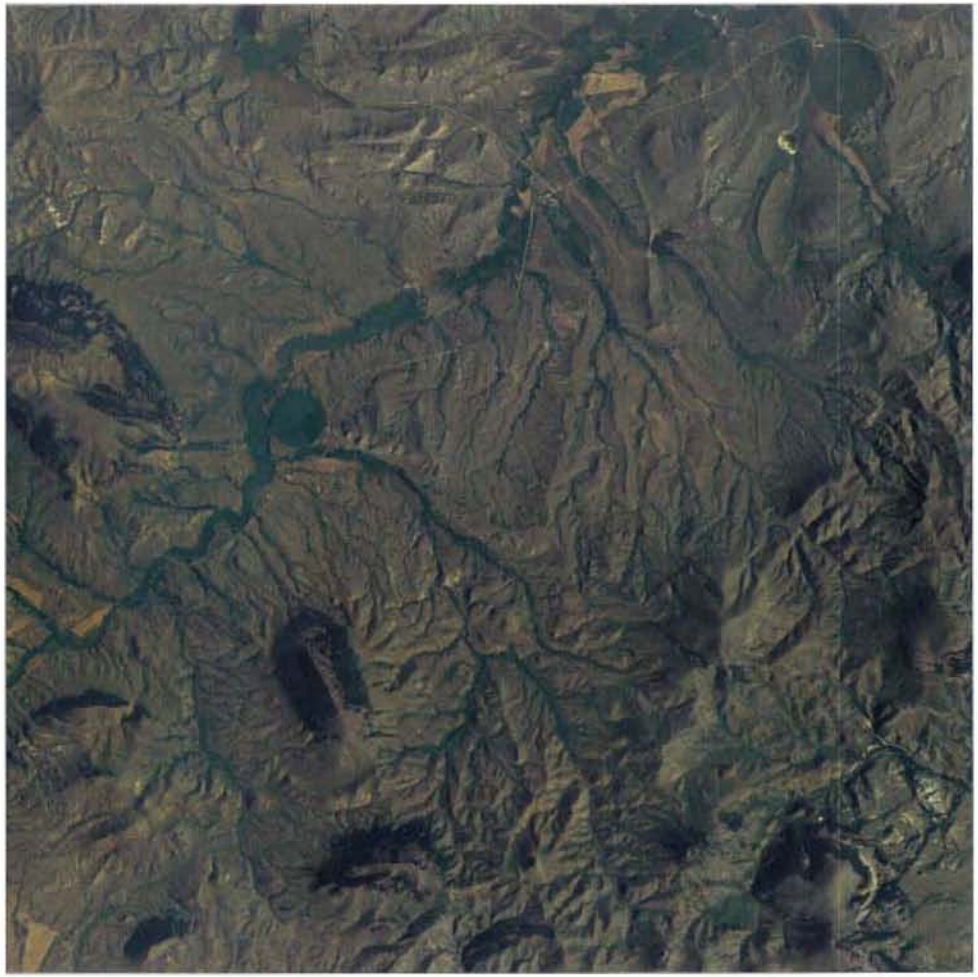
0 1 Mile 2 Mile 3 Mile 4 Mile 5 Miles

Scale: 1" = 1 Mile

Cleveland, MT Chinook Exchange

0 1/8 Mile 1/4 Mile 3/8 Mile 1/2 Mile

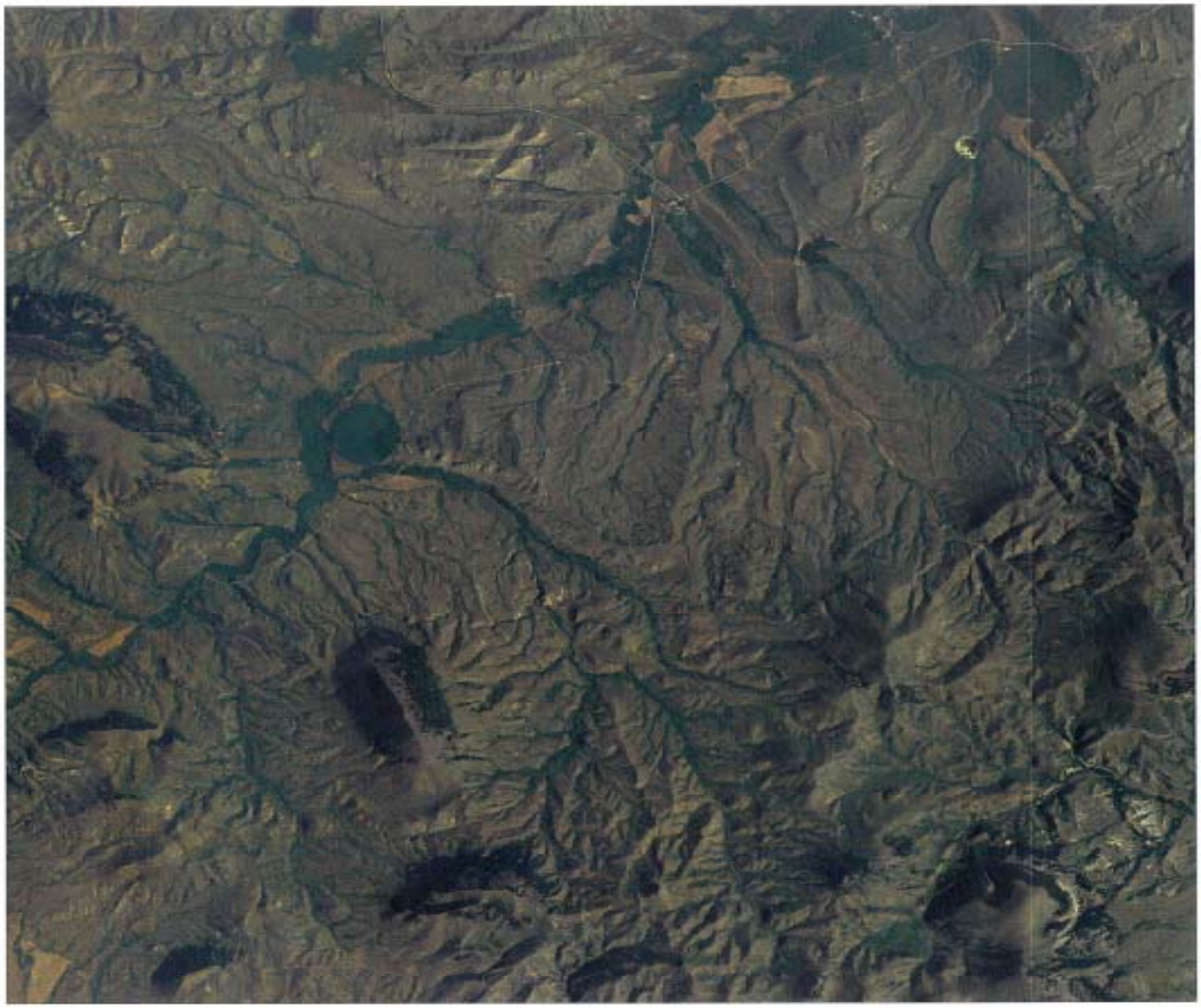
Scale: 8" = 1 Mile



0 1 Mile 2 Mile 3 Mile 4 Mile 5 Miles

Scale: 1" = 1 Mile

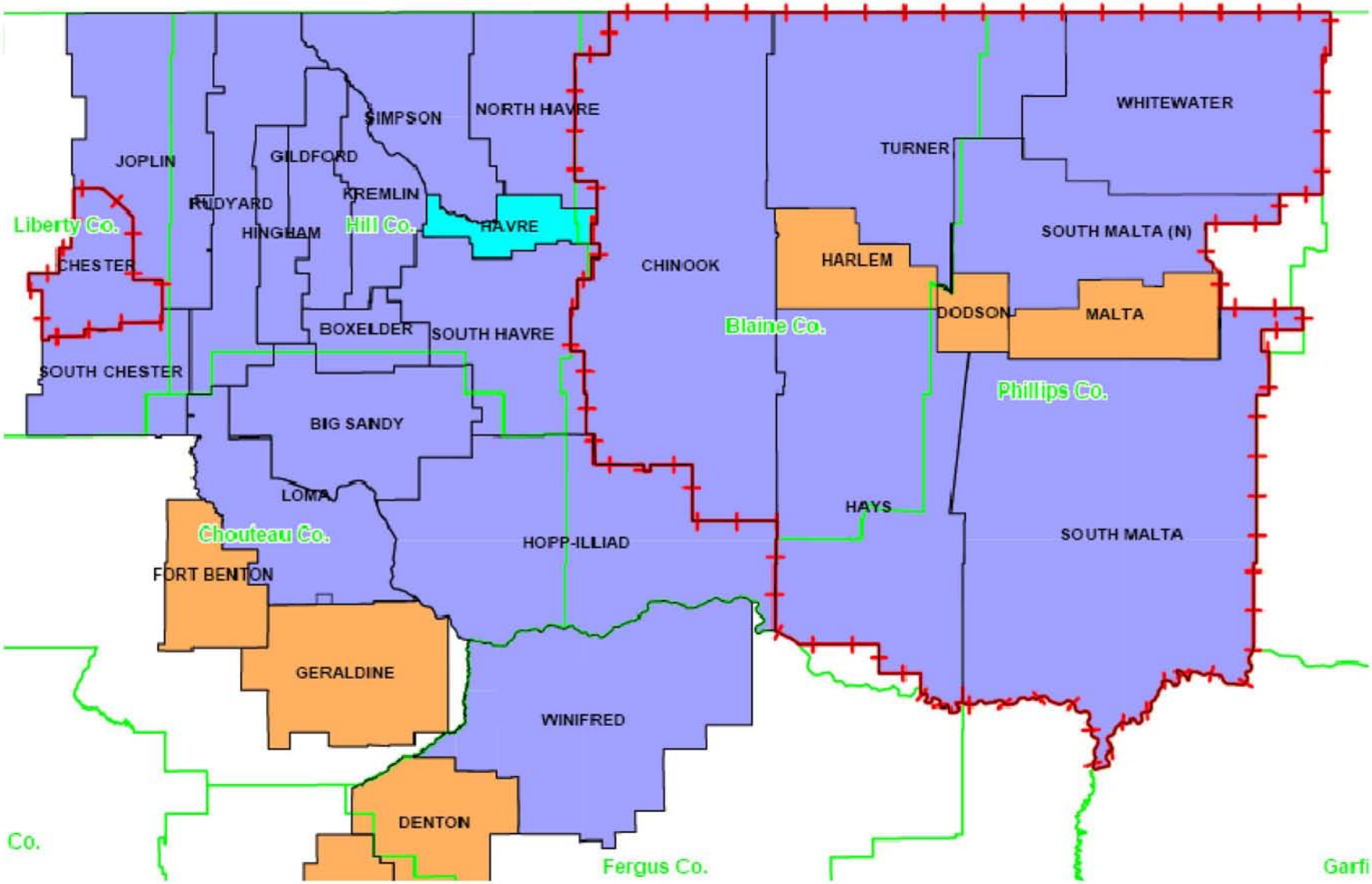
Cleveland, MT
Chinook Exchange



Cleveland, MT Chinook Exchange

Whitewater Exchange

Pop: 620 974 sq. mi. Density: 0.64 people/sq mile



0 1/8 Mile 1/4 Mile 3/8 Mile 1/2 Mile

Scale: 8" = 1 Mile

Whitewater Area

0 1 Mile 2 Mile 3 Mile 4 Mile 5 Miles

Scale: 1" = 1 Mile

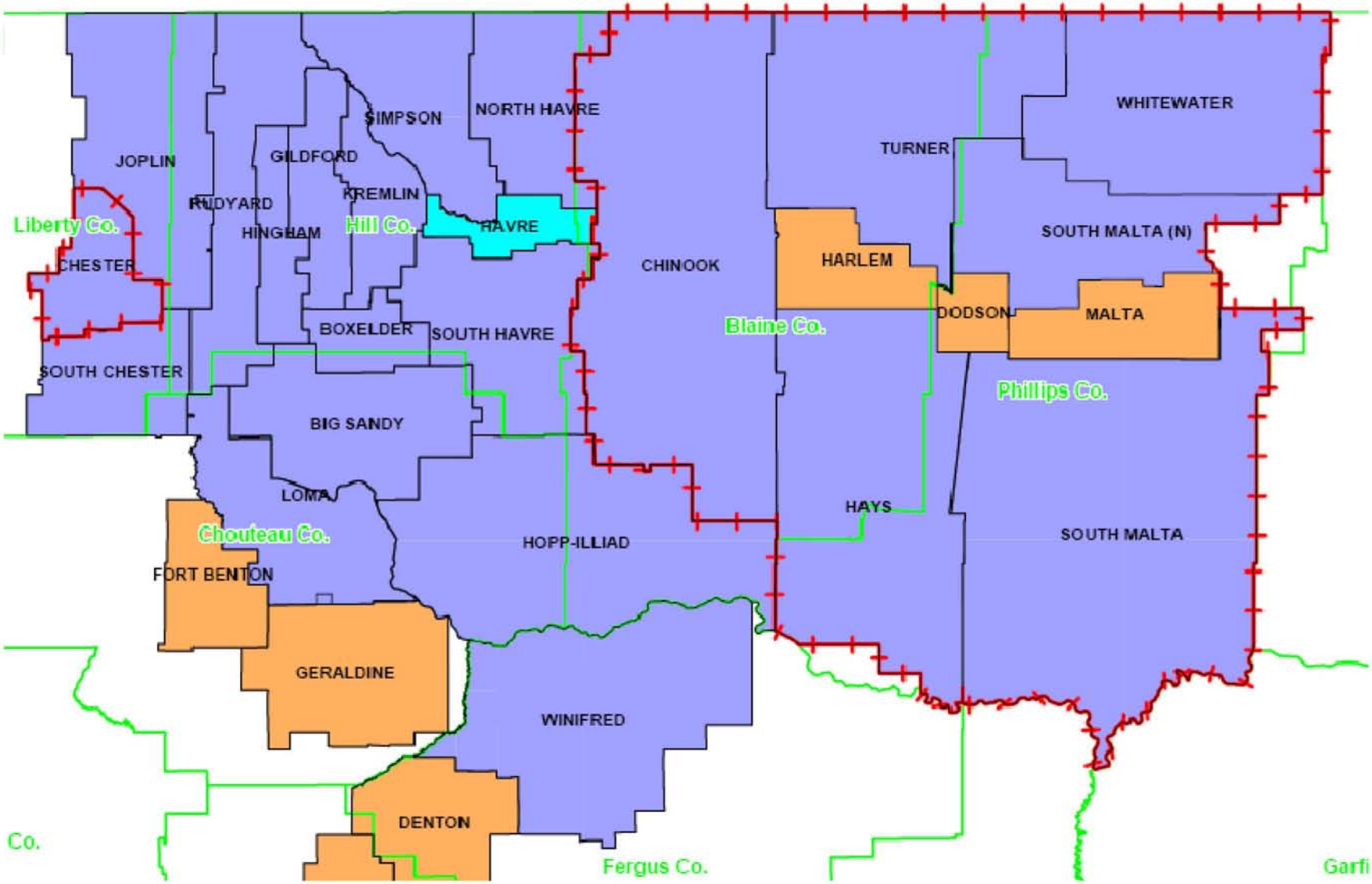
Whitewater, MT Area

Whitewater, MT Area

0 1 Mile 2 Mile 3 Mile 4 Mile 5 Miles

Scale: 1" = 1 Mile

Dodson Exchange
Pop: 65 106sq. mi. Density: 0.61 people/sq mile



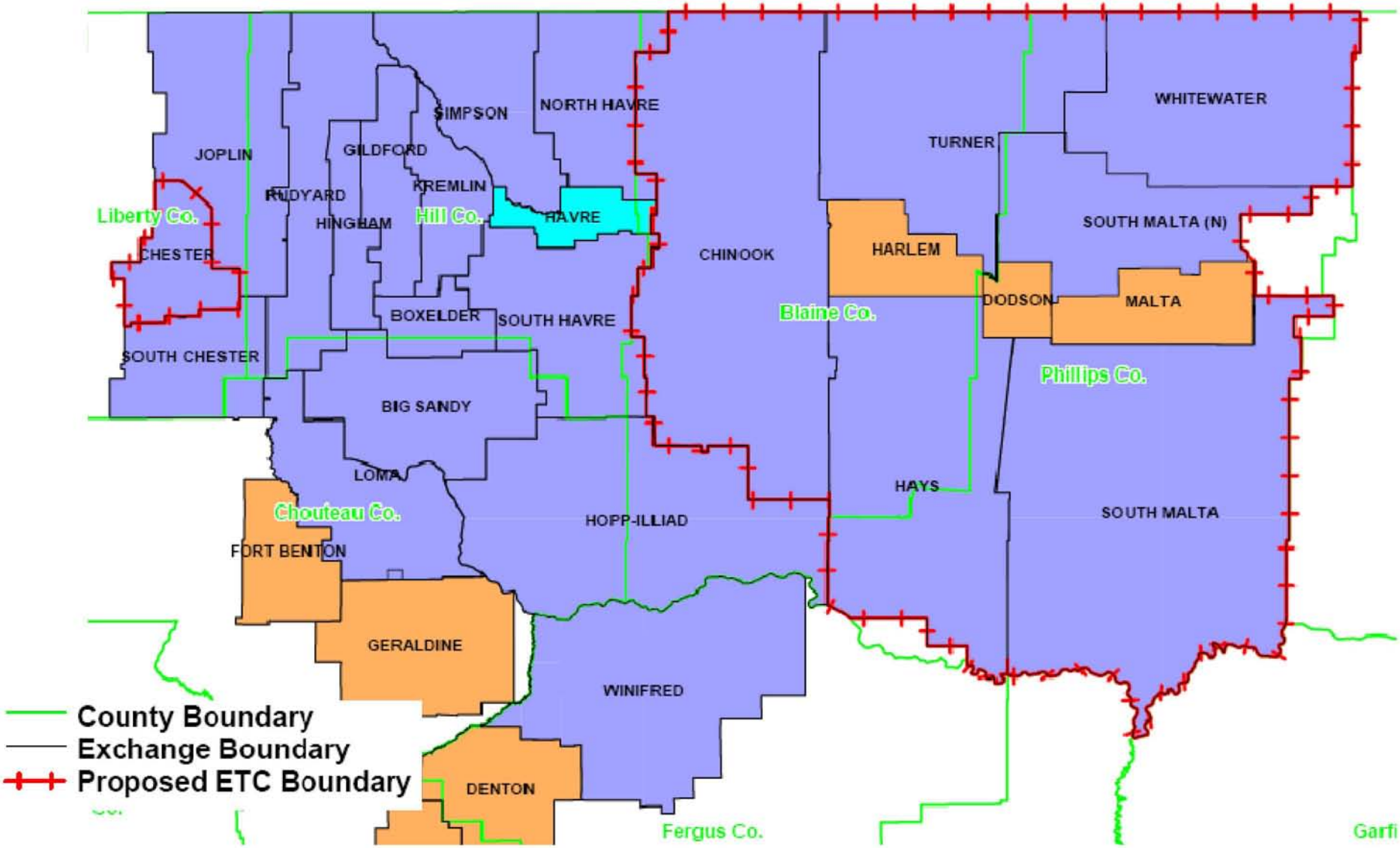
Dodson MT Exchange

Exchange Ownership

- CENTRAL MONTANA COMMUNICATIONS, INC.
- QWEST CORPORATION
- TRIANGLE TELEPHONE COOPERATIVE ASSN., INC.

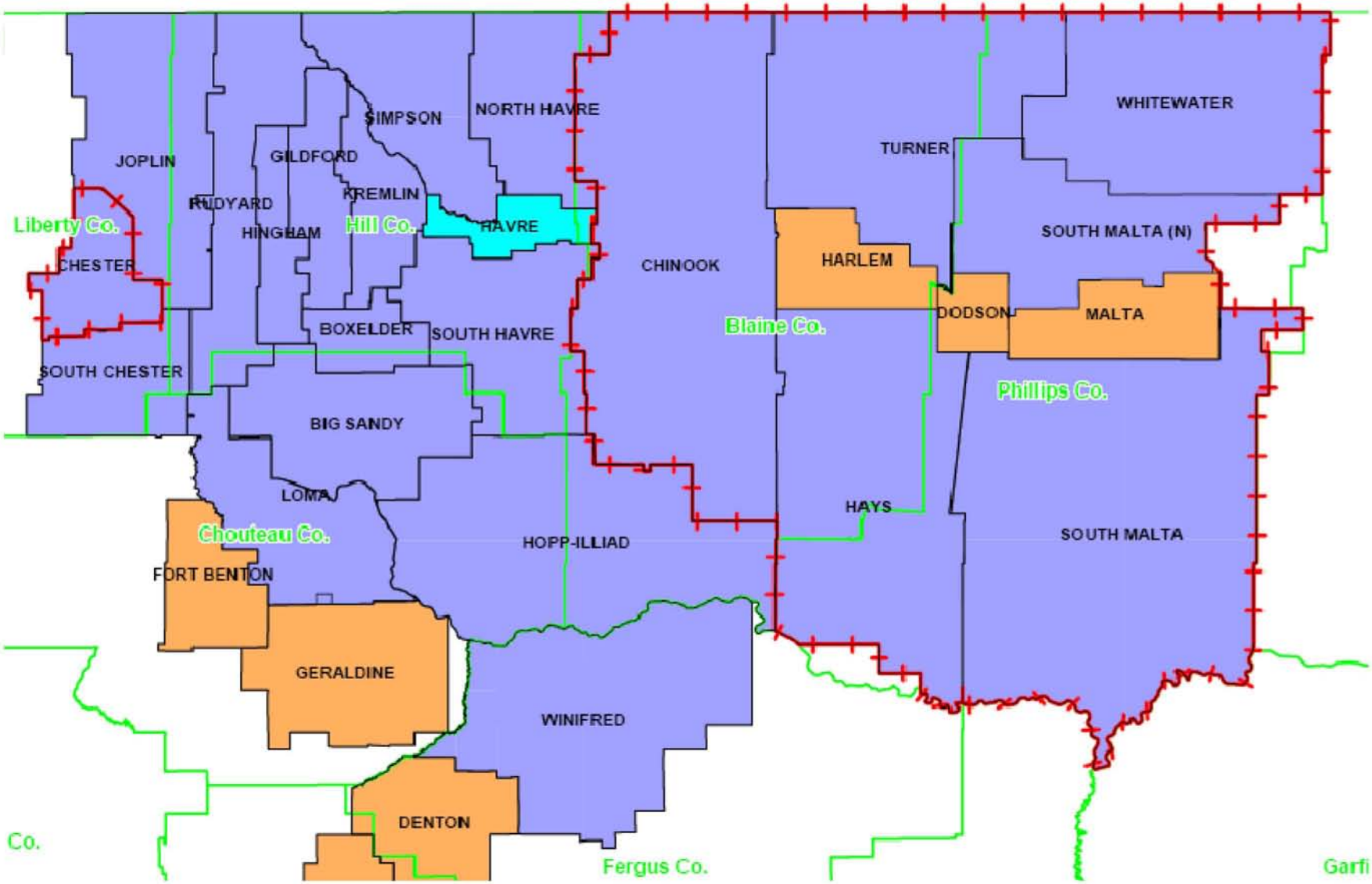
Turner Exchange

Pop: 536 1053 sq. mi. Density: 0.51 people/sq mile



Chester Exchange

Pop: 1116 240 sq. mi. Density: 4.69 people/sq mile

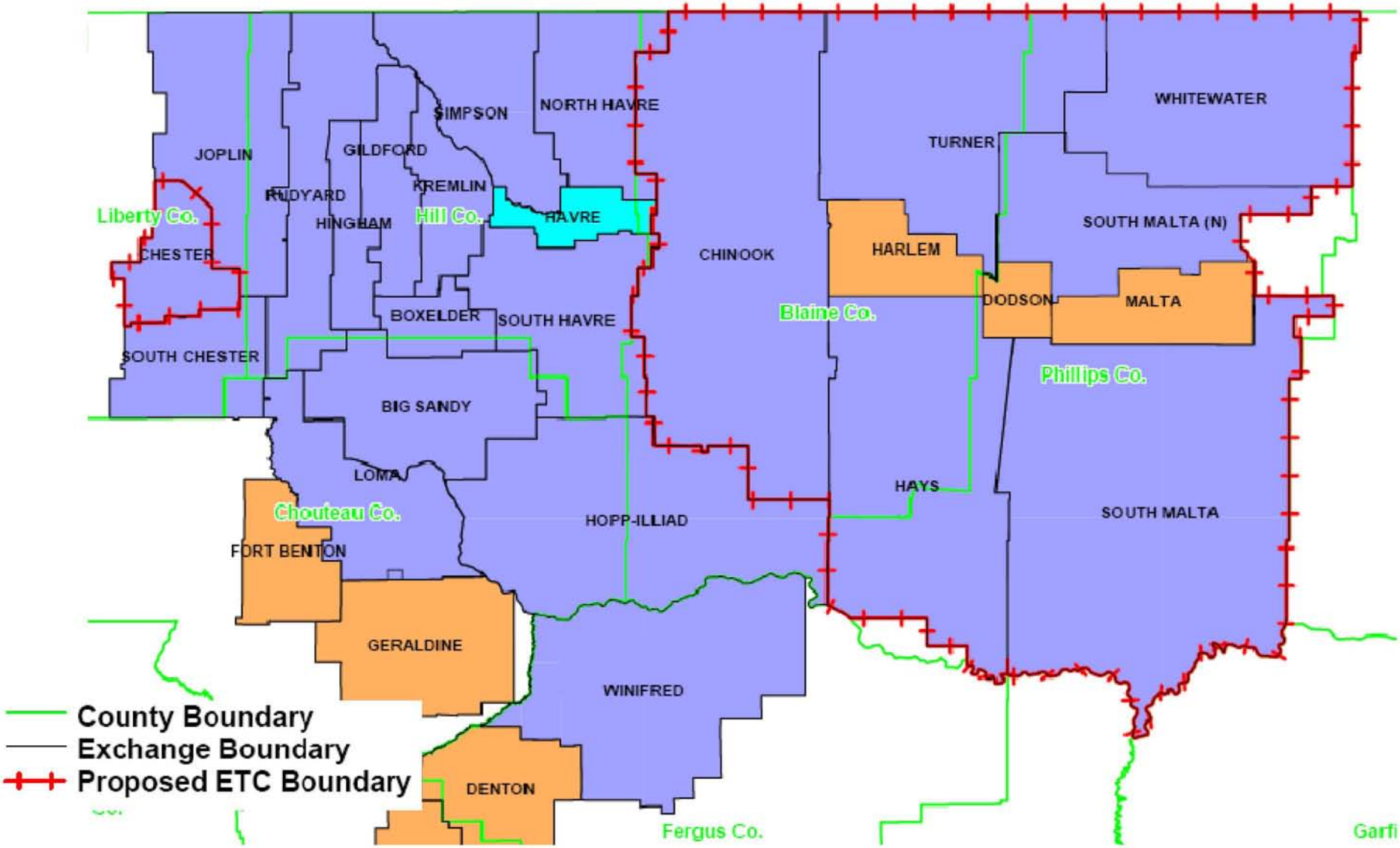


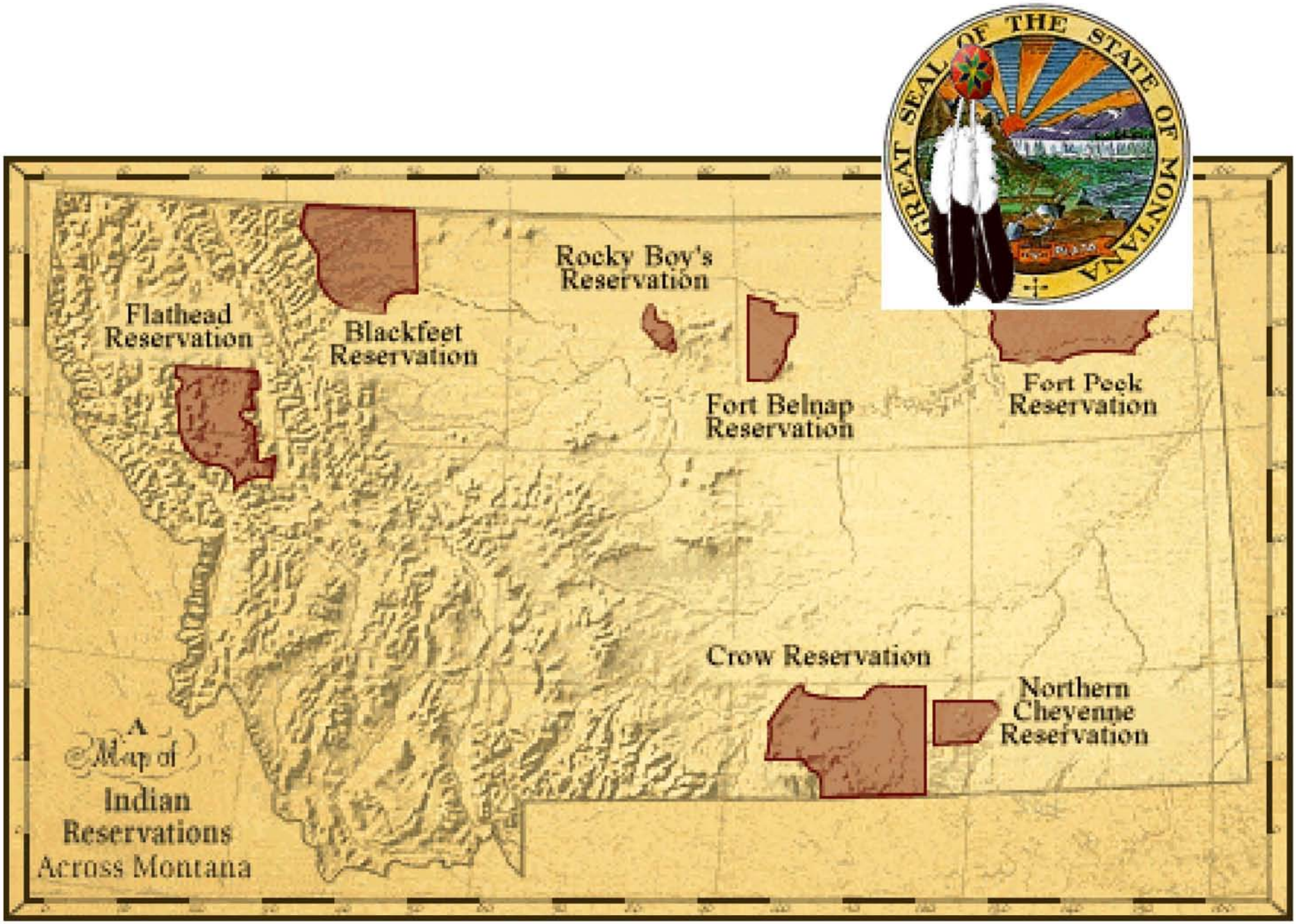
Exchange Ownership

- CENTRAL MONTANA COMMUNICATIONS, INC.
- QWEST CORPORATION
- TRIANGLE TELEPHONE COOPERATIVE ASSN., INC.

Harlem Exchange

Pop: 1485 255 sq. mi. Density: 5.83 people/sq mile




GREAT SEAL OF THE STATE OF MONTANA
Flathead Reservation
Blackfeet Reservation
Rocky Boy's Reservation
Fort Belnap Reservation
Fort Peck Reservation
Crow Reservation
Northern Cheyenne Reservation
A Map of Indian Reservations Across Montana