

June 3, 2009

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, D.C. 20554

Ex Parte Notice:

In the Matter of Jurisdictional Separations and Referral to the Federal-State Joint Board; Petition Filed by National Telecommunications Cooperative Association for Clarification and/or Limited Waiver of the Commission's Part 36 Jurisdictional Separations Rules, CC Docket No. 80-286, DA 09-623;

In the Matter of Rural Health Care Support Mechanism, WC Docket No. 02-60;

In the Matter of Petition for Expedited Rulemaking and Other Relief Filed on Behalf of American Bird Conservancy, Defenders of Wildlife, and National Audubon Society Regarding Commission Implementation of the National Environmental Policy Act, the Endangered Species Act, and the Migratory Bird Treaty Act, WT Docket Nos. 08-61, 03-187.

Dear Ms. Dortch:

On Tuesday, June 2, 2009, Karlen Reed, Regulatory Counsel, and Rick Schadelbauer, Economist, both with the National Telecommunications Cooperative Association (NTCA), met with Nicholas Alexander, Legal Advisor, and Robert Samuel, intern, for Commissioner Robert M. McDowell.

We discussed issues raised in NTCA's August 29, 2008 Petition and May 5, 2009 reply comments which urged the Commission to permit rate of return ILECs to recover federal USF OIG audit expenses from the interstate jurisdiction through the Part 36 separations process. We also discussed NTCA's March 16, 2009 ex parte filing which encouraged the Commission to expand and make permanent the FCC's rural health care pilot program, and to consider the adverse effects that funding competitive healthcare networks could have on existing rural broadband infrastructure.

Finally, we discussed NTCA's comments filed May 29, 2009 expressing concerns about the April 14, 2009 Bird Group petition and the survey results from NTCA's 2008 Wireless Survey Report, released January 2009. A copy of the 2-page survey summary is attached to this ex parte, and the full report is publicly available on NTCA's website at www.ntca.org. The discussions were consistent with NTCA's positions in previously filed comments and pleadings in the above-referenced dockets.

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Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact me at (703) 351-2146.

Sincerely,

/s/ Karlen Reed
Karlen Reed
Regulatory Counsel, Legal and Industry

KR: rhb
cc: Nicholas Alexander (w/enc.)
Robert Samuel (w/enc.)

NTCA 2008 WIRELESS SURVEY Summary of Results

- 76 members (16%) responded.
- 57% hold at least one wireless license. Of those:
 - 65% hold a 700 MHz license;
 - 28% a PCS license;
 - 28% AWS;
 - 19% LMDS;
 - 19% cellular;
 - 19% MMDS; and
 - 16% paging.
- **59% are providing wireless service to their customers**
- Of those providing wireless:
 - 56% offer broadband data;
 - 36% mobile voice;
 - 29% text messaging;
 - 20% fixed voice; and
 - 14% paging.
- **17% of those respondents not currently offering wireless service are considering doing so**; 74% considered, determined it to not be feasible; and 9% never considered offering wireless.
- **56% looking to serve both wireline service area and neighboring territories**;
 - **22% neighboring territories only**;
 - **22% wireline service area only**
- Investment: Avg. total (cumulative) investment in wireless facilities, excl. spectrum: \$8.8 M; avg. total (cumulative) investment in spectrum: \$711,000.
- Financing: 34% of survey respondents characterized the process of obtaining financing for wireless projects as “somewhat difficult”; 24% each as “relatively easy” and “very difficult,” 10% “virtually impossible” and 7% very easy.

- **Unlicensed spectrum:** 47% of respondents are utilizing unlicensed spectrum to provide some wireless services to their customers.
 - 44% of those respondents utilizing unlicensed spectrum indicated they had experienced difficulties with interference.
- **Concerns:** 78% indicated that competition from nationwide carriers was their greatest concern; 62% the ability to make necessary investments; 57% negotiating roaming agreements, 52% their ability to obtain spectrum at auction; and 10% other concerns, such as the ability to obtain the latest handsets, continued USF availability, and building out in extremely rural areas.
- **Avg. monthly bill:** The average subscriber's monthly wireless bill is between \$40 and \$50.
- **National carriers: 24% of respondents serve as a local presence for a national carrier, or market a national brand; 24% have at one time been prevented from offering wireless service due to the actions of a national wireless carrier.** Forty-seven percent have at one time entered into a joint venture with another wireless carrier.
- **Services offered:** 92% of those respondents offering wireless service offer their wireless customers family plans, voice mail and caller ID, 83% offer text messaging, 75% offer bonus night/weekend minutes and free long distance, 67% each Internet access and bonus night/weekend minutes, and 58% each e-mail and prepaid service.
- **Churn:** 75% of survey respondents experience annual customer churn of less than 10%, while 17% reported annual churn of between 10% and 25%. These figures are well below the FCC's reported industry annual average of between 18% and 36%.