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June 24, 2009

EX PARTE PRESENTATION

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

Re: Transfer of Control of Embarq Corp. to CenturyTel, Inc., WC Docket No. 08-238

Dear Ms. Dortch,

The FCC is currently considering the application of CenturyTel, Inc. ("Century") and Embarq Corporation ("Embarq") (together "Applicants") for transfer of control in the above-captioned proceeding. A number of Competitive Local Exchange Carriers ("CLECs") have filed information in this docket describing their experiences competing with the Applicants. CLECs have urged the Commission to condition its approval of the application in order to mitigate the harm to local competition presented by this merger.

NTELOS' two Competitive Local Exchange Carriers, NTELOS Network Inc. and R&B Network Inc., have been providing local and long distance, voice and data services to communities throughout western Virginia since 1997. At the end of 2008, NTELOS' CLECs served approximately 49,900 access lines including the markets of Charlottesville, Lexington, Martinsville, Wytheville, Rocky Mount, South Boston and Farmville – all areas where Embarq is the ILEC. NTELOS offers a competitive alternative in these predominantly rural communities. In several of these Embarq markets, NTELOS believes we are the only CLEC competitor offering service.

In comparison with Embarq (and certainly with the merged entity), NTELOS has limited financial resources and expertise. For that reason, it has been challenging through the years for NTELOS to negotiate interconnection agreements with Embarq. Consequently, NTELOS fully supports the conditions advocated by CLECs in this docket that would make dealing with Embarq on interconnection issues less onerous.

NTELOS wishes to bring to the FCC's attention a recent experience with Embarq that demonstrates the importance of merger conditions and of effective oversight to enforce those conditions. In May of 2009, a bona fide dispute arose between Embarq and NTELOS over the reciprocal compensation charges assessed by each for the termination of the other carrier's local traffic. Embarq and NTELOS had exchanged information via email and scheduled a conference call to discuss the dispute. Before the conference call could take place, on May 26th, NTELOS received a disconnection notice from Embarq. The notice stated that Embarq was disconnecting NTELOS' trunks because NTELOS had not paid the reciprocal compensation charges within 30 days of invoice. Not only were these charges in active dispute (with the conference call scheduled to attempt a resolution); the dispute was only one month old; the dispute was initially triggered by Embarq refusing to pay NTELOS' invoices; and the amount for which Embarq was going to disconnect NTELOS was under $12,000. In order to avoid the catastrophic consequences of having our CLEC customers in these seven Embarq markets out of service, NTELOS wired the $12,000 to Embarq the next day (May 27th).

Although the CLECs in this docket advocate imposing competitive safeguards on both the Embarq and Century portions of the merged entity, the general view among CLECs seems to be that Century has presented more roadblocks to competition than has Embarq. If Embarq is the more enlightened of the two ILECs in this merger, then the CLEC community is entirely justified in its concerns. NTELOS' experience confirms not only the need for merger conditions to prevent anti-competitive behavior but also the need for an effective means by which CLECs can promptly obtain enforcement of such merger conditions and prevent the merged entity from irreparably harming the CLECs who compete with it. ILECs have very significant leverage in any and all interconnection disputes with CLECs. Embarq has demonstrated that it will not hesitate to use that leverage – and would have left thousands of NTELOS customer lines with no service over a $12,000 dispute where payment was less than two weeks overdue. Given Embarq's mode of operation, the FCC must adopt effective safeguards and clear enforcement mechanisms in order to protect competitors and consumers.

In accordance with the Commission's rules, this letter is being filed electronically for inclusion in the public record of the above-referenced proceeding. If you have any questions, please contact me at 540/946-8677.

Respectfully submitted,

Mary McDermott

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