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October 17, 2011

Via Electronic Delivery

Ms. Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW, TW-A325
Washington, D.C. 20554

Re: Notice of Ex Parte Presentation

Connect America Fund, WC Docket No. 10-90
A National Broadband Plan for Our Future, GN Docket No. 09-51
High-Cost Universal Service Support, WC Docket No. 05-337
Federal-State Joint Board on Universal Service, CC Docket No. 96-45

Reexamination of Roaming Obligations of Commercial Mobile Radio Service Providers and Other Providers of Mobile Data Services
WT Docket No. 05-265

Dear Ms. Dortch:

On October 13, 2011, Caressa D. Bennet and Kenneth C. Johnson of Bennet & Bennet, PLLC, and Ron Strecker of Panhandle Telecommunication Systems, Inc. ("PTSI"), met with Patrick Halley, Ted Burmeister, and Erik Salovaara of the Federal Communications Commission ("FCC" or "Commission") regarding wireless competitive eligible telecommunications carrier ("CETC") concerns. PTSI discussed the provision of vital mobile telecommunications services in high-cost rural regions and the need for significant ongoing support for such rural wireless networks.

PTSI discussed how the loss of sufficient high-cost support would lead to a degradation of rural wireless networks and the economic need to turn down certain cell sites that would become financially unviable absent high-cost support. PTSI noted that even basic mobile services, not just 4G services, were at risk if remote, rural cell sites were left unsupported. PTSI discussed its plan, previously submitted in the current universal service and intercarrier compensation proceeding, to target support to high-cost rural cell sites. Basically, this plan creates a new Tier IV wireless carrier category that includes only the smallest wireless carriers.

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Tier IV carriers would be defined as carriers that serve less than 100,000 customers. Tier IV carriers that are CETCs would receive cost-based support on all cell sites that fall short of a “National Average” traffic-based usage calculation. Using the National Average as a reference point, the Commission would determine for each carrier whether the average usage of its collective cell sites is equal to or greater than the National Average. If the carrier’s usage is the same as or greater than the National Average, then the carrier would receive no support for any of its cell sites, including its individual sites that fall below the National Average. If the carrier’s usage is less than the National Average, then that carrier would be eligible to receive support for each of its cell sites that individually fall short of the National Average, provided that such cell sites are not located in an area served by another carrier. However, a small Tier IV carrier would receive support for its individual cell sites if they fell below the National Average, even if it was providing service in an area already served by another carrier. No carrier would receive support for those individual cell sites that have equal or greater usage than the National Average.

PTSI then noted that large, nationwide wireless carriers, while they allow PTSI customers to roam on their networks, do not allow their own customers to enjoy 3G roaming on the PTSI network. If nationwide carriers would allow their customers to roam on PTSI’s network, and other small rural wireless networks, such small carriers would not be so dependent upon universal service to run their high-cost networks. Further, it would be in the public interest for nationwide carriers to encourage and allow their customers to roam and receive 3G and 4G service in rural areas. PTSI suggested the Commission adopt a rule prohibiting wireless carriers that have entered into roaming agreements with another wireless carrier from blocking their customers from roaming on the other carrier’s networks where the wireless carrier has no network. Such a rule would lessen small carrier dependence on high-cost support.

While PTSI opposes reverse auctions, should the FCC limit support to only one wireless carrier through competitive bidding in any market, the following recommendations were discussed:

- Use the smallest market area when determining support and auction areas. PTSI suggested the use of counties since they are the building blocks of wireless service areas and would not favor large, nationwide carriers.
- Carriers that have already demonstrated their commitment to build and serve an area should be given preferences.
- Base high-cost support on a cost model or cost study in lieu of identical support.
- Require carriers receiving support to open books on their entire mobile operation. This ensures that support is not going to stockholders pockets, but to actual network expenses.
- Require carriers receiving support to provide data and voice roaming services to other carriers that are at or below national roaming rates (*i.e.*, a national local wholesale rate). Recipients would be required to make their networks available to other qualified carriers at this local wholesale rate, providing incentives for larger carriers to use smaller carrier networks, especially where smaller rural carriers have better coverage. This would drive minutes to smaller carrier networks and would reduce the average cost per minute for the smaller carrier. In turn, this would reduce dependency on universal service.

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PTSI noted that its cost-based “WiPan” cost model filing is still pending at the FCC and FCC staff confirmed that it had yet to act on any wireless cost models submitted by individual carriers, including PTSI.

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

Respectfully submitted,

By: */s/ Kenneth C. Johnson*

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cc (via email): Patrick Halley
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