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November 16, 2012

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

**Re: WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135,
WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45,
WC Docket No. 03-109, WT Docket No. 10-208, WC Docket No. 11-42, WC
Docket No. 03-109, WC Docket No. 12-23
Notice of *Ex Parte* Presentation**

Dear Ms. Dortch:

On November 14, 2012, Jeff Wilson of Dickey Rural Telephone Cooperative (“DRTC” or “the Company”), Jeff Fastnacht, District Superintendent of Ellendale Public School, Derrick Owens of the Western Telecommunications Alliance and John Kuykendall of John Staurulakis, Inc. (“JSI”) met separately with Priscilla Argeris, Wireline Legal Advisor to Commissioner Rosenworcel, with Commissioner Mignon Clyburn and her Wireline Legal Advisor, Angela Kronenberg, and with Nicholas Degani, Wireline Legal Advisor to Commissioner Pai. In addition, Mike Romano of the National Telecommunications Cooperative Association, joined the November 14 meeting with Priscilla Argeris.

On November 15, 2012, Jeff Wilson, Jeff Fastnacht, John Kuykendall, Mike Romano, and Derrick Owens met separately with Garnet Hanly and Lisa Hone of the Wireline Competition Bureau, and with Christine Kurth, Policy Director and Wireline Counsel to Commissioner McDowell.

Mr. Wilson reviewed the successful broadband adoption efforts of DRTC in rural North Dakota throughout its expansive study area, roughly the size of Connecticut, where the Company serves approximately 1.71 access lines per square mile. DRTC’s investment in state-of-the-art technology and aggressive marketing, promotion, and education programs have directly resulted in increased broadband subscribership and have afforded many of its customers the benefits of broadband connectivity they would not otherwise have. Mr. Fastnacht, an award-winning leader in the use of broadband technologies in the classroom, offered his first-hand account of the importance of these technologies in North Dakota schools.

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Ms. Marlene Dortch

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Mr. Wilson expressed his concerns that these efforts to expand broadband adoption in DRTC's rural service area are being jeopardized by USF-ICC reforms that have significantly and surprisingly curtailed the amount of high cost universal service support that DRTC reasonably expected to receive, particularly the elimination of safety net additive support. Attached is summary material which was provided to meeting participants and additional data provided by email communications with Wireline Competition Bureau staff. Also attached is a map of North Dakota incumbent local exchange carriers showing DRTC's service area in a larger context, provided herewith to supplement the *ex parte* presentation.

Please contact the undersigned with any questions.

Respectfully submitted,



John Kuykendall

Vice President

cc: Priscilla Argeris
Commissioner Mignon Clyburn
Angela Kronenberg
Nicholas Degani
Garnet Hanly
Lisa Hone
Christine Kurth

Attachments

ATTACHMENT 1

EX PARTE PRESENTATION

Dickey Rural Telephone Cooperative

Dickey Rural Telephone Cooperative's Success with Broadband Adoption

Presentation
November 2012



Dickey Rural Telephone Cooperative

- ❑ 1950 - Dickey Rural Telephone Cooperative (DRTC) was created to bring telephone service to rural southeastern North Dakota. It was the first telephone cooperative in North Dakota
- ❑ 1996 – Dickey Rural Communications (DRC), a subsidiary of DRTC, acquired approx. 6,500 access lines from US West
- ❑ 2002 – Dickey Rural Access (DRA), another subsidiary of DRTC, acquired approx. 2,500 access lines in the Gwinner and Lisbon exchanges from Citizens (now Frontier)
- ❑ 2012 – DRC and DRA were merged into DRTC which is marketed as Dickey Rural Networks (DRN)

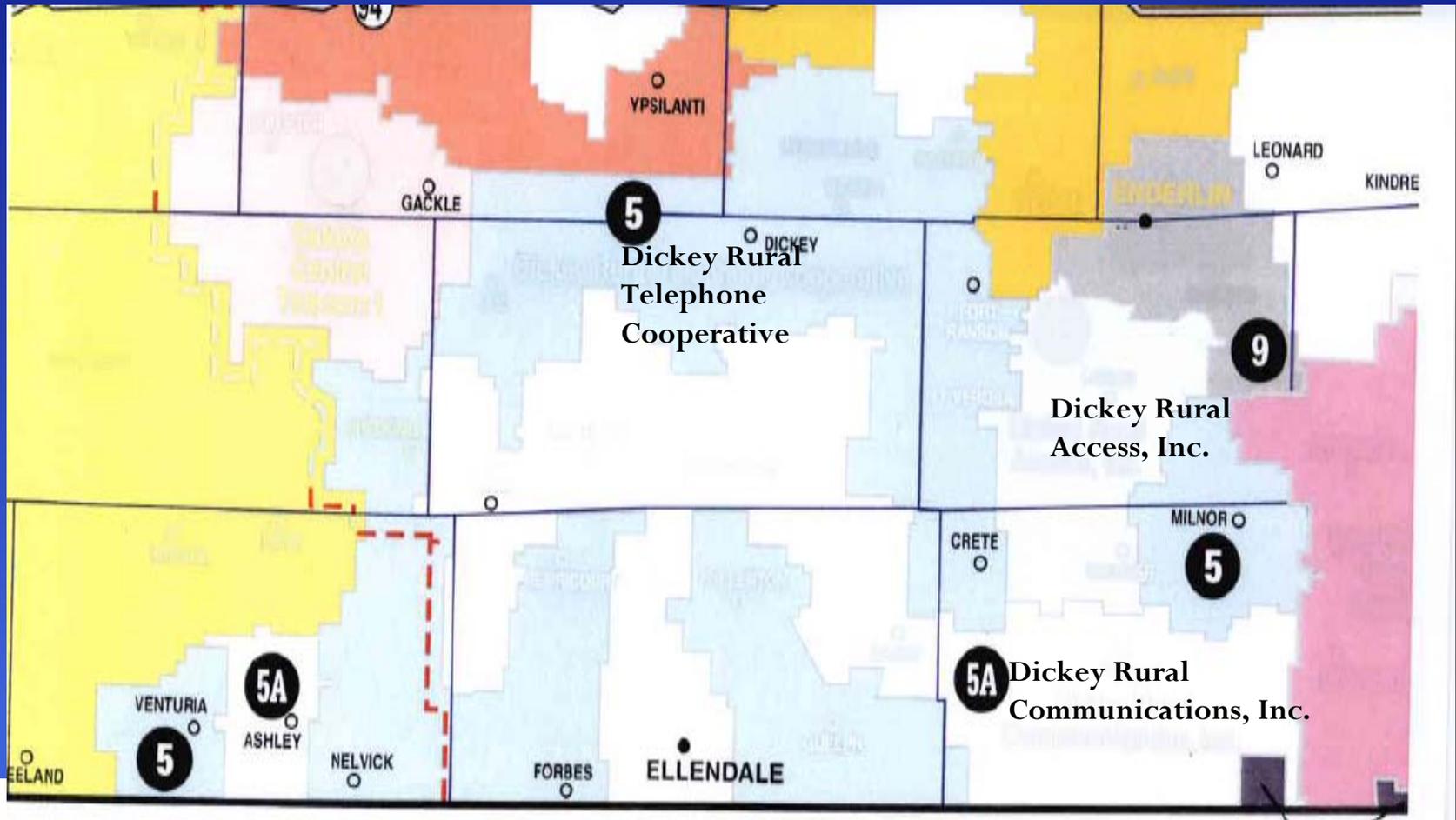


DRTC's Service Territory

- ❑ DRTC's study area covers 5,644 sq. miles which is roughly the size of the state of Connecticut
 - Connecticut has 5,543 sq. miles
- ❑ As of Oct. 1, 2012, the three companies combined had 9,671 access lines
 - The companies sent a total of 7,836 bills in its most recent billing
- ❑ This equates to approximately 1.71 access lines per sq. mile



DRTC's Service Territory (Cont'd)



DRTC's Lifeline Subscribers

- ❑ For low income subscribers, DRTC aggressively markets Lifeline
 - As of May 1, 2012, DRTC had 436 Lifeline customers
 - Of those customers, 195 also subscribe to broadband

Connectivity is Key

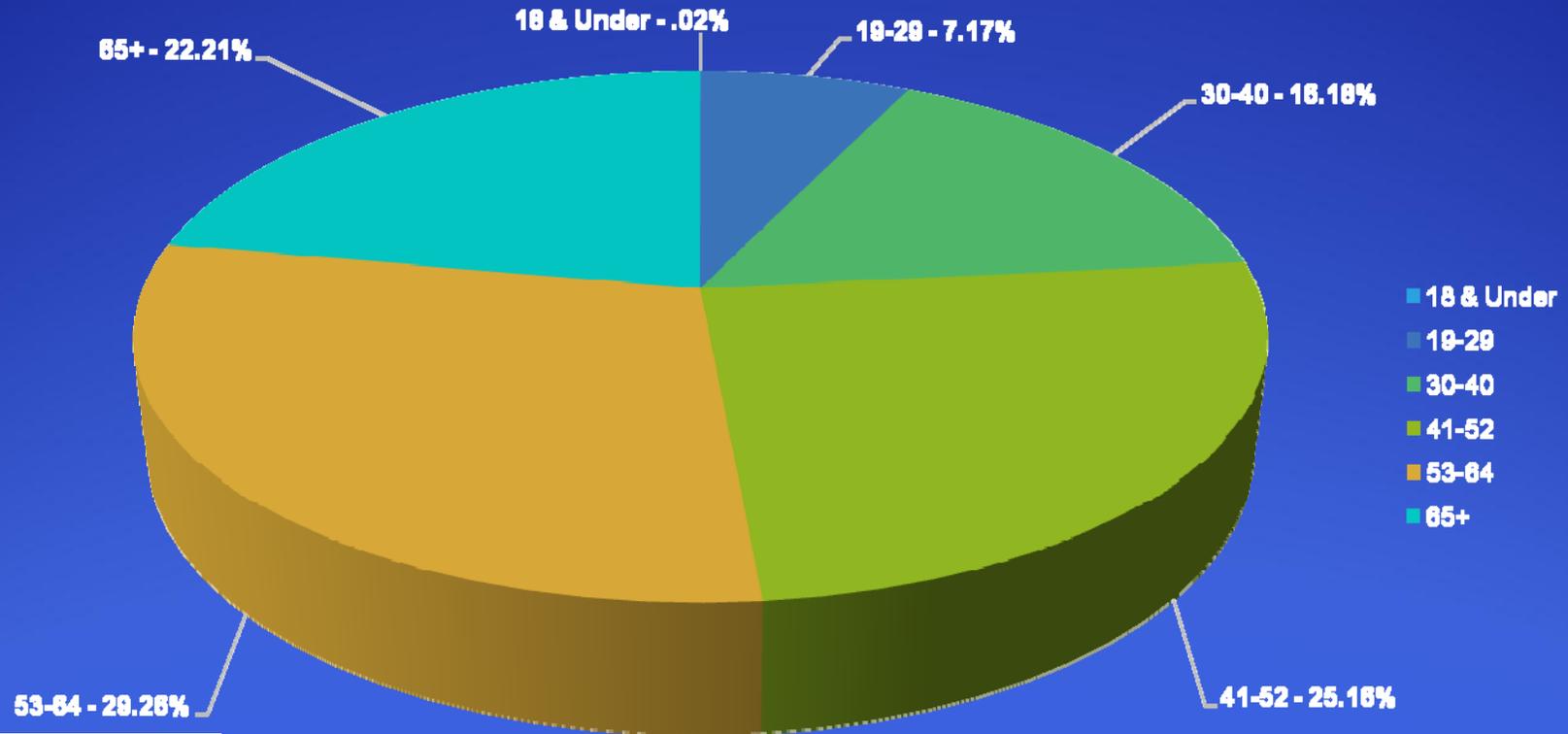
- ❑ Because the DRTC cares for all those that reside within its study area, it invests in state-of-the-art technology so the residents have what they need to stay connected with each other and the rest of the world.
- ❑ Connectivity offers our customers:
 - Educational experiences – ITV Consortium, online classes
 - Careers – Verety, Medical Transcriptionist, college professors
 - Telemedicine , Software Programmers

DRTC's Broadband Deployment

- ❑ DRTC began fiber-to-the-home (FTTH) construction in 2004 and has completed its build out to all those in the study area
- ❑ As of Oct. 1, 2012, DRTC had a total of 7,423 broadband connections
 - Broadband connections include connections to subscribers as well as connections to smart grid, smart water meters and smart farms

Profile of Broadband Subscribers

Total Customers by Age



Participation in Rural PC Project

- ❑ In 2009, DRTC became a pilot site for the Rural PC Project, a joint project between NTCA, Communications Supply Service Association, Pivot and Microsoft which:
 - Provides affordable and reliable PCs to rural consumers to enhance their quality of life;
 - enables low income consumers to have access to computing and internet technologies; and
 - increases broadband adoption in rural areas.
- ❑ DRTC became involved in the Rural PC Project to educate its older citizens on how to use the services we offer
 - Remove the fear factor of buying a computer, expense and setting up the equipment

Participation in Rural PC Project (Cont'd)

- ❑ In the pilot program, DRTC offered laptops for an upfront fee to new customers who signed a two-year contract for a bundled phone and Internet offering
 - Customer was required to also purchase an antivirus protection and have a good credit rating
 - Termination fee applied if a customer disconnected before contract ended
- ❑ DRTC promoted the contract offering mainly to dialup customers with the goal of upgrading them to high speed broadband by offering an affordable, updated computer.
 - Goal was to sell at least 50 laptops in 3 months

Results from Rural PC Project

- ❑ After 3 months, DRTC had exceeded its goal and distributed more than 75 laptops
- ❑ A survey was taken which had a 60% response rate
 - 32% had income of less than \$35,000
 - 41% indicated it was their first computer
 - The computer received a 95% satisfaction rating
 - 76% indicated that they will be more likely to purchase other technology and services from DRTC with the highest percentage (89%) in the 45-64 age bracket
 - Primary uses included email, web browsing, online banking, social media and uploading photos to process

Results from Rural PC Project (Cont'd)

□ Customer Comments

- “I couldn’t afford a computer and I have wanted one for a long time. DRTC provided this opportunity and I am thankful.”
- “I love my new computer and high speed Internet. I would not have been able to purchase a laptop without this promotion. Thank you.”
- I really appreciate the fact that DRTC offered this at the price that I could afford as someone on a fixed income it is hard to find good bargains. I would not have had it otherwise.”

□ Although the pilot program ended in Sept. 2009, DRTC has continued to distribute laptops and to date has now placed 1,200 laptops in homes within its service territory

- 29 of these recipients are Lifeline customers (DRTC specifically targeted Lifeline customers in its laptop promotions)

Other Community Broadband Education

❑ DRTC offers ongoing free Internet classes to its customers

- DRTC holds a minimum of 2 computer classes per month rotating in the communities in its service territory
- Over 150 classes conducted in the last 3 years

❑ Free Computer Classes

- Basic and advanced computer classes
- Email and digital camera
- Excel spreadsheets
- Facebook & e-bay classes
- Classes in creating online photo albums/calendars
- Skype (in development)

Other Community Broadband Education (Cont'd)

- ❑ DRTC makes presentations in 13 schools each year
 - Kindergarten – 911 and telephone etiquette presentation
 - 4th grade – Internet is worldwide, viruses, cyberbullying, online predators and tips to stay online
 - 5th – 12th grade – true stories of young adults who have experienced online predators, cyberbullying and sexting followed by discussion
- ❑ DRTC also
 - Has scholarships available for seniors and classes for parents
 - Visits 2 Headstart programs with its 911 and telephone etiquette presentations
 - Participated in a joint presentation with a school outside of its territory

Broadband Education Being Jeopardized

- ❑ All of these successful efforts to expand broadband adoption in DRTC's very rural service area is being jeopardized
 - USF-ICC reforms have significantly curtailed the amount of high cost universal service that DRTC has been receiving
 - For example, DRTC would have received approximately \$1.68 million in safety net additive support over the next five years if the FCC had not retroactively eliminated this program
 - Due to the FCC's extremely onerous waiver process and uncertainty regarding any favorable outcome, there is no viable avenue by which to obtain any relief

Conclusion

- ❑ Both the Rural PC Project and the free Internet classes work in tandem in educating and providing affordable PCs for all those that reside in DRTC's rural service area
 - These efforts have been very successful in encouraging broadband adoption, a major goal of the National Broadband Plan
- ❑ In order to conduct these and other community broadband education efforts, DRTC must invest considerable financial resources
- ❑ Due to the substantial curtailment of the amount of high cost universal service funds that DRTC had been receiving, DRTC will have to suspend these efforts thus ending what has been successful broadband adoption initiatives

ATTACHMENT 2

Follow Up Email Communications - Wireline Competition Bureau Staff:

- Average Monthly Broadband Data Consumption
- Local Exchange Telephone Rates
- Middle Mile Broadband Data Growth

From: "Jeff T. Wilson" <jwilson@drtel.com>

Date: November 15, 2012 11:31:05 PM EST

To: "Garnet.Hanly@fcc.gov" <Garnet.Hanly@fcc.gov>

Cc: "Michael Romano (MRomano@ntca.org)" <MRomano@ntca.org>, "Derrick B. Owens (derrick@w-t-a.org)" <derrick@w-t-a.org>, "John Kuykendall (jkuykendall@jsitel.com)" <jkuykendall@jsitel.com>, "Jeff Fastnacht (jfastnacht@ellendale.k12.nd.us)" <jfastnacht@ellendale.k12.nd.us>, Lisa <Hone@fcc.gov>

Subject: Follow up - Dickey Rural Telecommunications ex parte meeting 11/15/2012

Dear Ms. Hanly –

Thank you so much for your time today. As a follow up to one of your questions regarding the average monthly data consumption for our broadband users, I received a traffic study for the average user's consumption outside our network for the last 4 week period (28 days) to be a 19.59 GigaByte average per broadband subscriber.

The other data on our top 50 users is being gather and formatted, you will receive this information once it is formatted.

Please don't hesitate to contact me should you need any other information.

Sincerely,

Jeff. T Wilson
CEO/General Manager
Dickey Rural Networks
PO Box 69
Ellendale, ND 58436
(701) 344-6010
www.drtel.com

From: "Jeff T. Wilson" <jwilson@drtel.com>
Date: November 15, 2012 11:39:47 PM EST
To: "Garnet.Hanly@fcc.gov" <Garnet.Hanly@fcc.gov>
Cc: "Michael Romano (MRomano@ntca.org)" <MRomano@ntca.org>, "Lisa (Hone@fcc.gov)" <Hone@fcc.gov>, "Derrick B. Owens (derrick@w-t-a.org)" <derrick@w-t-a.org>, "John Kuykendall (jkuykendall@jsitel.com)" <jkuykendall@jsitel.com>, "Jeff Fastnacht (jfastnacht@ellendale.k12.nd.us)" <jfastnacht@ellendale.k12.nd.us>
Subject: More follow up - Dickey Rural 11/15/2012 ex parte

Dear Ms. Hanly –

For your reference to your question regarding our local rates, please find below a link to our cooperative's website and below that are the published rates that are advertised on this website.

<http://www.drtel.com/telephone/local-service/>

Local Service

Local service pricing in all areas on the map except the light gray area is \$15.75 for both residential and business customers. Local service pricing for Lisbon and Gwinner exchanges (light gray area) is \$18.00* for residential service and \$26.02* for business service. All DRN exchanges with the exception of Fort Ransom (973) have [Extended Area Calling](#).*

**Taxes, Federal Subscriber Line Charges, Federal Universal Service Charges, E911 Charges, Telecommunications Relay Service, other federal or state charges are not included.*

Thank you.

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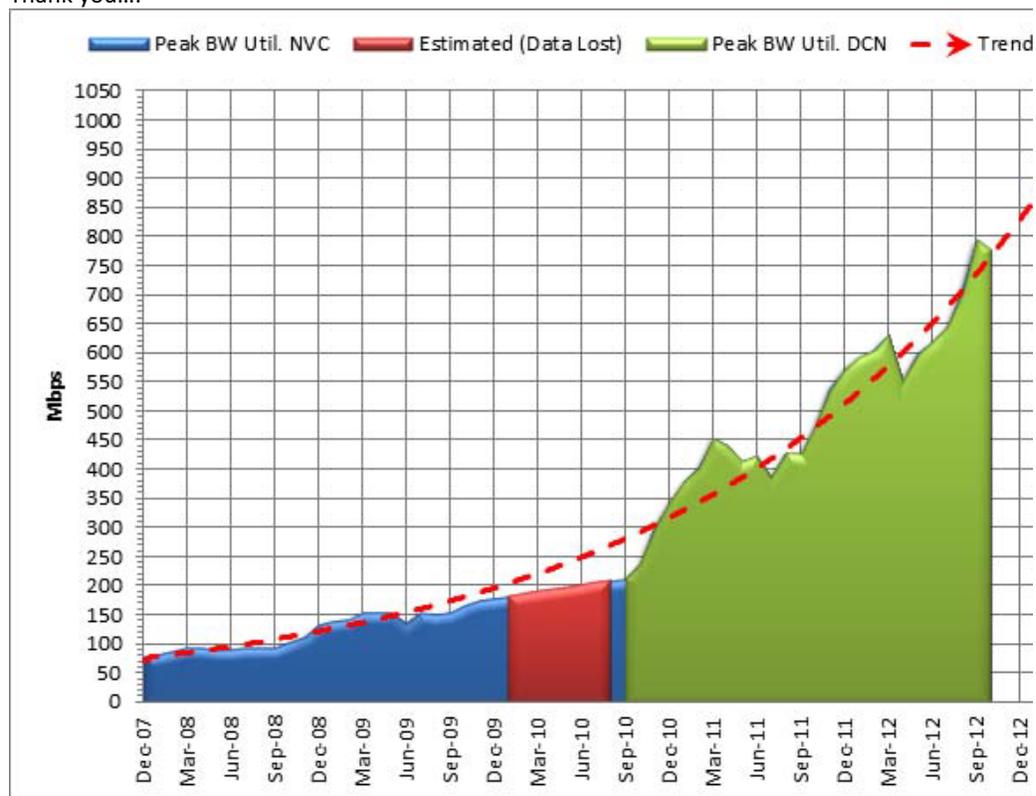
From: "Jeff T. Wilson" <jwilson@drtel.com>
Date: November 16, 2012 12:08:31 AM EST
To: "Garnet.Hanly@fcc.gov" <Garnet.Hanly@fcc.gov>
Cc: "Lisa (Hone@fcc.gov)" <Hone@fcc.gov>, "Derrick B. Owens (derrick@w-t-a.org)" <derrick@w-t-a.org>, "Michael Romano (MRomano@ntca.org)" <MRomano@ntca.org>, "John Kuykendall (jkuykendall@jsitel.com)" <jkuykendall@jsitel.com>, "Jeff Fastnacht (jfastnacht@ellendale.k12.nd.us)" <jfastnacht@ellendale.k12.nd.us>
Subject: Middle Mile data- Dickey Rural ex parte - 11/15/2012

Dear Ms. Hanly –

Today we discussed our broadband users middle mile data needs for connectivity. As you can see from the graph below, we have grown from a 70 meg pipe in 2007 to needing a 800 meg pipe in Oct. of 2012. I mentioned when I arrived at Dickey Rural in 2005 we were well under 100 meg and I thought it may be closer to around 30 meg. Although I don't have the data back to 2005, I believe this graph provides an idea of the trend of broadband consumption we are realizing.

I hope this information is useful to the FCC as it works to develop policies that assist in providing affordable, robust broadband to rural America.

Thank you....



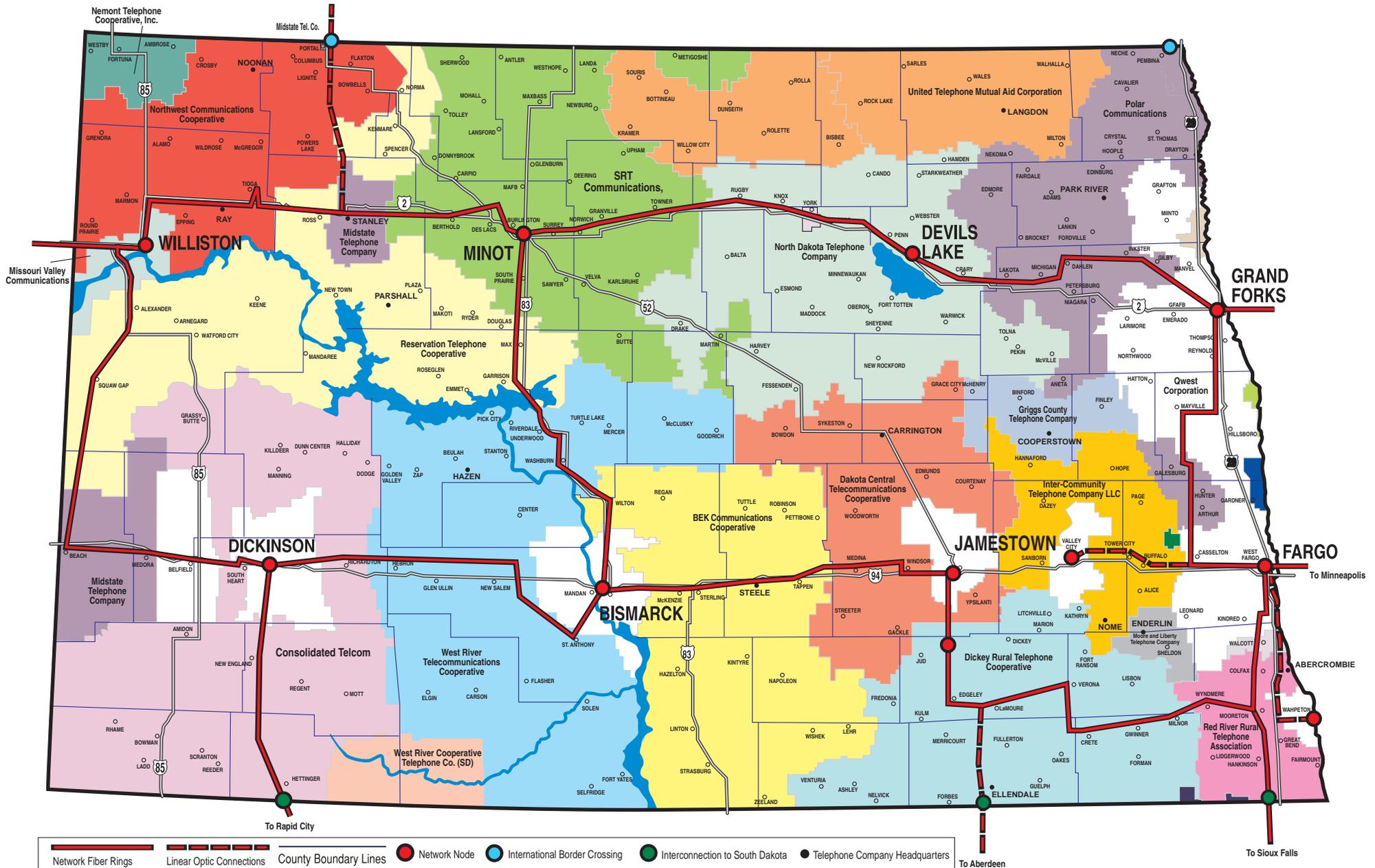
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ATTACHMENT 3

STATEWIDE MAP

NORTH DAKOTA INCUMBENT LOCAL EXCHANGE CARRIERS

North Dakota Fiber Optic Network



——— Network Fiber Rings
 - - - - - Linear Optic Connections
 County Boundary Lines
 ● Network Node
 ● International Border Crossing
 ● Interconnection to South Dakota
 ● Telephone Company Headquarters

To Aberdeen

To Sioux Falls

To Minneapolis