

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
AT&T Petition to Launch a Proceeding)
Concerning the TDM-to-IP Transition)
)

GN Docket No. 12-353

In the Matter of)
)
Petition of the National Telecommunications)
Cooperative Association for a Rulemaking)
to Promote and Sustain the Ongoing TDM-to-IP)
Evolution)
)

**DECLARATION OF KEVIN NICHOLS IN SUPPORT OF
COMMENTS OF GRANITE TELECOMMUNICATIONS, LLC**

I, Kevin Nichols, hereby state as follows:

1. My name is Kevin Nichols. I am the Vice President of Sales at Granite Telecommunications, LLC (“Granite”), a position I have held since 2002. Prior to then, I worked for over ten years in sales positions at another competitive local exchange carrier. I earned a Bachelor of Arts degree from Boston College in 1990.

2. From having worked in the telecommunications industry for more than two decades, I have acquired substantial knowledge about that industry, especially with respect to large, multisite businesses, which is the market that Granite primarily serves. Granite is the carrier of record for over 13,500 businesses in the United States and over 1,250,000 telephone lines.

3. Granite offers voice and data broadband services, including DSL, PRIs, T1s and VoIP / SIP Trunking, though Granite provides the vast majority of its services using analog TDM copper lines. Granite is a non-facilities based CLEC with approximately 1,000 employees.

4. Granite serves over 13,500 business customers at over 240,000 locations. Among Granite's customers are all of the nation's 10 largest retail companies, 66 of the nation's Fortune 100 companies, the United States Postal Service and many other governmental entities. Granite specializes in providing DS0-level voice and DSL services at end-user's retail or branch locations, where a relatively small number of lines are needed (3 to 15 lines). Granite customers have locations in many rural areas, including small towns such as Carney, Michigan, Enderlin, North Dakota and Williamsville, Virginia, whose populations are 192, 881 and 305, respectively.

5. My knowledge of the telecommunications industry comes from discussing the telecommunications needs of businesses with employees of large, multisite businesses whose responsibilities include procuring telecommunications services. Those discussions ordinarily take place at or around the time those businesses are evaluating their telecommunication needs and considering what carrier and products best suit those needs. Over twenty years, I have listened to such employees tell me what their companies need with respect to telecommunications service and I have discussed with them how those needs can best be addressed. Through this experience I believe I have developed a thorough understanding of the telecommunications needs of large, multisite businesses in the United States.

6. While some large, multisite businesses telecommunications needs vary somewhat based on the particular company or industry, my experience has led me to believe that there are four primary factors that such businesses look for with respect to telecommunication products. Those factors are: (1) quality, reliable products; (2) a single carrier who can provide

consolidated, national coverage; (3) highly responsive customer service; and (4) pricing that is low and based on required functionality. I explain those factors below.

7. Quality, Reliable Products. Large, multisite businesses demand telecommunications services of the highest quality and reliability – that is, voice calls can be made and received 24 hours a day / 7 days per week / 365 days a year, without static, interference or delay. These businesses require advanced features, such as hunt lines which automatically route calls to specific locations and / or employees who are available to take the call. There cannot be exceptions, for example, when it is raining or during peak usage hours. If a telecommunications service cannot perform to these specifications, large, multisite businesses will not use them, even if alternative, newer products could be purchased at lower prices.

8. National Coverage. Large, multisite businesses also generally want to deal with a carrier who can provide service coverage wherever the business is located. Granite's business customers generally have hundreds or thousands of locations dispersed across the United States and are not ordinarily limited to the regional footprints of any incumbent LECs or cable companies. Rather than dealing with multiple carriers, large multisite businesses generally prefer to have underlying services consolidated by a single carrier. That way, if there is an issue or problem with the service, the business does not have to determine in what carrier's footprint are the line(s) at issue, or deal with numerous companies to implement a single change of service. Having a single carrier also creates efficiency in managing pricing, contracts and other types of controls over the businesses' communications needs, and usually allows large, multisite businesses to maintain smaller telecom staffs, which also creates savings and efficiency for the business.

9. Responsive Customer Service. When things do go wrong, businesses insist on having highly responsive customer service. Employees at large businesses refuse to deal with the typical Interactive Voice Response (“IVR”) maze. Large businesses will similarly prefer to deal with service representatives that have knowledge of the products and services that the company purchases. There is simply too much at stake, given that delays or disruptions in communications services may lead to a loss of sales and/or customers. Instead, many business customers insist on talking with a live human being, who possesses the technical expertise to understand the underlying issues, is fluent in the caller’s own language and is able to resolve service issues as quickly as possible. Moreover, when Granite personnel receive a trouble call, they know from their training and experience how to get the call resolved quickly and efficiently. Granite knows how to escalate critical matters with service personnel and ensure such matters receive appropriate priority.

10. Low Pricing for Required Functionality. Large, multisite businesses bargain to pay the very lowest possible price for communications products, but also matching the required functionality of the underlying products. This means that large, multisite businesses will not accept products that do not offer sufficient quality or reliability, as explained above in paragraph 7. It also means that most businesses will reject products that offer more functionality than required – but at higher prices. For example, if a gas station needs to complete credit card transactions at a point of sale in a retail store location that is sufficiently served by a copper DSL line and does not require other high bandwidth capacity at that particular location, that business is unlikely to opt for a product that offers the unneeded bandwidth at double or triples the price, such as a data T1 or fiber-based data product. The business in this example will keep the lower-priced DSL line, even though higher capacity products are available.

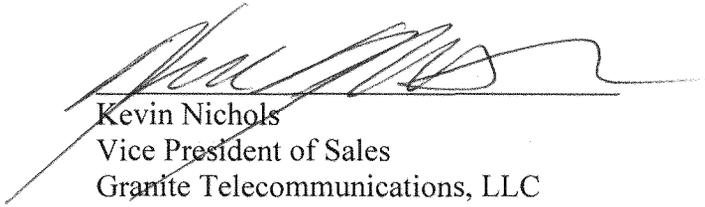
11. Granite's recognition and application of the factors listed above has resulted in Granite's success in attracting large, national, multisite business customers. Such customers have flocked to Granite's service. Granite believes it provides more services to such business customers than any other CLEC in the United States.

12. Granite's customers also generally stay with Granite, even though Granite does not require its customers to sign term commitments. Granite's churn averages less than 1.5% per month, which is one-fifth of the industry average and demonstrates the high level of customer satisfaction with our services.

13. For the most part, Granite's customers are located in areas where there are few if any alternative options from facilities-based alternatives to the ILEC. There is competition for service at these locations from other CLECs that also use ILEC facilities for the last mile connection.

14. Products offered by cable companies are not viable options for our customers because cable providers generally have not built out their networks to serve our customer's precise business locations and generally do not offer voice services outside of their franchised cable territories.

I declare under penalty of perjury that the foregoing is true and correct.



Kevin Nichols
Vice President of Sales
Granite Telecommunications, LLC

Executed on: January 28, 2013
Quincy, Massachusetts