



MONTANA  
TELECOMMUNICATIONS  
ASSOCIATION

September 18, 2013

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, D.C. 20554

RE: *Universal Service Transformation Order*: WC Docket Nos. 10-90,  
05-337; CC Docket Nos. 01-92, 96-45; *et al.*  
*Call Completion*: WC Docket No. 13-39  
*E-Rate Reform*: WC Docket No. 13-184

Dear Ms. Dortch,

On September 16, 2013, the undersigned, along with representatives<sup>1</sup> of Montana's rural telecommunications industry met with Commissioner Jessica Rosenworcel in Butte, Montana, and discussed the above-cited items.

*Transformation Order*. We discussed the negative effect the *Transformation Order* is having on broadband providers' investment plans. Companies are investing less, or approaching investment planning on a short-term, year-by-year basis since the unpredictability of future return on investment is making capital harder to find and is making long-term borrowing and investing decisions more risky. Company representatives indicated that they are delaying investment plans until the financial environment, including the effects of universal service support, is more stable. They commended Commissioner Rosenworcel for her support of the *6<sup>th</sup> Report and Order*, but noted that a one-year pause in implementing the next Quantile Regression Analysis benchmarks is insufficient time in which to comply with the sufficient, predictable and specific principles of universal service support that are called for in the Telecommunications Act.

*Call Completion*. Company representatives reiterated that their consumers continue to suffer the negative consequences of other companies' failure to ensure that calls properly are routed and completed. They noted that most

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<sup>1</sup> David Gibson and Phil Maxwell, 3 Rivers Communications; Larry Mason, Southern Montana Telephone Co.; Mike Sheard, Northern Telephone Cooperative; Randy Wilson, InterBel Telephone Cooperative; Kathy McLane, Mid-Rivers Telephone Cooperative; Anne Boothe, Triangle Communications; Jeff Hubbard, CenturyLink; and Bonnie Lorang, Montana Independent Telecommunications Systems.

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call completion failures originate from voice over Internet protocol providers. MTA noted it had filed comments on the call completion NPRM, and recognized that proper record-keeping is essential. Company representatives also noted it is important that originating call providers not send false ring-back tones to their consumers—an action which intentionally misleads consumers into believing that their calls are being completed.

*E-Rate Reform.* Montana’s telecommunications providers are willing and able to provide as much broadband capacity to our communities’ schools and libraries (as well as any anchor institutions and other business and residential consumers) as they are willing and able to consume. We noted that most schools and libraries in Montana consume far less than the 100 megabits that the E-Rate NPRM proposes. In most cases, Montana’s telecom providers can provide access to such bandwidth today; the issue is more one of affordability and not access. In cases where access is an issue, Montana’s telecom providers have the means by which to complete last-mile upgrades, if necessary, but again the issue is one of affordability—both from a provider’s as well as consumer’s perspective. For example, affordable middle-mile Internet access affects both the cost and price of broadband access. The companies commended Commissioner Rosenworcel for recognizing that E-Rate support should be re-prioritized to areas most in need of capacity upgrades and that leveraging existing facilities should be undertaken before using support to build new or redundant infrastructure.

Respectfully submitted,

/s/

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