

MONROE TELEPHONE COMPANY

575 COMMERCIAL ST., P. O. BOX 130
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541-847-5135

September 10, 2012

RE: AR 566

These are the comments of John T. Dillard, president of Monroe Telephone Company, Monroe, Oregon in AR 566. Monroe serves about 825 customers in 50 square miles of SE Benton County, Oregon. There are few businesses in our serving area. However, those that are here due to our rural nature, are very dependent on reliable telephone service in the conduct of their business.

Last year, we began to receive complaints of calls not completing to our customers. Our investigations found these calls were not getting to our exchange. In some cases, we found that they were not getting to the upstream tandem switch in Eugene.

We placed a complaint with the Oregon Public Utility Commission and assisted our customers place their complaints. Since then, much has been said about this problem both on the state and Federal level. The Federal Communications Commission (FCC) has opened an investigation and Oregon has initiated this rulemaking. Interexchange carriers have committed to improving their services. But, the problem is still with us and rural end users are receiving less than acceptable call completion rates. I would like to point out that our network is expected to be at the 5 nines grade of quality. That means one failure per 100,000 attempts. That standard has not been changed by any regulatory agency.

In my opinion, the simple fact of concern here is that the Federal Communication Law at Section 251(a)(1) explicitly states that every carrier has the duty to interconnect with other carriers. The FCC, in my opinion, has chosen not to enforce that in a meaningful manner. They are in a sense leaving the problem in the laps of 50 states.

This is not just an Oregon problem and apparently is not improving. As recently as August 16, 2012, the California Communications Association filed a letter with the FCC stating the problem had increased in the first half of that month.

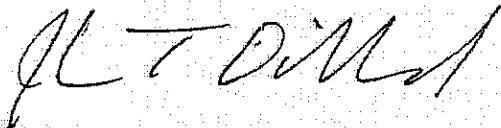
The problem is pronounced enough at Monroe that we chose not to charge our business customers the federally blessed Access Recovery Charge (ARC). This charge does not apply to our residential customers by Federal standards but there are not such standards for rural businesses. Apparently rural businesses are healthy enough in the FCC's opinion to absorb arbitrary rate increases. We could not in good conscience apply this rate increase to customers when we can not guarantee the accepted level of service due to someone else's actions. This amounts to about \$1000.00 of forgone revenue per year to Monroe.

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I believe other comments will point out that part of the FCC solution is in reducing and then eliminating terminating access charges, moving the industry to a "bill and keep" environment. These terminating access charges that are being eliminated have helped bear the higher costs of constructing and maintaining communication facilities in rural areas. The past one hundred years of communication policy has been to share these costs across all users of the network. All this shift will do is to make costs higher to the rural end user while rewarding interexchange carriers with what is commonly called a "windfall." Shifting costs is not responding to this problem.

The problem is not cured. The FCC actions or inaction in this matter has handed the responsibility to the fifty states. This negates comments which want Oregon to adopt a "wait and see" approach that is not acceptable in these economic times when rural businesses are hanging on. This proposed rule may not be perfect but it is a positive step in addressing a significant problem.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J T Dillard". The signature is written in a cursive, somewhat stylized font.

John T. Dillard
President

**CERTIFICATE OF SERVICE
AR 566**

I certify that I have this day sent the attached Comments of Monroe Telephone Company to AR 566 by electronic mail and U.S. mail to the following:

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I further certify that I have this day sent the attached Comments of Monroe Telephone Company by electronic mail to the following parties or attorneys of parties:

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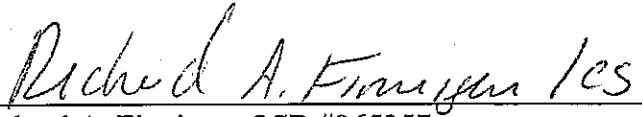
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12 Dated at Olympia, Washington, this 11th day of September, 2012.

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