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March 15, 2019

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: CenturyLink Petition for a Declaratory Ruling, Connect America Fund,
WC Docket No. 10-90; Developing a Unified Intercarrier Compensation Regime,
CC Docket No. 01-92

Dear Ms. Dortch:

On March 13, 2019, Tim Boucher of CenturyLink, Kristine Devine, counsel to CenturyLink (both by phone), and I met with Preston Wise, Special Counsel to Chairman Pai, regarding the above-captioned matter. The discussion was consistent with CenturyLink's previous filings in this proceeding.¹ In particular, CenturyLink emphasized the following points.

First, CenturyLink observed that the Commission intended in the *Transformation Order*² for its new VoIP-PSTN framework to encompass both fixed (facilities-based) and nomadic (over-the-top) VoIP and that, although it had sought comment on whether its framework should distinguish between fixed and nomadic VoIP—and despite AT&T's urging it to do just that—it

¹ See Letter from John T. Nakahata, counsel to CenturyLink, to Marlene H. Dortch, FCC, WC Docket No. 10-90, et al., (filed Mar. 4, 2019) (*CenturyLink Mar. 4 ex parte*); see also Letter from John T. Nakahata, counsel to CenturyLink, to Marlene H. Dortch, FCC, WC Docket No. 10-90, et al., (filed Nov. 28, 2018). Copies of both filings were provided to Mr. Wise.

² *Connect America Fund*, WC Docket No. 10-90, et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17,663 (*Transformation Order*).

declined to do so.³ Instead, even though it had initially proposed applying its framework only to interconnected VoIP (which itself would have included over-the-top VoIP), it decided to apply its framework to *all* VoIP-PSTN traffic.⁴ Doing so was important to address the Commission's concern that the then-existing "uncertainty" regarding compensation "may be affecting IP innovation and investment" and to ensure that its regulatory framework would not slow the spread of new, innovative services by placing them at a regulatory disadvantage as compared to "very limited VoIP products that merely mimic the circuit-switched offerings of the past."⁵

Second, CenturyLink explained that the rule proposed by Verizon—that end office access charges should depend on whether the specific device that has connected to the VoIP server connects over a facility purchased from the LEC or the VoIP partner or whether it was purchased separately (i.e., whether the customer has "brought its own bandwidth")—was untenable.⁶ Such a rule would lead to absurd results, such as end office access charges being dependent on which entity sends the bill to the customer for the same access facility or Internet service, or whether an employee of an enterprise sitting in a coffeeshop has keyed in a VPN code.⁷ CenturyLink also observed that neither Verizon nor AT&T claims to actually apply such distinctions itself, and that in fact it seems no carrier does so—and that moreover no carrier has even asserted that it is *possible* to implement such a rule.

Third, CenturyLink explained that the precedent AT&T and Verizon rely on in support of their proposed rule in fact supports CenturyLink's position, and, moreover, the holding of the *RAO 21 Reconsideration Order*⁸—that a switch must have the capability to redirect the voice channel on its own—cannot be reconciled with AT&T's assertion that the ISP actually performs that function, because the ISP does not have that capability.⁹

Finally, CenturyLink explained that a straightforward reading of incumbent LEC tariffs confirms that such tariffs apply to over-the-top VoIP traffic.¹⁰ CenturyLink noted that it has had both enterprise customers and VoIP provider customers that have purchased PRI services from its incumbent LECs. In both cases, identical services were provided by CenturyLink's incumbent carriers, and in both cases, end office switches were charged pursuant to the terms of

³ See *CenturyLink Mar. 4 ex parte* at 9-11.

⁴ See *id.*

⁵ *Connect America Fund*, WC Docket No. 10-90, et al., Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, 26 FCC Rcd 4554 ¶ 611 (*Transformation NPRM*); see, e.g., *Transformation Order* at ¶¶ 941-42, 968.

⁶ Letter from Alan Buzacott, Verizon, to Marlene H. Dortch, FCC, WC Docket No. 10-90, et al., at 2-3 (filed Feb. 7, 2019).

⁷ See *CenturyLink Mar. 4 ex parte* at 2-4.

⁸ See Petitions for Reconsideration and Applications for Review of RAO 21, Order on Reconsideration, 12 FCC Rcd 10,061 (1997) (*RAO 21 Reconsideration Order*).

⁹ See *CenturyLink Mar. 4 ex parte* at 4-8.

¹⁰ See *id.* at 11-14.

Marlene H. Dortch

March 15, 2019

Page 3

CenturyLink's tariff. AT&T and Verizon's argument that "over-the-top" traffic is somehow not subject to end office switching charges in these circumstances simply ignores the law.

Please contact me if you have any questions regarding this matter.

Respectfully submitted,

/s/ Joseph C. Cavender

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cc: Preston Wise