

W. Scott Randolph  
Director - Regulatory Affairs



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March 21, 2001

Ms. Magalie R. Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, DC 20554

**Ex Parte: Intercarrier Compensation for ISP-Bound Traffic – CC Docket No.  
99-68**

**1998 Biennial Regulatory Review – Review of Customer Premises Equipment  
and Enhanced Services Unbundling Rules – CC Docket Nos. 96-61 and 98-  
183**

Dear Ms. Salas,

On Wednesday, March 21, 2001, Susanne Guyer, Ed Shakin and the undersigned, representing Verizon, met with Jordan Goldstein of Commissioner Ness's office to discuss inter-carrier compensation for ISP-bound traffic. We discussed that Internet-bound is not subject to the compensation requirements of Sections 251 and 252 and that the Commission should limit gaming by not allowing carriers to opt into other agreements that specifically require an ILEC to pay a specific rate on Internet-bound traffic. We also explained how the FCC, exercising its § 201 authority over interstate communications, could adopt a regime under which inter-carrier compensation is not owed for Internet-bound traffic.

We also discussed why bundling restrictions on ILEC services should be lifted consistent with the positions that Verizon has previously submitted in comments and *ex parte* filings in the 1998 Biennial Review proceeding.

Pursuant to Section 1.1206(a)(1) of the Commission's rules, and original and one copy of this letter are being submitted to the Office of the Secretary. Please associate this notification with the record in the proceedings indicated above.

If you have any questions regarding this matter, please call me at (202) 463-5293.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Scott Randolph".

W. Scott Randolph

cc: Jordan Goldstein