



March 16, 2004

EX PARTE – Via Electronic Filing

Ms. Marlene Dortch
Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, DC 20554

Re: CC Dockets No. 96-45, 98-171, 90-571, 92-237, 99-200,
95-116, 98-170, and NSD File No. L-00-72

Dear Ms. Dortch:

On Wednesday, March 10, 2004, Pierre De Vries (of Microsoft), John Nakahata (representing Microsoft) and I met with Chris Libertelli, Senior Legal Adviser to the Chairman, Sheryl Wilkerson, Legal Adviser to the Chairman, and Trey Hanbury. On Thursday, March 11, 2004, Pierre De Vries, Scott Harris (representing Microsoft) and I met with Commissioner Adelstein and Barry Ohlson. Pierre De Vries and Scott Harris also met with Ed Thomas, Julie Knapp, Jim Schlichting, and Alan Scrimme at OET. On Friday, March 12, 2004, Pierre De Vries, Scott Harris, and I met separately with Commissioner Abernathy, Matt Brill, and Jennifer Manner, Commissioner Copps and Jordan Goldstein, and Commissioner Martin and Dan Gonzalez. In each of the meetings, among other topics of discussion unrelated to the matters in this docket, we made the following points:

1. Over time, much of today's telecommunications traffic will move to Internet Protocol-based ("IP") networks and will be transmitted in packet form.
2. In an environment in which most new telecommunications capabilities are delivered by IP networks, policymakers should keep in mind that regulations adopted to suit the Public Switched Telephone Network ("PSTN") might not translate well into an IP-centric framework. PSTN-based rules often assume that a single provider offers the consumer access to a facility and simultaneously the use of a particular application (e.g., a voice-ready connection and a voice service). In an IP-centric environment that assumption may or may not be true.

3. This "horizontal" nature of the IP environment is the source of great innovation. To the entity providing access to connectivity, a packet is a packet is a packet. Atop this foundation, myriad application developers and service providers are able to offer their wares, including the access provider itself. As today's regulations are reconsidered, that fundamental innovative dynamism should be preserved.
4. In both the near and mid-term, there are critical transition issues. One of the most important transition issues is preserving universal access to telecommunications capability. Currently, the Commission is considering new USF funding mechanisms that would be based on end-user telephone numbers or on the nature of the end-user's connection. Either a numbers-based or connections-based approach would be better than today's mechanism. However, because each approach may impact emerging innovative business plans, each might be considered only an interim step.

In accordance with FCC rules, a copy of this letter is being filed in each of the above-captioned dockets.

Sincerely,

A handwritten signature in cursive script that reads "Paula Boyd" followed by a stylized flourish.

Paula Boyd
Regulatory Counsel, U.S. Legal-Government Affairs