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December 13, 2004

EX PARTE

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: WC Docket No. 04-36, In the Matter of IP-enabled Services; WC Docket No. 03-266, Level 3 Communications Petition for Forbearance

Dear Ms. Dortch:

On December 10, 2004, Kathleen Grillo, Leslie Owsley, and Denise Strucko of Verizon met with Tamara Priess, Steve Morris, Jennifer McKee, Jay Atkinson, Randy Clarke, Margaret Dailey, Gene Gold and Judith Nitsche of the Pricing Division of the Wireline Competition Bureau. The attached presentations formed the basis of the discussion.

Verizon stated that the Commission should deny Level 3's petition for forbearance and that VoIP providers should pay appropriate intercarrier compensation when they originate or terminate VoIP calls on the public switched telephone network. Rather than apply a different set of intercarrier compensation rules to VoIP-PSTN or PSTN-VoIP traffic, the Commission should make clear that VoIP providers are subject to the current rules unless and until the Commission adopts broader intercarrier compensation reform. Verizon also discussed Level 3's September 24, 2004 *ex parte* filing, which proposes that VoIP traffic may be identifiable by using originating line information. Verizon stated that applying different compensation rules to VoIP traffic will create yet another arbitrage opportunity and would open the door to fraud.

Verizon also discussed its VoiceWing consumer VoIP product, including various aspects of its network architecture and PSTN interconnection. A presentation detailing VoiceWing's features and capabilities and network architecture is also attached.

Pursuant to Section 1.1206(b) of the Commission's rules, one electronic copy of this notice is being filed in the above-referenced proceeding.

Marlene H. Dortch
December 13, 2004
Page 2 of 2

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Grillo". The signature is written in a cursive style with a large, prominent initial 'K'.

Kathleen Grillo

cc: Tamara Preiss
Steve Morris
Jennifer McKee
Jay Atkinson
Randy Clarke
Margaret Dailey
Gene Gold
Judith Nitsche



VoIP/PSTN Compensation

Verizon

December 10, 2004



Introduction

- The Commission should deny Level 3's petition for forbearance
- VoIP-PSTN or PSTN-VoIP calls should not be treated differently for compensation purposes than other calls that travel over the PSTN
- Forbearing from the application of access charges to VoIP traffic that uses the PSTN will create enormous opportunities for arbitrage
- VoIP providers that use the PSTN are and should continue to be subject to the current rules unless and until the Commission adopts broader intercarrier compensation reform



VoIP-PSTN Call Routing

- Currently, the circuit switched network uses telephone numbers (TNs) to route and rate calls
- A call originating on the PSTN to a VoIP customer will physically route the way the TN indicates, regardless of the physical endpoints of the call



VoIP-PSTN Call Processing

- The call processing utilized on the PSTN portion of a call is the same regardless of the technology that originated it (e.g., VoIP, wireline, wireless)
- VoIP-PSTN and PSTN-VoIP calls process over the circuit switched network in exactly the same way as PSTN-PSTN calls



Cost Impact on the PSTN

- VoIP lowers costs on the end where VoIP is being deployed, but does not lower the cost on the PSTN end of the call
- VoIP calls that originate or terminate on the PSTN impose the same costs on the circuit switched network as PSTN-PSTN calls



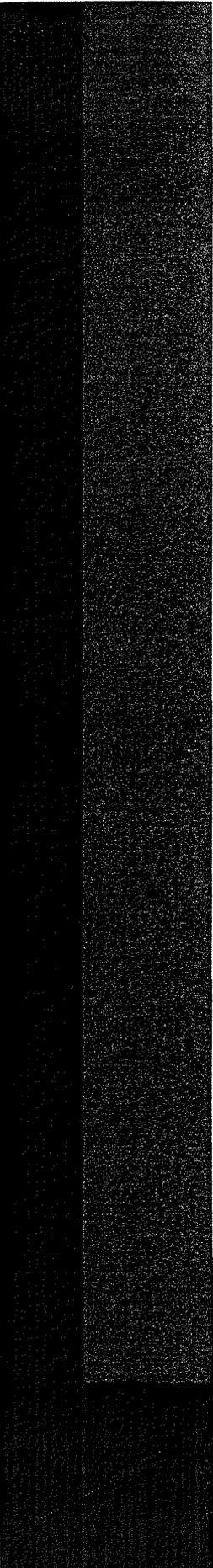
Identifying VoIP Calls

- Carriers currently cannot distinguish VoIP-PSTN traffic from PSTN-PSTN traffic because switch records show the same type of call detail (based on TNs) for both types of calls
- In order to segregate VoIP calls from PSTN-PSTN calls, carriers would need to:
 - adopt a new industry standard to identify VoIP traffic
 - upgrade switches and implement major changes to billing systems
 - change customer network arrangements
- Arbitrage will increase, with carriers identifying more traffic as VoIP than is appropriate to take advantage of any compensation structure specific to VoIP



Conclusion

- The Commission should not apply a different set of intercarrier compensation rules to VoIP-PSTN or PSTN-VoIP traffic
- Applying different rules to this traffic will create yet another set of arbitrage opportunities
- Consumers should choose which technologies succeed in today's competitive marketplace – the Commission should not favor one type of technology over another by granting it artificial regulatory advantages
- Any provider that uses the call processing functionality and facilities of the PSTN should be required to compensate the network provider for that use



Verizon VoiceWing
Broadband Phone Service

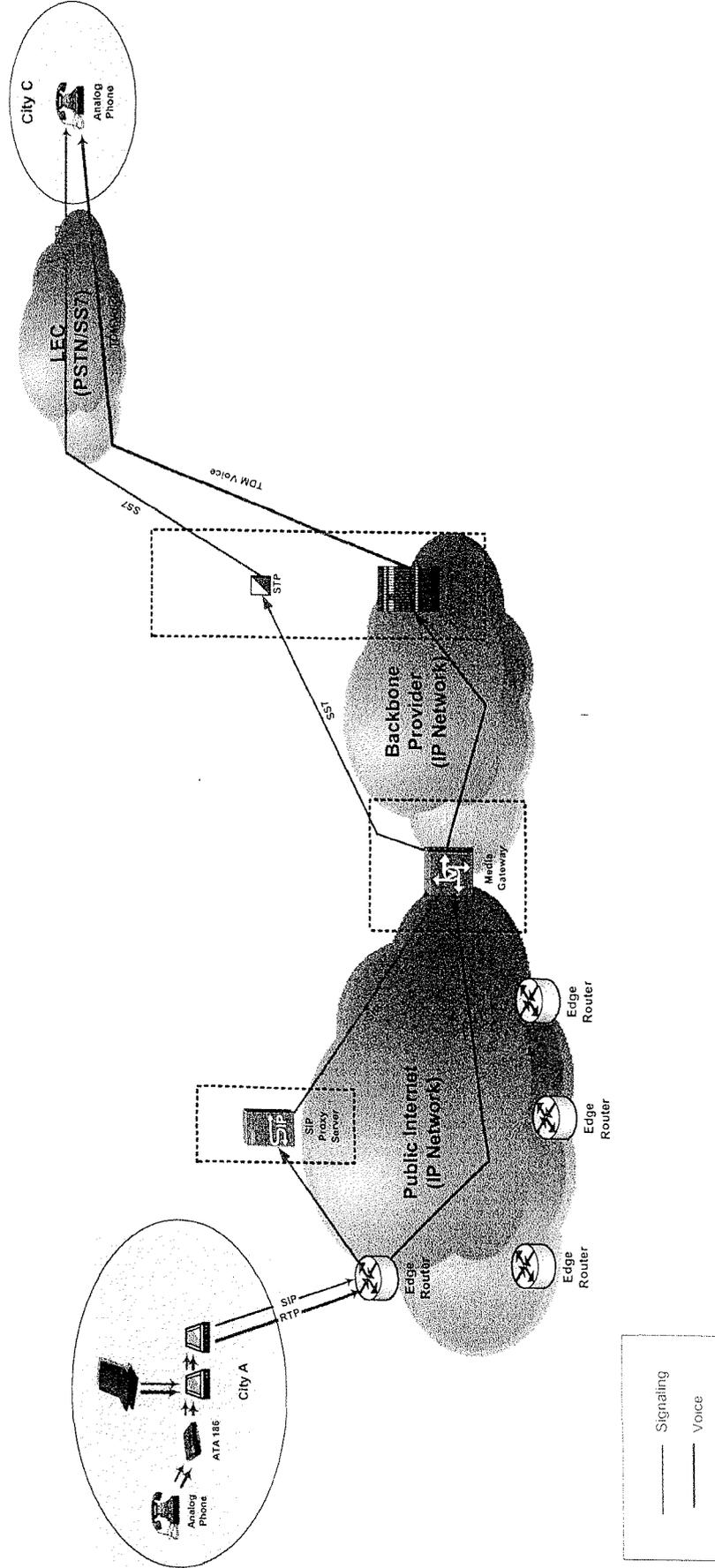
September 20, 2004

Ann Shaub
Director, Verizon Technology Organization

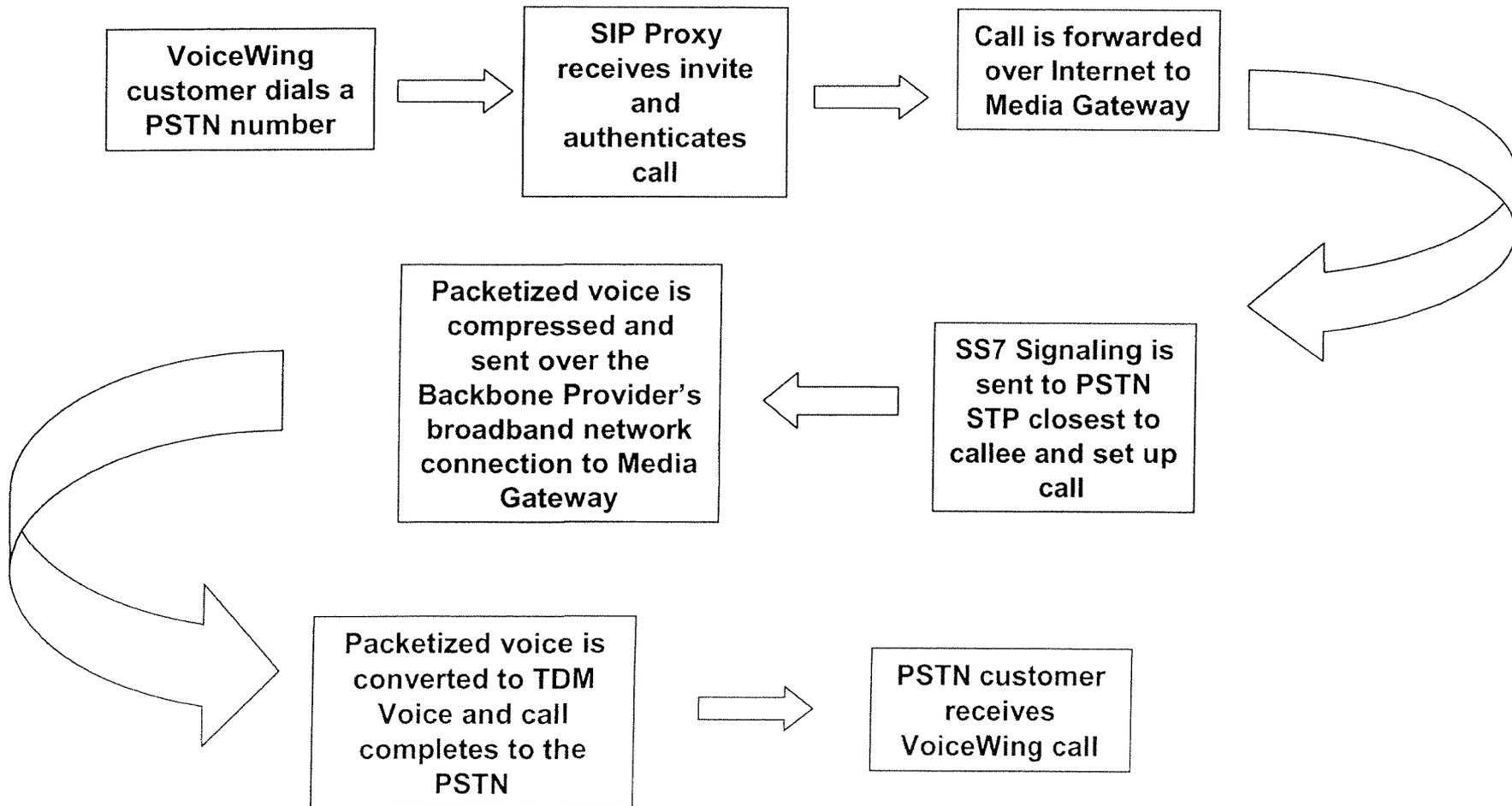
Technical Solution Background

- Outsourced Technical Solution
 - Expedited Time to Market
 - Selective Partnerships
 - Call Origination/Termination to PSTN; Telephone Numbers; LD Backhaul
 - Media Gateways
 - 911 Solution
 - 411 Solution
 - SIP Proxy; Voice Mail Platform; Call Control
- Enables the convergence of Voice and Data Applications
 - Ability to access traditional voice applications from a PC
 - Personal Account Manager (PAM)

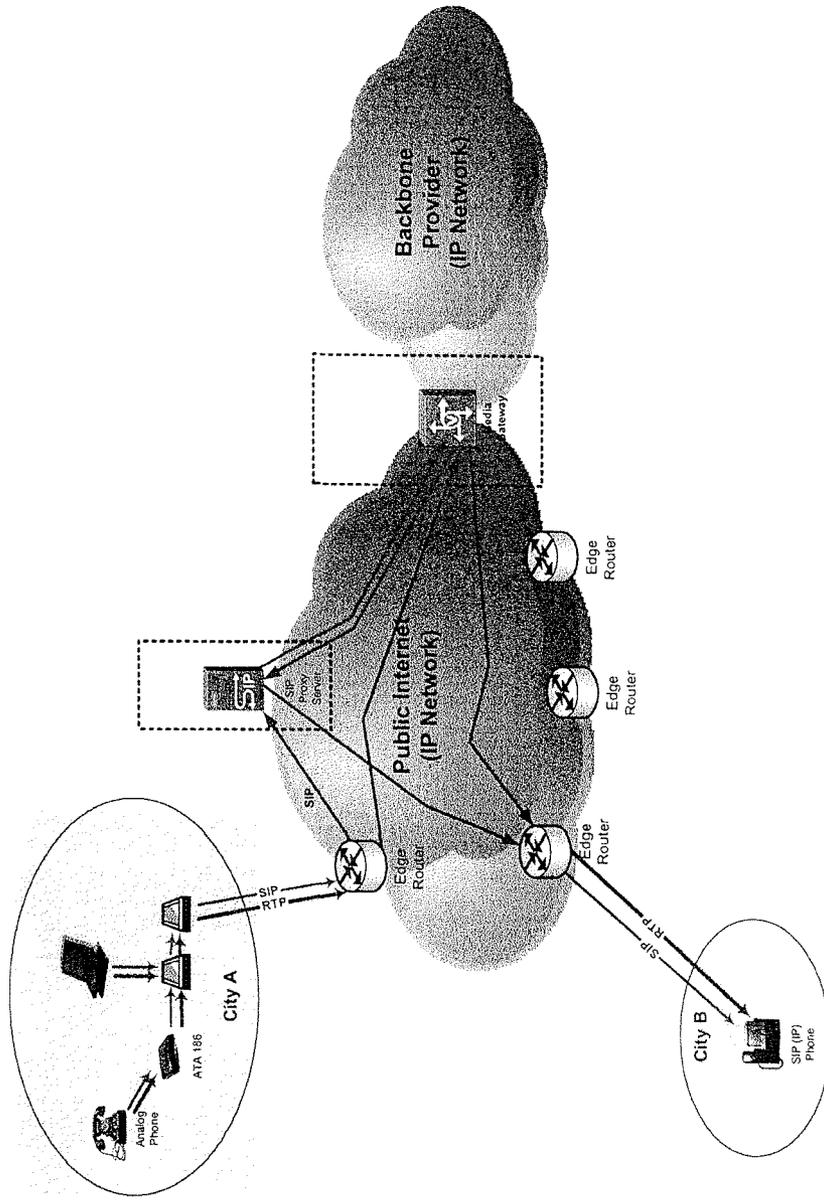
VoiceWing Architecture: VoiceWing to PSTN



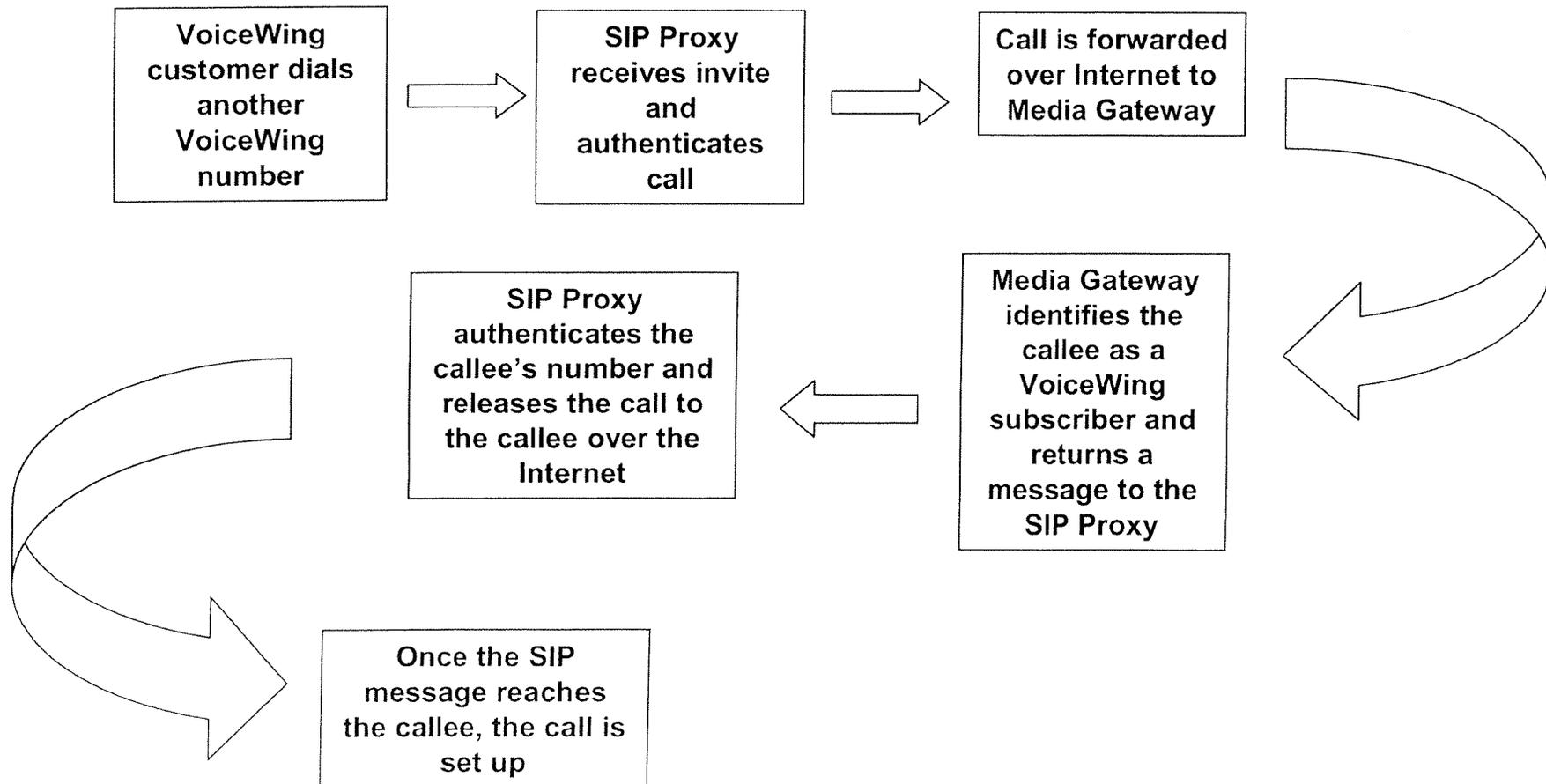
VoiceWing to PSTN Call Flow

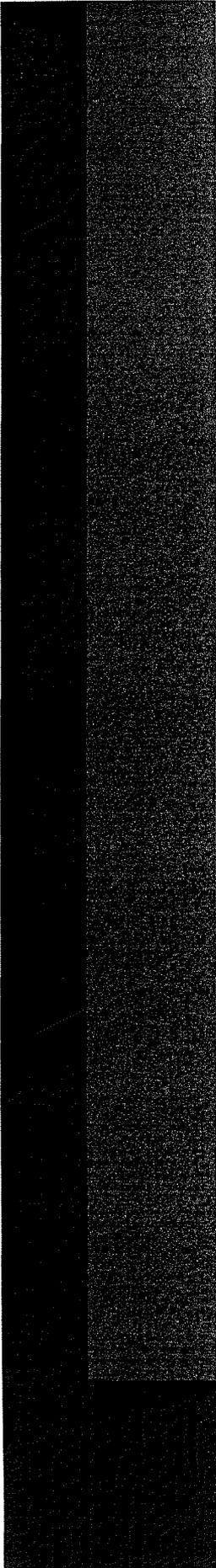


VoiceWing Architecture: VoiceWing to VoiceWing



VoiceWing to VoiceWing Call Flow





Verizon VoiceWing
Broadband Phone Service

September 20, 2004

Michelle Minus Swittenberg
Executive Director, Consumer VoIP

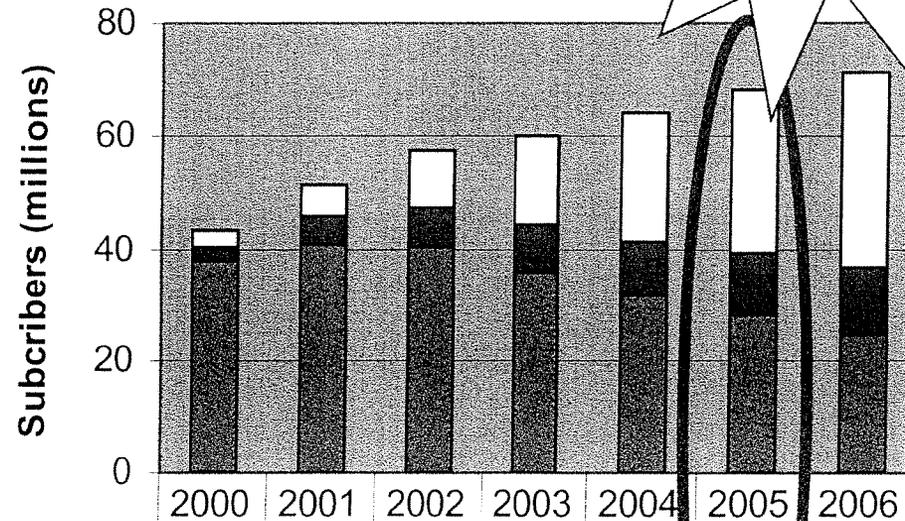
Broadband Will Replace Dial-up Access and Will Be Key Driver for VoIP

Broadband Creates VoIP Opportunity

- Dial-up modems are inadequate for high quality VoIP
- Broadband enables high quality VoIP
- As broadband replaces dial-up as the dominant internet access, high quality VoIP over broadband will be available to more and more customers

Internet Access

Broadband Surpasses Dial-up in 2005 !!



	2000	2001	2002	2003	2004	2005	2006
□ Broadband Only	2.7	5.5	10.2	15.7	22.9	29.1	34.7
■ Broadband & Dial-up	2.8	5.2	6.7	8.6	9.8	10.9	11.9
■ Dial-up Only	37.7	40.7	40.5	35.9	31.7	28.1	24.6

Source: Instat MDR

VoiceWing – Launched July 22, 2004

Description of Product Offering

Unlimited Local Calling

Unlimited Domestic Long Distance

Low International Rates

Traditional and IP Calling Features

Web-based Personal Account Manager

Choice of Area Code

Portable – May Be Used with any Broadband Connection

Emergency Response Service Similar to Basic 911

\$34.95 for Verizon DSL Customers

\$39.95 for Customers with Other Broadband

\$5 Discount for first Six Months

VoiceWing Features

Traditional Features

- Call Waiting
- Caller ID
- Voice Mail
- Call Forwarding
- Speed Dial 10
- Repeat Dial *66
- Return Dial *69
- Three-Way Calling

IP Features

- Personal Account Manager – Web-based Account and Call Management System
- Call Logs with Click-to-Dial
- Voice Mail with Email Notification
- Ability to Retrieve Voice Mail Online
- Enhanced Call Forwarding with Scheduling
- Schedule Call Back
- Interactive Personal Address Book –synchronizes with MS Outlook and Lotus Notes
- Internet Directory Look-Up (Super Pages)
- Choice of Area Code

VoiceWing Service Model

<u>Availability</u>	<u>Ordering</u>	<u>Provisioning</u>	<u>Billing</u>	<u>Service</u>
Available in 50 states and D.C. Both in and out of Verizon franchise Area codes available in 33 states and the District of Columbia More than 130 MSAs More than 1200 rate centers	Orders placed online through verizon.com or Verizon Call Centers	"Bring Your Own Broadband" Works with DSL or Cable Modem Self-install Plug-n-play	Credit Card Billing	Single Point of Contact for Technical or Billing Questions

Verizon VoiceWing – Home Page



Verizon VoiceWing

- ▶ [Package Price](#)
- ▶ [Features](#)
- ▶ [Learn More](#)
- ▶ [FAQs](#)
- ▶ [Contact Us](#)
- ▶ [Sign Up Now!](#)

More Links

- ▶ [Verizon Online DSL](#)

 **Already a VoiceWing Customer?**
Log In Here!

User ID

Password

[Forgot Your User ID?](#)

[Forgot Your Password?](#)

(For authorized Verizon customers only)

See How VoiceWing Works
[Click Here!](#) 

Verizon VoiceWing

Broadband Phone Service

VoiceWing™ is a powerful new way to communicate. Voice Over IP (VoIP) technology enables you to make calls over your DSL or cable Internet connection using your existing phone and your router. Sign up for VoiceWing and pay one low monthly fee to get:

- Unlimited local and long distance calling
- Your favorite [calling features](#) like voice mail, call waiting, and caller ID
- Ability to [choose your area code](#)
- Great [web-based calling features](#) that you can access from anywhere

[Check out all the benefits](#)



How Much?

Special Web Offer

Get VoiceWing for as low as
\$29.95/month

Order online by
October 31

[package pricing ▶](#)

Great Calling Features

- Caller ID
- Three-Way Calling
- Enhanced Call Forwarding
- Voice Mail with E-mail Notification

[learn more ▶](#)

Low International Rates

Canada	3.5c
UK	4c
India	21.3c
Jamaica	17.4c
Italy	3.9c
Brazil	10.3c

[see more rates ▶](#)

Usage must be consistent with normal residential use for one household. Verizon reserves the right to monitor the usage rates of accounts for possible abuse of service. More than 5,000 minutes a month is considered beyond normal residential use and may be investigated, resulting in potential termination of service.

VoiceWing Personal Account Manager

verizon

[About Verizon VoiceWing](#) [Send Feedback](#) [Sign Out](#)

Verizon VoiceWing™ Broadband Phone Service



Home



Address Book



My Phone



Directory



My Account



Help

Address Book Search

[Home](#) [Refresh](#) [Help](#)

[Address Book](#)

[Search](#)

Great international calling rates.

Canada.....3.5c
 UK.....4c
 India.....21.3c
 Jamaica.....17.4c
 Italy.....3.9c
 Germany.....3.7c
 El Salvador.....14.6c
 Israel.....5.8c
 Venezuela.....9.3c
 Japan.....4.7c



[More rates >>](#)



- 5 New Calls Today
- 2 New Voice Mail.....



Call Forwarding

[\(973\) 210 4197 is not forwarded](#)

Incoming Calls

Outgoing Calls

Missed Calls

Caller ID:	Location:	Duration:	Time:
[REDACTED]	RESTON, VA	02 Mins.	Aug 26, 09:02 AM
[REDACTED]	WEEHAWKEN, NJ	01 Mins.	Aug 25, 11:03 PM
[REDACTED]	HERNDON, VA	75 Mins.	Aug 25, 09:30 PM
[REDACTED]	TETERBORO, NJ	02 Mins.	Aug 25, 06:21 PM
[REDACTED]	WEEHAWKEN, NJ	01 Mins.	Aug 25, 05:29 PM
[REDACTED]	MANHATTAN, NY	48 Mins.	Aug 25, 04:15 PM
[REDACTED]	MANHATTAN, NY	01 Mins.	Aug 25, 03:33 PM
[REDACTED]	MANHATTAN, NY	01 Mins.	Aug 25, 03:29 PM

[View All Incoming Calls](#)

My Account

[My Plan](#)

Account Number [REDACTED]
 Main Number [REDACTED]
 Alternate Phones
 Alternate Number Fee \$0.00
 Calling Plan Fee \$29.95
 Local and LD calls Unlimited
 International calls Per minute country rates
 In-network calls Free

Extra Services Account

Current Balance Amount: **\$8.31**
 Auto Re-Charge Amount: **\$15.00** [International Rates](#)
 Re-Charge if balance falls below: **\$2.50**

Important Links

[Frequently Asked Questions](#)
[Add Alternate Telephone Number](#)
[Add Speed Dial 10 Numbers](#)

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