



April 18, 2006

VIA ELECTRONIC FILING

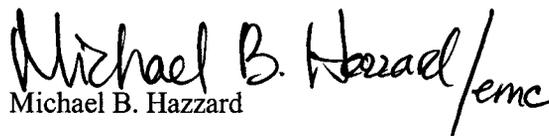
Marlene M. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Notice of *Ex Parte* Meeting on behalf of Core Communications, Inc.;
DCI Voice Solutions, LLC; and Xspedius Communications, LLC in
CC Docket No. 01-92

Dear Ms. Dortch:

Pursuant to section 1.1206 of the Commission's rules, I hereby submit this notice of three *ex parte* meetings held yesterday. Bret Mingo and Chris Van de Verg attended on behalf of Core Communications, Inc.; James Falvey attended on behalf of Xspedius Communications, LLC; Robert Russell attended on behalf of DCI Voice Solutions, LLC; and I attended as counsel to all three companies. We met individually with Ian Dillner, Acting Legal Advisor to Chairman Martin; Jessica Rosenworcel, Senior Legal Advisor to Commissioner Copps; and Scott Bergmann, Legal Advisor for Wireline Issues for Commissioner Adelstein. I distributed the attached presentation and a copy of our April 17, 2006 written *ex parte*, which we discussed during the meetings. If you have any additional questions, please contact the undersigned.

Sincerely,


Michael B. Hazzard

*Counsel for Core Communications, Inc.; DCI Voice
Solutions, LLC; and Xspedius Communications, LLC*

Attachment

cc: Ian Dillner (via electronic mail)
Jessica Rosenworcel (via electronic mail)
Scott Bergmann (via electronic mail)

Intercarrier Compensation Issues

CC Docket No. 01-92

Core Communications, Inc.

DCI Voice Solutions, LLC

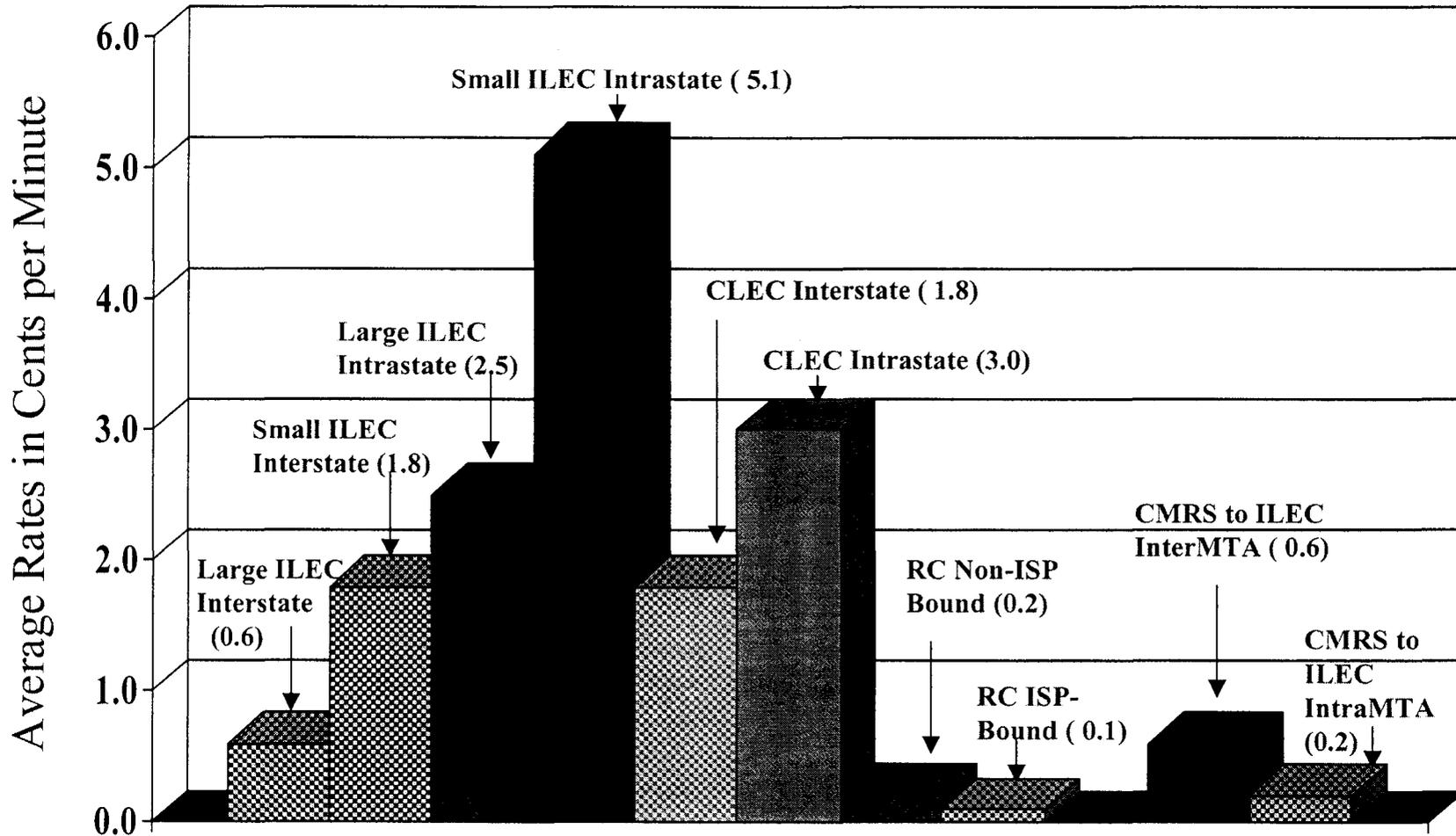
Xspedius Communications, LLC

Three Different Competitive Companies

- Core Communications – managed modem and VoIP applications and services
- DCI Voice Solutions – wholesale provider of domestic and international TDM and VoIP solutions
- Xspedius – integrated voice, data, and Internet solutions

EACH FACE A COMMON PROBLEM

Intercarrier Compensation Rates



High (¢/min):	1.5	8.9	9.9	34.9	6.8	35.9	0.3	0.1	8.9	0.3
Low (¢/min):	0.5	0.3	0.4	0.7	0.2	0.4	0.0	0.0	0.2	0.0

Rate Disparities Create Regulatory Arbitrage

- No question that cost of termination does not vary by geography/jurisdiction
- Yet rates are materially different based on notions of geography/jurisdiction
- All carriers naturally want to “buy low” and “sell high”
- Unification is the best remedy

The FCC's Stated Principles Are Carrier Neutral

- Encourage the development of efficient competition and the efficient use of and investment in telecommunications networks
- Preserve universal service support
- Create a technologically and competitively neutral system
- Require minimal regulatory intervention and enforcement
 - FCC News Release (Feb. 2005)

But Application Must Be Neutral Too

- Incremental FCC action since 1996 has greatly harmed CLEC cost recovery
 - *CLEC Access Charge Order* (regulating and capping CLEC access charges)
 - *ISP Remand Order* (radically reducing CLEC compensation for local traffic termination; *WorldCom* remand still pending)
 - *T-Mobile Order* (limiting CLEC leverage to negotiate termination agreements; no 252 remedies)
 - Some wireless providers relatively easy to deal with (e.g., Cingular, T-Mobile, VerizonWireless)
 - Others are determined to avoid agreements as long as possible (e.g., MetroPCS)

Phantom Traffic

- Midsize Carrier Coalition and USTelecom have similar “rules” proposals before the Commission
- Rate unification – the FCC’s stated goal – largely eliminates these issue
- Interim “fixes” should be carefully tailored, such as mandatory passing of CPN/ANI
- But what about calls with no CPN/ANI
 - PC-originated calls (e.g., Skype)
 - Other calls without NANP numbers (e.g., international)
- Carriers can’t pass what the don’t receive, but traffic must continue to flow

Avoid Overly Regulatory “Fixes”

- Midsize and USTelecom proposals contain a number of unnecessary provisions
 - New complaint rules
 - New “technical feasibility” data production rules
 - FCC already has ample enforcement and discovery authority
- Definitions should be consistent with goals
 - Adopt already-established definitions where possible
 - CPN (47 C.F.R. § 64.1600(c))
 - CN (47 C.F.R. § 64.1600(d))
 - Technically feasible (47 C.F.R. § 51.5)
 - Telecommunications carrier (47 C.F.R. § 51.5)
 - ANI definition should fit rules (i.e., telephone number identification over multi-frequency trunks for carriers and end users)
 - Avoid editorializing (e.g., proposed JIP definition)

Obligations Should Be Technology Neutral

- Obligation to identify traffic should be technology neutral (e.g., ANI over multi-frequency trunks and CPN over SS7 trunks)
- Carriers need to pass information to other carriers and to the ultimate end user
- Basic signaling information (e.g., originating telephone number) is fundamental to billing and routing
- But carriers can't pass what doesn't exist (e.g., telephone number on a PC-generated call)

Wireless Termination Issues

- Under T-Mobile, CLECs have little leverage in negotiating agreements
- ILECs but not CLECs can force arbitration
- Effectively forces CLECs to provide free or below cost termination
- Problems are worst with small, pre-paid wireless providers (e.g., MetroPCS)
- Commission should establish safe harbor rate at state commission 251(b)(5) rate, similar to CLEC access charge order
 - Minimize transactions costs
 - Avoid self-help
 - Ensure traffic flows
 - Enable reasonable cost recovery

Recommendations

- Unification is the goal, and should be the focus of the Commission's efforts
- All providers deserve equal pay for equal work
- Any incremental action should focus on issues that otherwise would not be resolved through unification
 - Passing basic signaling information
 - Wireless termination safe harbor for CLECs