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May 22, 2006

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

**RE: In the Matter of Regulation of Prepaid Calling Card Services,
WC Docket No. 05-68; In the Matter of Developing A Unified Inter-carrier
Compensation Regime, CC Docket No. 01-92**

Verizon submits this *ex parte* in response to Level 3's May 5, 2006 *ex parte*, filed in the above-referenced Prepaid Calling Card proceeding, addressing which carrier is properly assessed access charges for certain types of prepaid calling card calls. In short, the calling card scenario described by Level 3 is no different from traditional Feature Group A access, and should be treated similarly. In other words, an intermediary LEC such as Level 3 must identify the prepaid calling provider to the originating LEC, so that the originating LEC may properly bill the calling card provider for access.

Level 3's May 5 *ex parte* raises the question of the proper carrier to pay access charges when a prepaid calling card provider obtains a local telephone number for end users to dial to reach the calling card platform. In the calling card provisioning described by Level 3, the originating LEC's end user dials a local number (either a seven-digit number or a 10-digit number, depending on the dialing patterns of the specific region) provided by an intermediary carrier such as Level 3, and Level 3 routes the call to an interexchange carrier's calling card platform via DID service. At the calling card platform, the caller obtains a second dial tone or is prompted to dial the number of the person they are calling, and the interexchange carrier routes the call accordingly.

Similarly, in jointly provided Feature Group A access, an interexchange carrier obtains a local telephone number from an intermediary LEC and a direct connection to the intermediary LEC's switch. A second LEC's end users dial the local number, obtain a second dial tone, and then dial the number of the person they are calling. The intermediary carrier receives all calls dialed to the local number assigned to the Feature Group A service and connects them to the interexchange carrier, which transports the call to the terminating LEC.

The type of prepaid calling card provisioning described by Level 3 is thus virtually identical to Feature Group A access, and should be handled similarly. In Feature Group A situations, the originating LEC and the intermediary carrier jointly provide access to the interexchange carrier, and both bill access charges directly to the interexchange carrier. To that end, in Feature Group A, the intermediary carrier is obligated to identify the interexchange carrier to which the Feature Group A service is connected and to provide the originating LEC with call volume information, so that the originating LEC knows which interexchange carrier to bill for access and how many minutes to bill.¹

Level 3, however, seeks the benefits of a Feature Group A payment structure for calling cards, with none of the obligations. Level 3 asserts that when prepaid calling cards use local dialing, the originating LEC and the intermediary carrier are jointly providing access to the calling card provider – much like with Feature Group A provisioning. According to Level 3, the originating LEC should therefore recover access charges from the calling card provider, not the intermediary carrier. In many cases involving calling card platforms, however, an intermediary carrier such as Level 3 does not provide the originating carrier the identity of the calling card provider – *unlike* in Feature Group A. Without information from the intermediary carrier identifying a particular local telephone number as a connection to a particular interexchange carrier, calls to that local number will appear to the originating LEC like any other call to the intermediary's end users. The originating LEC will have no information indicating that it should bill access to any carrier for what would otherwise appear to be a "local" call. If intermediary carriers expect originating LECs to bill the calling card provider for access, the intermediary carrier must provide information identifying the interexchange carrier to be billed, and the volume of minutes to be billed, as is done with Feature Group A.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Grillo". The signature is written in a cursive, slightly slanted style.

Kathleen Grillo

cc: Michelle Carey
Jessica Rosenworcel
Scott Bergmann
Dana Shaffer
Tom Navin

¹ See, e.g., Verizon Tariff F.C.C. No. 1 § 6.1.1(A) ("When ordering FGA service, the customer must specify the interexchange carrier to which the FGA service is physically connected.").