

Donna Epps  
Vice President  
Federal Regulatory Advocacy



1300 I Street, NW, Suite 400 West  
Washington, DC 20005

Phone 202 515-2527  
Fax 202 336-7922  
donna.m.epps@verizon.com

July 31, 2006

## Ex Parte

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: Notice of Ex Parte – In the Matter of Verizon’s Petition for Waiver of the Commission’s Rules to Treat Unrecovered Local Number Portability Costs as Exogenous Costs Under Section 61.45(d) - CC Docket No. 95-116**

Dear Ms. Dortch:

Today, Amy Rosenthal, Maggie McCready and the undersigned of Verizon had a conference call with Deena Shetler and Marvin Sacks of the FCC’s Wireline Competition Bureau to discuss Verizon’s petition to treat its unrecovered local number portability costs as exogenous costs. Verizon discussed the mechanics of its plan to recover its unrecovered LNP costs. Additionally, Verizon explained that if the Commission were to grant Verizon’s petition, Verizon would agree to comply with the same conditions on PBX lines and Lifeline customers that the Commission applied to AT&T in its *AT&T LNP Order*. See *Petition of AT&T Inc. for Waiver of the Commission’s Rules to Treat Certain Local Number Portability Costs as Exogenous Costs Under Section 61.45(d)*, CC Dkt. No. 95-116, FCC06-97, rel. July 10, 2006. (“*AT&T LNP Order*”).

In the *AT&T LNP Order*, the Commission noted that AT&T agreed to forego recovery for the disparity between treatment of PBX lines as an LNP end user surcharge and as an end user common line (EUCL) charge. *AT&T LNP Order* at ¶16, nt. 74. PBX lines qualify for nine LNP end-user surcharges, but only one EUCL. Accordingly, AT&T agreed to forego additional recovery for 8 of the 9 PBX lines upon which LNP end-user charges originally were imposed. *Id.* Verizon would agree to treat its exogenous cost recovery on PBX lines in the same manner as set forth in the *AT&T LNP Order* if the Commission grants Verizon’s petition.

The *AT&T LNP Order* also set forth certain requirements for how Lifeline customers would be treated for purposes of exogenous cost recovery. The Commission recognized that

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although EUCL charges are assessed on Lifeline customers, its *Cost Recovery Order*, which established the original LNP end user surcharge, prohibited assessment of an LNP end user charge on Lifeline customers. *AT&T LNP Order* at ¶ 20, citing *Cost Recovery Order*, 13 FCC Rcd. 11701 at 11777-78, ¶145. Accordingly, the Commission prohibited AT&T from seeking recovery from either Lifeline customers or the federal Lifeline support mechanism for that portion of the EUCL that is attributable to the exogenous cost increase authorized by AT&T's waiver. *Id.* Instead, to enable AT&T to recover the amounts allowed in the waiver, the Commission permitted AT&T to increase its allowed exogenous adjustment to account for the fact that it will not recover the portion of the EUCL attributable to LNP costs from its Lifeline customers. If the Commission grants Verizon's petition, Verizon, like AT&T, would agree to follow the approach set forth in the *AT&T LNP Order* for its Lifeline customers as well. In other words, Verizon would not seek to recover from either Lifeline customers or the federal Lifeline support mechanism for that portion of the EUCL that is attributable to the exogenous cost increase that would be authorized by grant of its petition.

Sincerely,

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

Donna Epps

Cc: Deena Shetler  
Marvin Sacks