

Dee May
Vice President
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September 15, 2006

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Fones4All's Petition for Expedited Forbearance Under 47 U.S.C. § 160(c) for Imposition of Additional Unbundling Obligations and Fones4All's Application for Review of the Wireline Competition Bureau's June 8, 2006 Order Extending the Time for Consideration, WC Docket No. 05-261

Dear Ms. Dortch:

Mr. Ed Shakin and I represented Verizon at a meeting today with Mr. Scott Deutschman, Legal Advisor to Commissioner Copps. We reviewed our position as stated on the record in the above proceeding. Additionally, we discussed the attached March 20, 2006 press release that announced agreements XO Communications entered into with Fones4All and four other carriers. XO announces that its "...wholesale offering for CLECs serving the residential and small business markets has rapidly gained momentum as a vital alternative to the unbundled network element platforms (UNE-P) provided by incumbent carriers that were eliminated on March 11, 2006." In that same press release, Fones4All's CEO, Bettina Cardona, is quoted as saying, "Paying higher prices to lease facilities, or building our own, would dramatically impact our business model. With XO, we've been able to remain cost competitive without compromising quality, and our customers are the beneficiaries."

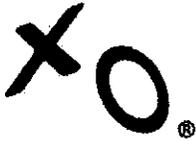
Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Dee May".

Attachment

cc:	S. Deutschman	W. Dever	M. Maher
	G. Cohen	W. Kehoe	J. Miller
	B. Childers	A. Kirschenbaum	J. Veach
	R. Crittendon		



PRESS RELEASE

XO Communications Signs Five Agreements for Wholesale Local Voice Solution

XO Wholesale Offering Delivers Savings and Stability for Competitive Telcos Serving Residential and Small Business Markets

SAN DIEGO, CA – March 20, 2006 – Today at the CompTel Spring 2006 Convention & Expo, XO Communications announced agreements valued at more than \$66 million over the next five years with five competitive local exchange carriers (CLECs) for its Wholesale Local Voice services solution. Designed as a robust, competitively-priced alternative to wholesale platforms provided by incumbent operators, XO's wholesale service will enable FONES4ALL, Habla Comunicaciones, i3 Networks, PCS1, and Telscape Communications to more cost-effectively provide local and long distance services to their residential and small business customers.

Launched in August 2005, XO's wholesale offering for CLECs serving the residential and small business markets has rapidly gained momentum as a vital alternative to the unbundled network element platforms (UNE-P) provided by incumbent carriers that were eliminated on March 11, 2006. The XO service delivers all the advantages of the UNE-P platform, and enables CLECs to avoid less economical choices such as building their own network facilities, or paying premium prices through commercial agreements or special access services from incumbent local exchange carriers.

Habla Comunicaciones, which provides local telephone service to the growing Latino market in Texas, was the first customer to deploy XO Wholesale Local Voice services and has been very successful in its implementation efforts. In just three months, Habla Comunicaciones has installed more than 17,000 end users using the XO wholesale platform and continues to install more than 500 new end users per day.

"We are helping ensure the availability of competitive service for residential and small business customers served by CLECs," said Ernie Ortega, president of carrier sales at XO Communications. "Our nationwide Wholesale Local Voice services platform allows CLECs to continue providing their customers the choices, savings, and first-rate service they deserve."

"Our residential customers count on us for high-quality, low-cost service," said FONES4ALL CEO Bettina Cardona. "Paying higher prices to lease facilities, or building our own, would dramatically impact our business model. With XO, we've been able to remain cost competitive without compromising quality, and our customers are the beneficiaries."

"Small businesses are an often overlooked segment of the market, stuck between the residential masses and larger enterprises," said Devin Semler, PCS1's CEO. "Serving businesses with five lines or less is critical to us, and XO's solution complements our requirements and enables us to deploy a full suite of local and long distance voice and data services for our customers."

"This product is a landmark opportunity that allows Telscape to blend our unique telephone network features for our target Hispanic consumers by partnering with the world class network of XO Communications," said Ruben Garcia, President/CEO of Telscape Communications. "This partnership with XO's network has enabled Telscape to cover more Spanish speaking Hispanic households in Southern California than any other telephone company."

The XO Wholesale Local Voice services platform provides CLECs with a pre-determined block of capacity for telephone lines, and a physical connection for transporting voice traffic from XO's 950 collocation facilities in 70 markets nationally to the CLECs' voice switches. As a result, CLECs can provision and manage these lines as part of their own networks – giving them full control over billing to maximize revenue streams, eliminating the time and expense of central office buildouts, achieving savings, and securing long-term stability for themselves and their customers.

To help CLECs and resellers understand the various UNE-P alternatives available to them, XO in December 2005 conducted a webinar in conjunction with *PHONE+* and *xchange* magazines titled, "Life After UNE-P: Re-Engineering CLEC Businesses". To view the webinar, go to <http://www.xo.com/products/carrier/webinar/webinarpop.html>

For an example about how customers are using XO Wholesale Local Voice services, view the i3 Networks case study at: http://www.xo.com/products/carrier/i3_case_study.pdf. To contact an XO sales representative, call (888) 963-8283.

About XO Communications

XO Communications (OTCBB: XOHO.OB) is a leading provider of national and local telecommunications services to businesses, large enterprises and telecommunications companies. XO offers a complete portfolio of services, including local and long distance voice, dedicated Internet access, private networking, data transport, and Web hosting services as well as bundled voice and Internet solutions. XO provides these services over an advanced, national facilities-based IP network and serves more than 70 metropolitan markets across the United States. For more information, visit www.xo.com.

About FONES4ALL

FONES4ALL is the leading provider of bundled packages of local, long distance and international telecommunications services to low income residents throughout the State of California. FONES4ALL, in conjunction with the California Public Utilities Commission's Universal Lifeline Telephone Service (ULTS) program, provides high quality customer-focused local service to minority families, senior citizens, students. No Pagues Mas! For more information about FONES4ALL or the ULTS program call toll free 1 (877) 366-3742 or visit www.fones4all.com.

About Habla Comunicaciones

Habla Comunicaciones provides local telephone service for the burgeoning Latino communities of Texas. Founded in 2001, Habla was the first corporation in Texas dedicated to attending to the needs of the Latino community. The company has grown rapidly and built customer confidence by delivering rapid service activation, high quality service, and accurate billing, working with customers in their native language. For more information, visit www.habla.com.

About i3 Networks

i3 Voice & Data Inc., d/b/a/ i3 Networks, is a Houston-based wholesale voice and data telecommunications company that specializes in helping competitive local exchange carriers (CLECs) and ITSPs succeed in their chosen markets. What makes i3 unique are the UNE-3® and the patent pending Fractional Switch Ownership® programs that enable CLECs to enjoy the benefits of their own network without the upfront expense and ongoing maintenance typically associated with telecom networks. For more information, go to www.i3net.us.

About PCS1

PCS1 (www.pcs1.net) formerly Pacific Centrex Services, is a privately held, full-service telecommunications provider and manager of state-of-the-art Centrex-based telecommunications services. The Company supports small and medium-sized business customers in California with significant cost savings on high-quality local and long distance services, including value-added services such as voice messaging and ISDN/DSL Internet access.

About Telscape

Telscape Communications, Inc. is a facilities-based phone service provider that caters to the Hispanic, Spanish speaking community and maintains the nation's only fully bilingual network. Telscape currently has over 95,000 lines in service and employs over 340 people in Southern California. Telscape is a privately held company owned by a private equity firm and is headquartered in Monrovia, California. For more information, please visit www.telscape.com.

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