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January 31, 2007

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: *Notice of Ex Parte Presentation – CC Docket No. 01-92*

Dear Ms. Dortch:

This letter is to advise you that on behalf of Verizon Wireless, I met yesterday with Al Lewis, Jennifer McKee, Jay Atkinson, Victoria Goldberg, and Randy Clarke of the Wireline Competition Bureau's Pricing Policy Division to discuss the "phantom" traffic issue.

In the meeting, we discussed the various phantom traffic proposals before the Commission. Verizon Wireless opposes the Missoula Plan's phantom traffic proposal, but Verizon Wireless does not oppose a rule that would require carriers to send accurate signaling information. Verizon Wireless also urges the Commission not to adopt a phantom traffic proposal that prejudices broader intercarrier compensation reform measures.

Verizon Wireless believes that the best way for carriers to resolve disputes related to "phantom" traffic is for terminating carriers to determine the source of originating traffic based on "110101" or call detail records, and then to initiate discussions and enter contracts with originating carriers. This is especially the case when the originating carrier is a wireless carrier because the jurisdiction of traffic exchanged between local exchange carriers and wireless carriers is typically based on negotiated traffic factors because of the mobile nature of wireless calls.

Verizon Wireless negotiates in good faith with every carrier that requests an agreement. Verizon Wireless has agreements with well over 800 carriers, including incumbent LECs, competitive LECs ("CLECs") and other wireless carriers, and has

pending negotiations and/or arbitrations with 254 additional carriers. These existing and pending agreements cover the vast majority of Verizon Wireless's licensed service areas. Several of the pending agreements are a direct result of bona fide requests to negotiate submitted by incumbent LECs since the effectiveness of the FCC's *T-Mobile Order*. See Developing a Unified Intercarrier Compensation Regime, T-Mobile *et al.* Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs, *Declaratory Ruling and Report and Order*, 20 FCC Rcd 4855 (2005).

As long as carriers continue to enter into agreements, there is no evidence of a market failure that justifies phantom traffic rules. The Commission should not, however, extend the benefits of the *T-Mobile Order* to CLECs in their negotiations with wireless carriers. CLECs argue that they are not subject to the cost-based pricing standards contained in Sections 251 and 252 of the Act. 47 U.S.C. §§ 251-252. Because the rate that the CLEC proposes for termination is most often the issue when Verizon Wireless cannot reach agreement with a CLEC, it is difficult to determine how an arbiter would resolve such disputes. Market-based negotiations continue to be the best model for establishing agreements between CLECs and wireless carriers.

We also discussed the assertions of some commenters in the docket that roaming traffic increases the likelihood of phantom traffic. To the contrary, roaming traffic is no more likely than non-roaming traffic to result in unbilled traffic. On a mobile-to-land call from a wireless end user that has roamed inside a local area, the terminating LEC will receive the trunk group ID associated with the "roamed upon" network, indicating the appropriate carrier to bill reciprocal compensation. For land-to-mobile traffic to a local wireless customer that has roamed outside the local area, the LEC will appropriately send the land-originated call via a local trunk group associated with the wireless carrier,¹ and phantom traffic is not an issue. The wireless carrier will then route the call to an interexchange carrier ("IXC") and compensate the IXC it directly connects with to send the roaming call to the appropriate location. We also discussed the Missoula Plan's proposal to use calling party number to determine jurisdiction, and why for roaming traffic applying the proposal would result in inaccuracies.

Consistent with the Commission's rules on *ex parte* communications, this letter is

¹ See Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, *First Report and Order*, 11 FCC Rcd 15499, ¶ 1043 n.2485 (1996) (subsequent history omitted) (wireless carrier offering roaming service to its customers would be subject to access charges only where providing interexchange service through switching facilities provided by a telephone company). LECs may recover access charges on land-to-mobile calls to a wireless end user that roams into the MTA. The LEC routes the call to an IXC based on dialed digits and receives originating access from the IXC.

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being filed electronically in the captioned docket. Please let me know if there are any questions related to this filing.

Very truly yours,

A handwritten signature in cursive script that reads "Charon Phillips". The signature is written in black ink and is positioned above the printed name.

Charon Phillips

cc: A. Lewis, J. McKee, J. Atkinson, V. Goldberg, R. Clarke