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June 26, 2007

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

Re: CC Docket No. 96-45, Written Ex Parte Presentation

Dear Ms. Dortch:

Verizon Wireless has previously endorsed a new contribution system for the federal Universal Service Fund that would principally rely on telephone numbers in use as the basis for assessing carrier USF contributions.¹ Moving to numbers as the basis for assessment would capture all of a carrier's services, and would eliminate the increasingly complex need for carriers to separate interstate from intrastate revenues.

We have also stated that a flat monthly USF per-number fee should be adjusted for two types of customers that purchase mobile wireless services – prepaid customers and those who subscribe to family share plans.² It is impractical for most prepaid wireless providers to pass through a monthly assessment as the Commission's rules permit because they do not send monthly bills to customers. A monthly assessment is also infeasible because prepaid customers do not buy service by the month but instead buy blocks of minutes, often in low amounts. Family share plans have made wireless service more affordable and accessible to families by offering shared lines at low prices. Family share numbers operate as part of a single customer account, sharing a single bucket of minutes. Discounting the assessment on family share numbers would recognize the "extension" nature of these numbers.

TracFone Wireless has submitted a constructive proposal for a number-based approach to wireless prepaid customers.³ TracFone's approach would assess a wireless

¹ See, e.g., Comments of Verizon Wireless in WC Docket No. 06-122, filed September 8, 2006.

² Letter from Kathleen Grillo to Marlene Dortch, filed March 3, 2006, attaching the Proposal of Verizon Communications, Inc. and Verizon Wireless for a new Universal Service Contribution Methodology.

³ Letter from Mitchell Brecher to Marlene Dortch, Notice of Ex Parte Presentation, June 14, 2007, attaching Prepaid Wireless "By the Minute" USF Contribution Proposal.

carrier offering prepaid services that do not have a direct monthly billing relationship with customers a USF fee for each such prepaid number. The assessment would be based on the minutes that prepaid customers used, multiplied by a predetermined per-minute fee based on average customer usage. TracFone's proposal resolves the impracticality of applying a monthly per-number charge to accounts that are not billed monthly, as well as the difficulties of billing prepaid customers a USF assessment. It also appropriately bases the fee on the amount of usage of prepaid numbers, while adhering to the principles that each number must contribute to USF and that providers contribute to the Fund on an equitable basis.

Verizon Wireless thus supports TracFone's "by the minute" proposal for assessing wireless prepaid numbers, and urges the Commission to include it as part of a number-based contribution system.

Pursuant to Section 1.1206 of the Commission's rules, this notice is being filed electronically in the above-referenced dockets. Should you have any questions regarding this letter, please contact the undersigned.

Sincerely,

A handwritten signature in black ink that reads "John T. Scott, III". The signature is written in a cursive style with a small "III" at the end.

John T. Scott, III