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October 23, 2007

**EX PARTE**

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

**Re: In the Matter of: Federal-State Joint Board on Universal Service, High Cost Universal Service Support, WC Docket No. 05-337; In the Matter of: Federal-State Joint Board on Universal Service, CC Docket No. 96-45; In the Matter of: IP-enabled Services, WC Docket No. 04-36**

Dear Ms. Dortch:

On October 22, 2007, Kathleen Grillo, Susanne Guyer, and Ed Shakin of Verizon met with Dana Shaffer, Chief of the Wireline Competition Bureau, Don Stockdale, Deputy Bureau Chief of the Wireline Competition Bureau, Marcus Maher, Associate Bureau Chief, Nick Alexander, Legal Counsel to the Bureau Chief, and Jeremy Marcus, Chief of the Telecommunications Access Policy Division. The purpose of the meeting was to discuss Verizon's universal service reform proposals.

Verizon expressed its continued support for the Joint Board's recommended cap on high cost support to competitive ETCs. The interim cap is vital to the long-term stability of the Universal Service Fund, and its adoption is a necessary step toward meaningful comprehensive reform. Verizon also discussed the Joint Board's recommendation to consider abandoning or modifying the identical support rule. Verizon has long opposed the identical support rule, which ensures that all ETCs – regardless of their efficiency, technology, or costs – receive funding at the same per-line level as the incumbent. Verizon stated that ultimately, the identical support rule would become unnecessary if the Commission adopts competitive bidding or reverse auctions to distribute high cost support. However, if the Commission seeks interim reform of the identical support rule pending a transition to reverse auctions, it could modify the current rule and move from a system that today gives wireless carriers the same support as the ILEC for every handset to one that takes into account the number of handsets per household. Such a shift would help make the system more equitable until long-term reform takes place.

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Verizon also discussed its August 6 letter that requested that the Commission confirm that all VoIP services – regardless of the technology or provider – are subject to the same rules and regulations. Verizon stated that the Commission should reaffirm its exclusive jurisdiction over all VoIP services in order to ensure that all VoIP providers compete on a level playing field, and that none are saddled with regulations designed for different services in a different era.

Please contact me directly if you have any questions.

Sincerely,

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

cc: Dana Shaffer  
Don Stockdale  
Nick Alexander  
Marcus Maher  
Jeremy Marcus