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April 28, 2008

Ex Parte

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

Re: Establishing Just and Reasonable Rates for Local Exchange Carriers, CC Docket No. 07-135; Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98; and Inter-carrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68

Dear Ms. Dortch:

Today, Amy Rosenthal and the undersigned of Verizon met with John Hunter of Commissioner McDowell's office to discuss Verizon's position on the ISP Reciprocal Compensation proceeding and the practice of traffic pumping.

In particular, we reviewed the legal bases for the federal ISP-bound traffic compensation regime that is currently in effect. In addition, we reviewed the reasons that this traffic is subject to the FCC's jurisdiction and that it is not subject to Section 251(b)(5) which would subject this traffic to state jurisdiction. The arguments are further set out in prior submissions, and in particular in our May 17, 2004 White Paper. Verizon urged the FCC to continue to support its earlier finding that \$0.0007 is appropriate compensation for dial-up ISP bound traffic.

On the traffic pumping issue, Verizon explained that much of the rural ILEC traffic pumping activity has merely shifted to certain rural CLECs and urged the FCC to take the steps outlined in Verizon's Comments to prevent CLEC traffic pumping. Verizon explained how it developed the triggers outlined in its proposed solutions and how those solutions are designed to target rural CLEC traffic pumping activity, without placing undue burdens on those CLECs that are not engaging in traffic pumping. The attached slides were discussed in the meeting.

Sincerely,

A handwritten signature in black ink that reads "Donna Epps".

Attachments

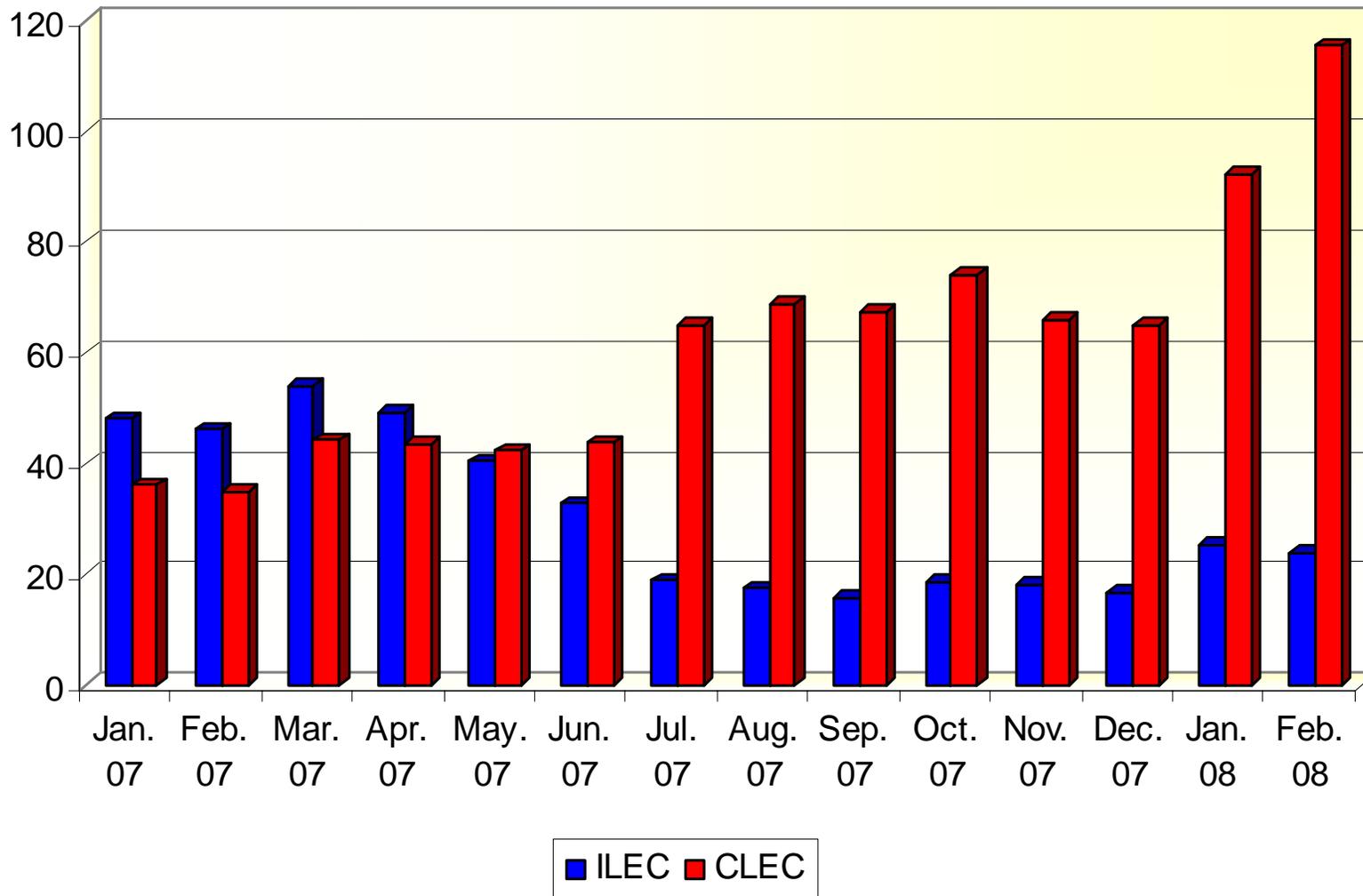
ATTACHMENT A



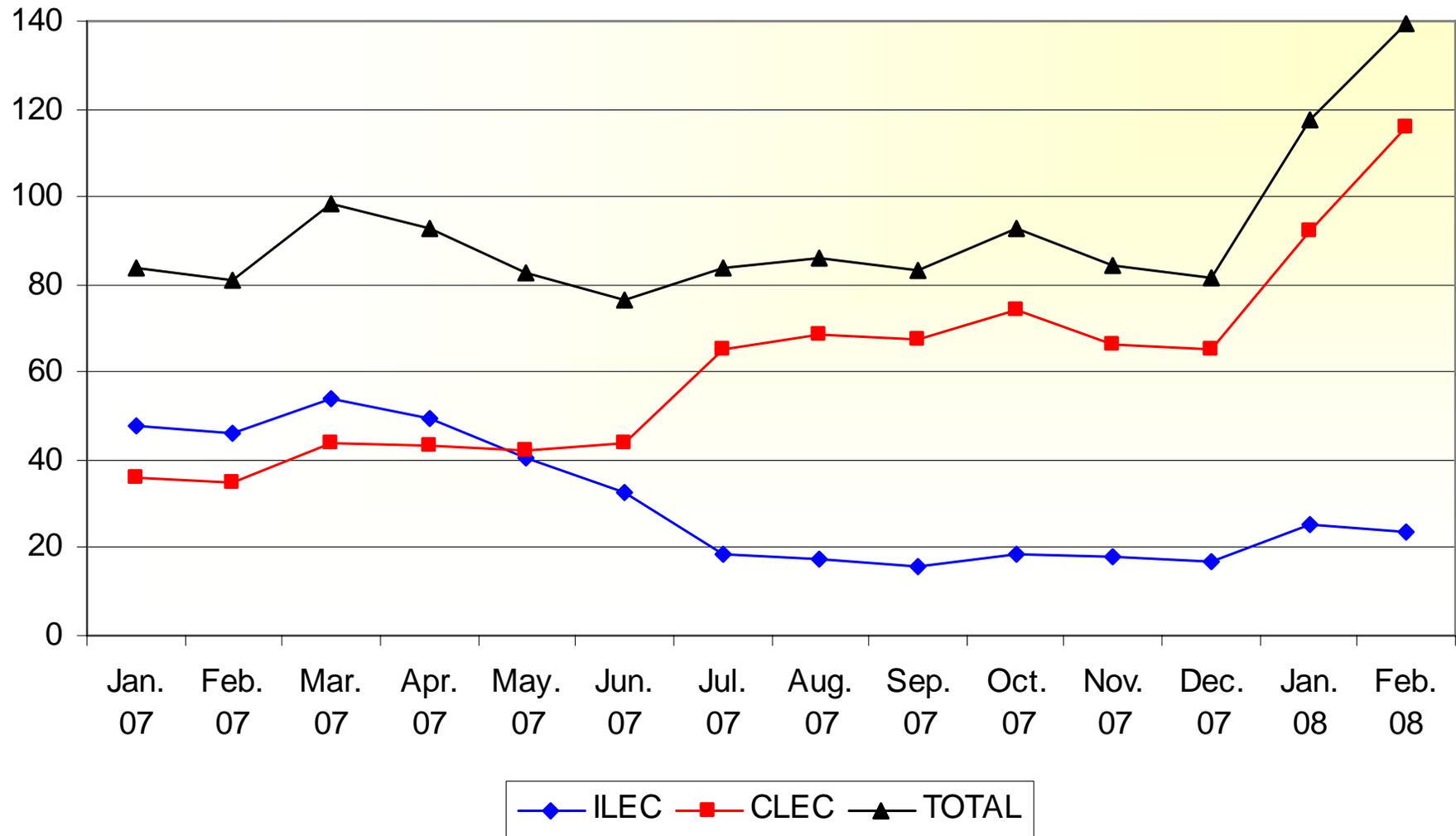
Traffic Pumping Solutions

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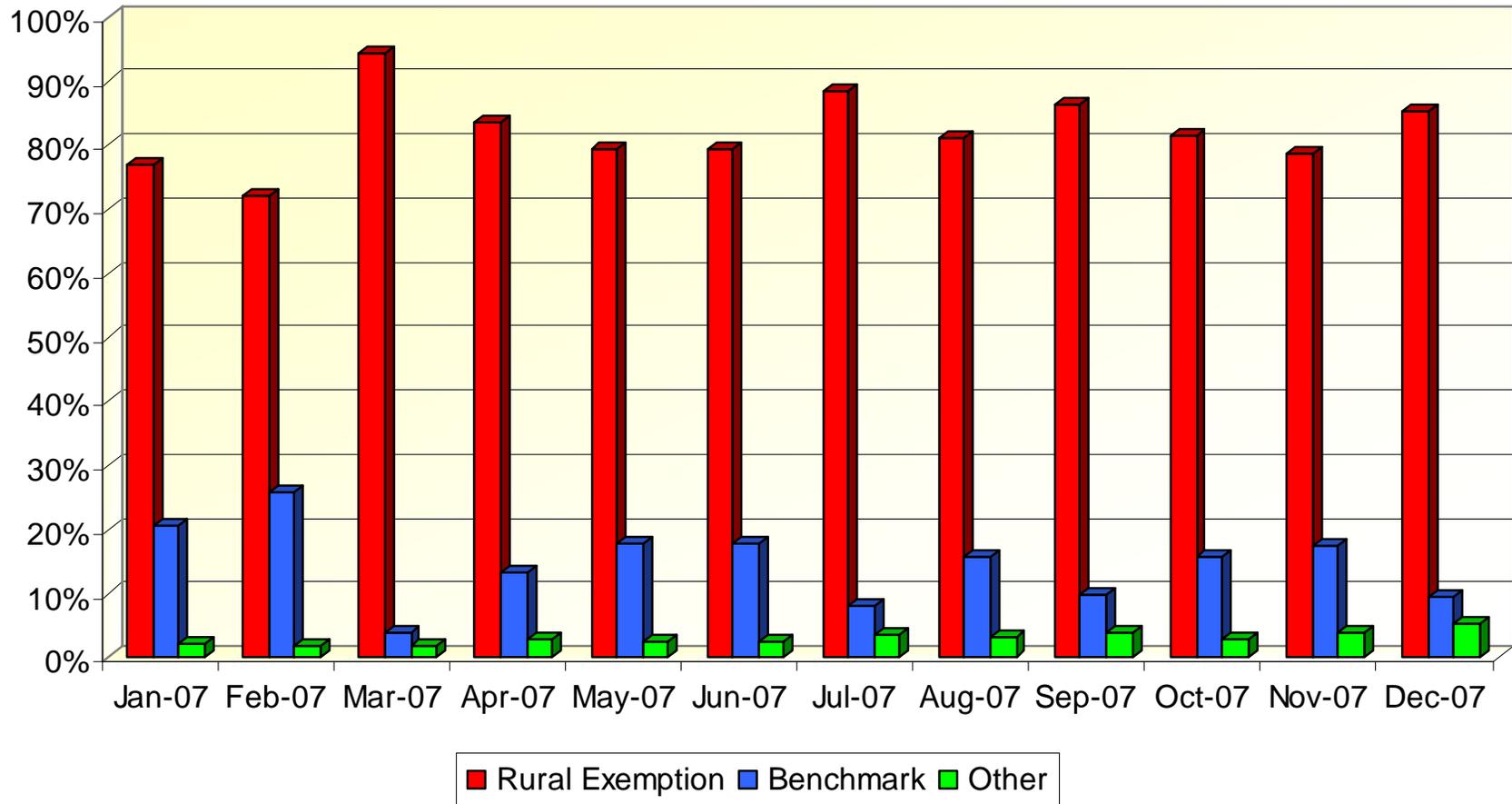
Traffic Volume by ILEC and CLEC Traffic Pumpers 2007 – YTD in Millions of MOU



Traffic Pumping Volume by ILEC , CLEC and Total 2007 – YTD in Millions of MOU



Traffic Pumping By Rural Exemption, Benchmark to NECA, and Other CLECs (% of Billing)



ATTACHMENT B

Examples of growth in MOUs sent to traffic pumping CLECs by Verizon

CLEC	State	Minutes of Use		
		Nov. 2006	March 2007	March 2008
BTC INC	IA	526,000	1,742,000	7,193,000
GREAT LAKES COMMUNICATIONS CORP	IA	1,815,000	6,344,000	21,385,000
AVENTURE COMMUNICATIONS	IA	236,000	144,000	899,000
PREMIER COMMUNICATIONS INC	IA	-	-	4,923,000
OMNITEL COMMUNICATIONS	IA	7,000	13,000	11,708,000
NORTHERN VALLEY COMM	SD	1,410,000	2,967,000	14,655,000
SANCOM, INC, D/B/A MITCHELL TELECOM	SD	2,840,000	3,320,000	17,717,000
CAPITAL TELEPHONE COMPANY INC	SD	-	-	415,000
TEKSTAR COMMUNICATIONS	MN	3,431,000	10,134,000	17,706,000
PINPOINT COMMUNICATIONS	NE	55,000	71,000	2,625,000