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ATTORNEYS AT LAW

June 5, 2008

BY ELECTRONIC FILING

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20054

Re: *Assessment and Collection of Regulatory Fees for Fiscal Year 2008,*
MD Docket No. 08-65, RM No. 11312

Dear Ms. Dortch:

Yesterday, representatives of Level 3 Communications, LLC ("Level 3") met with Scott Bergmann, Senior Legal Advisor to Commissioner Adelstein, to discuss reform of the International Bearer Circuit regulatory fee regime. Present on behalf of Level 3 were Tim King, Michael Donahue, and Bill Hunt, as well as Michael Nilsson and Linda Coffin of Harris, Wiltshire & Grannis LLP. We discussed both Level 3's comments and the Joint Proposal filed by a group of cable operators on May 30, 2008. We left a copy of the Joint Proposal with Mr. Bergmann.

If you have any questions, please do not hesitate to contact me by telephone at (202) 730-1334 or by email at mnilsson@harriswiltshire.com.

Respectfully submitted,

/s/

Michael Nilsson
Counsel for Level 3 Communications, LLC

cc: Scott Bergmann
att.

JOINT PROPOSAL

1. **Create New Regulatory Fee Category for Submarine Cable Systems (“SCS Fee”):** facilities-based 214 holders would remain in the IBC fee category (“New IBC Fee”)
2. **Create “Revenue Requirement” for SCS Fee:** split existing revenue requirement for existing IBC Fee (“Old IBC Fee”)— \$ 8,149,636 for FY 2008—between SCS Fee category and New IBC Fee category
 - Use as a starting point a 50-50 split of the Old IBC Fee category, meaning that the starting point for calculating a revenue requirement for the new SCS Fee for FY 2008 would be \$4,074,818
 - Revise downward the percentage allocated to the SCS Fee category, based on FCC’s internal calculations of regulatory effort expended to regulate undersea cables, which have long suggested that the Commission expends less effort regulating undersea cable operators than international facilities-based common carriers
3. **Define “Payment Unit” of New SCS Fee:** payment unit defined as submarine cable systems connecting international points and for which the FCC has issued a separate cable landing license
4. **Determine SCS Fee By Dividing New Revenue Requirement by Number of Payors in SCS Fee Category:**
 - Resulting per-system fee would be a maximum of \$100,000 per system and potentially lower with a downward adjustment of the percentage of the revenue requirement for the Old IBC Fee based on the Commission’s calculations of its regulatory efforts
 - SCS Fee would apply to submarine cables in commercial service as of December 31st of each year
5. **Calculate New IBC Fee By Dividing New Revenue Requirement by Number of Active Circuits Reported in Aggregate in Circuit-Status Reports:**
 - Common-carrier undersea cable systems would not pay IBC fees based on the international Section 214 authorization granted to the system concurrent with the cable landing license, but instead only to the extent that an individual owner of a common-carrier system reported active common-carrier circuits in its annual circuit-status report
 - Based on the 7,558,072 active circuits reported in the most recent circuit-status report, the per-circuit New IBC Fee would be \$0.54 per 64 KB circuit or circuit-equivalent