October 2, 2008

EX PARTE

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

RE: Developing a Unified Intercarrier Compensation Regime,
CC Docket No. 01-92
IP-Enabled Services, WC Docket No. 04-36
High-Cost Universal Service Support, WC Docket No. 05-337

Dear Ms. Dortch:

On October 2, 2008, Steve Morris of the National Cable & Telecommunications Association ("NCTA") and the undersigned met with Don Stockdale, Jeremy Marcus, Jay Atkinson, Carol Pomponio, Lynne Engledow, Victoria Goldberg, Al Lewis, Nicholas Degani, Alex Minard, Randy Clarke, and Marcus Maher of the Wireline Competition Bureau to discuss the above-referenced dockets.

With respect to intercarrier compensation reform, we explained that members of COMPTEL and NCTA are uniformly opposed to the interconnection provisions contained in Verizon's September 12 reform proposal. Verizon's proposal substantially erodes the rights and obligations established by Congress and would jeopardize the further development of competition in the market for voice services. We also explained that the Commission could reduce the substantial risk of unintended consequences by issuing a Further Notice of Proposed Rulemaking, with detailed tentative conclusions and proposed rules, rather than adopting final rules at this time. The attached issues were discussed at the meeting.

With respect to universal service funding, including any "access replacement" funding, we emphasized that the Commission should consider all the sources of revenue a company generates from its network, and not just regulated local exchange service, in determining how much funding, if any, a carrier should receive.

Please do not hesitate to call should you have any questions regarding this matter.

Respectfully submitted,

Mary C. Albert
Assistant General Counsel
COMPTEL

cc: Don Stockdale
Al Lewis
Jeremy Marcus
Jay Atkinson
Carol Pomponi
Lynne Engledow
Victoria Goldberg
Nicholas Degani
Alex Minard
Randy Clarke
Marcus Maher

PRESENTATION OF NCTA AND COMPTEL

Developing a Unified Intercarrier Compensation Regime – CC Docket No. 01-92

COMPETITION DEPENDS ON STABLE INTERCONNECTION RULES

- Changing compensation rules do not necessarily require massive changes in interconnection rules
- Current interconnection arrangements are the product of years of negotiation, arbitration and litigation – the Commission should proceed with caution before making significant changes

THE VERIZON PROPOSAL DOES NOT COMPLY WITH SECTION 251

- The Verizon default proposal limits the ability of CLECs to choose "any technically feasible point" on an ILEC's network
    - Terminating ILECs could dictate the point of interconnection
    - Terminating ILECs could dictate the technology used for interconnection
    - CLECs could be required to provide direct interconnection
- The Verizon proposal raises significant implementation concerns
    - ILECs would be able to avoid obligations in existing agreements
    - ILECs would be able to avoid state arbitration of future disputes

ANY MOVE TO "COMMERCIAL" INTERCONNECTION AGREEMENTS WILL UNDERMINE COMPETITION

- ILECs continue to have market power, which is why the Commission repeatedly has declined to forbear from interconnection obligations
- ILECs themselves oppose the use of commercial agreements for many functions they consider essential
    - ILECs advocate FCC regulation and FCC dispute resolution, rather than pure commercial agreements, with respect to pole attachments on poles owned by electric companies
    - ILECs advocate FCC regulation and FCC dispute resolution, rather than pure commercial agreements, with respect to the sale of video programming to multichannel video programming distributors

THE COMMISSION SHOULD ISSUE A FURTHER NOTICE WITH TENTATIVE CONCLUSIONS AND PROPOSED RULES

- Decisions in this proceeding will have huge financial and operational consequences
- The cursory proposals that the Commission is considering are inadequate to provide individual companies a clear idea of these potential consequences
- Given the substantial risk of unintended consequences, the Commission should issue a Further Notice with tentative conclusions and proposed rules on all issues except those covered by the Core mandamus.