

Kathleen Grillo
Vice President
Federal Regulatory



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1300 I Street, NW, Suite 400 West
Washington, DC 20005

EX PARTE

Phone 202 515-2533
Fax 202 336-7922
kathleen.m.grillo@verizon.com

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

**Re: High Cost Universal Service Support, WC Docket No. 05-337;
Federal-State Joint Board on Universal Service, CC Docket No. 96-45**

Dear Ms. Dortch:

On October 8, 2008, Kathleen Grillo, Dennis Weller, and Chris Miller of Verizon and Tamara Preiss of Verizon Wireless met with Don Stockdale, Alex Minard, Jennifer McKee, Tom Buckley, Ted Burmeister, Jennifer Prime, and Gary Seigel of the Wireline Competition Bureau.

The purpose of the meeting was to discuss universal service high cost fund reforms. Specifically, Verizon addressed how the Commission's interim cap on competitive eligible telecommunications carrier support already disassociates high cost support to competitive carriers from amounts paid to incumbent carriers. Verizon also discussed some of the challenges associated with cost studies and other cost-based high cost reform proposals. Verizon said that reverse auctions for high cost support, potentially starting with pilot auctions in those areas most conducive to competitive bidding, would be effective and are the most efficient way to achieve universal service. Lastly, Verizon said that if the Commission determines to use universal service support for broadband, any funding should be capped and be based on one-time infrastructure grants to deploy broadband in areas that are unserved today.

Please contact me directly if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Grillo".

cc: Don Stockdale
Alex Minard
Jennifer McKee
Tom Buckley

Ted Burmeister
Jennifer Prime
Gary Seigel