



**Grace E. Koh**

Policy Counsel  
Public Policy Office

October 10, 2008

**VIA ECFS**

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

Re: Notice of *Ex Parte* Presentation; In the Matter of Universal Service Contribution Methodology, WC Docket No. 06-122; In the Matter of the High-Cost Universal Service Support and Federal-State Joint Board on Universal Service, WC Docket 05-337, CC Docket 96-45; In the Matter of Developing a Unified Intercarrier Compensation Regime, WC Docket No. 01-92; In the Matter of Intercarrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68; In the Matter of Access Charge Reform, CC Docket No. 96-262

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Dear Ms. Dortch:

On October 9, 2008, Alexandra Wilson, Vice President, Public Policy and Regulatory Affairs and the undersigned, both from Cox Enterprises, Inc., met separately with Scott Bergmann, Senior Legal Advisor to Commissioner Adelstein, and Nicholas Alexander, Legal Advisor on wireline matters to Commissioner McDowell. On October 10, 2008, we met separately with Scott Deutchman, Competition and Universal Service Legal Advisor to Commissioner Copps, and Greg Orlando, Legal Advisor on wireline matters to Commissioner Tate. Doug Garrett, Vice President, Western Region Regulatory Affairs, Cox Communications, Inc., joined all of the meetings by telephone. At the meetings, we discussed our views on the proposals for intercarrier compensation reform recently submitted to the Commission, as outlined in the attached handout. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed with your office via ECFS. Courtesy copies also are being distributed to the meeting attendees via email. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,

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/s/

Grace Koh  
Policy Counsel  
Cox Enterprises, Inc.

cc: Scott Bergmann  
Nicholas Alexander  
Scott Deutchman  
Greg Orlando

## Achievable Comprehensive Intercarrier Compensation Reform: Taking the best from the current proposals while preserving competitive rules for Interconnection and minimizing the impact on the USF

- There is near consensus on certain issues:
  - Originating switched access - future NPRM or leave alone
  - ISP-bound traffic
  - Phantom Traffic
  - Numbers-based contribution for USF
- The Verizon proposal comes closest to achieving full reform, but we recommend some critical adjustments:
  - We support termination, transport definitions, low unified rate (\$0.007/MOU);
  - We find transition steps, SLC and Benchmark proposals also acceptable;
  - “Default” interconnection proposal goes too far in taking away CLEC 251(c) rights and undermines current ICA terms. CLECs should be able to choose interconnection “at any technically feasible point,” including for IP-IP interconnection. State commissions must retain their role in setting terms and conducting arbitrations;
  - Verizon’s transit proposal for an F-NPRM is an improvement over previous proposals (e.g. Missoula Plan);
  - Access replacement mechanism should be limited to ROR ILECs after meeting the benchmark, should be calculated per line served, and should be available to competitive ETCs at the same rate per line. Any “access replacement” plan must be transitional and sunset after a period of time, and take into account continuing downward trajectory of access minutes and revenues (*i.e.* don’t lock in historical levels and pay into the future);
  - Multi-product revenue streams and flexibility to increase retail rates (including the SLC) are sufficient for price-cap ILECs.