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October 21, 2008

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OCT 21 2008

Federal Communications Commission
Office of the Secretary

VIA HAND DELIVERY

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

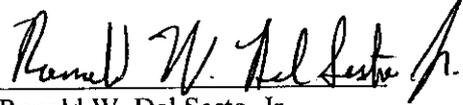
Re: Notice of Ex Parte Communication
CC Docket Nos. 99-68 & 01-92

Dear Ms. Dortch:

On October 20, 2008, the undersigned and Tamar E. Finn of Bingham McCutchen, LLP, and Robert Taragan, Marshal Allshouse, and Shane Blaser of United Online, Inc. ("United Online") met with Scott Deutchman, Legal Advisor to Commissioner Copps. On October 21, 2008, the same above-named attendees met separately with Nicholas Alexander, Legal Advisor to Commissioner McDowell; Amy Bender, Legal Advisor to Chairman Martin; Greg Orlando, Legal Advisor to Commissioner Tate; Scott Bergmann, Legal Advisor to Commissioner Adelstein; and Wireline Competition Bureau staff Albert Lewis, Victoria Goldberg, Lynne Engeldow, Jay Atkinson, and Claude Aiken..

The purpose of these meetings was to discuss United Online's position on intercarrier compensation for ISP-Bound traffic. The discussions were consistent with the attached presentation provided to Commission staff at the meetings.¹ Pursuant to the Commission's Rules, this letter and the attached presentation are being filed for inclusion in the public record. Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely yours,


Ronald W. Del Sesto, Jr. IRS

Counsel to United Online, Inc.

¹ United Online is also contemporaneously filing with the Commission, confidentially and under seal, additional business, commercial, and trade secret materials concerning the provision of the Company's Internet access services.

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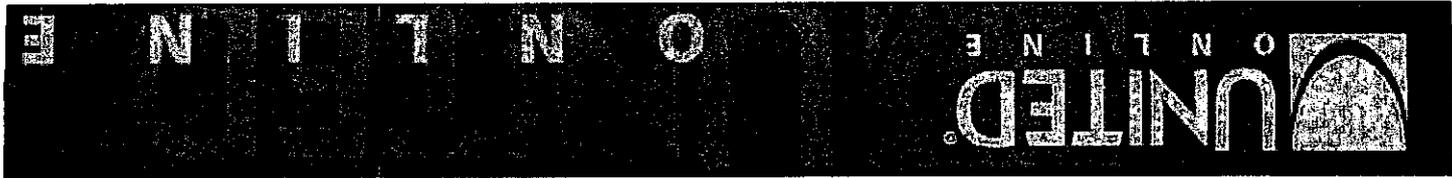
Ms. Marlene H. Dortch
October 21, 2008
Page 2

Attachment

cc (by e-mail):

Amy Bender
Scott Deutchman
Nicholas Alexander
Greg Orlando
Scott Bergmann
Albert Lewis
Victoria Goldberg
Lynne Engeldow
Jay Atkinson
Claude Aiken

**United Online
October 20 & 21, 2008**





Who We Are

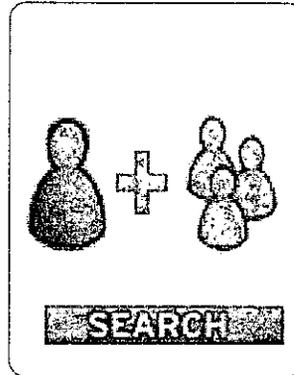


Leading Provider of Consumer Products and Services Over the Internet

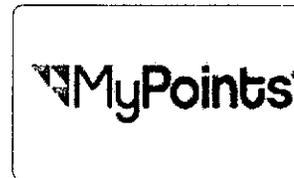
**E-Commerce
and Retail**



**Online Social
Networking**



**Online Loyalty
Marketing**



**Internet
Access**



UNITED ONLINE

ISP Overview

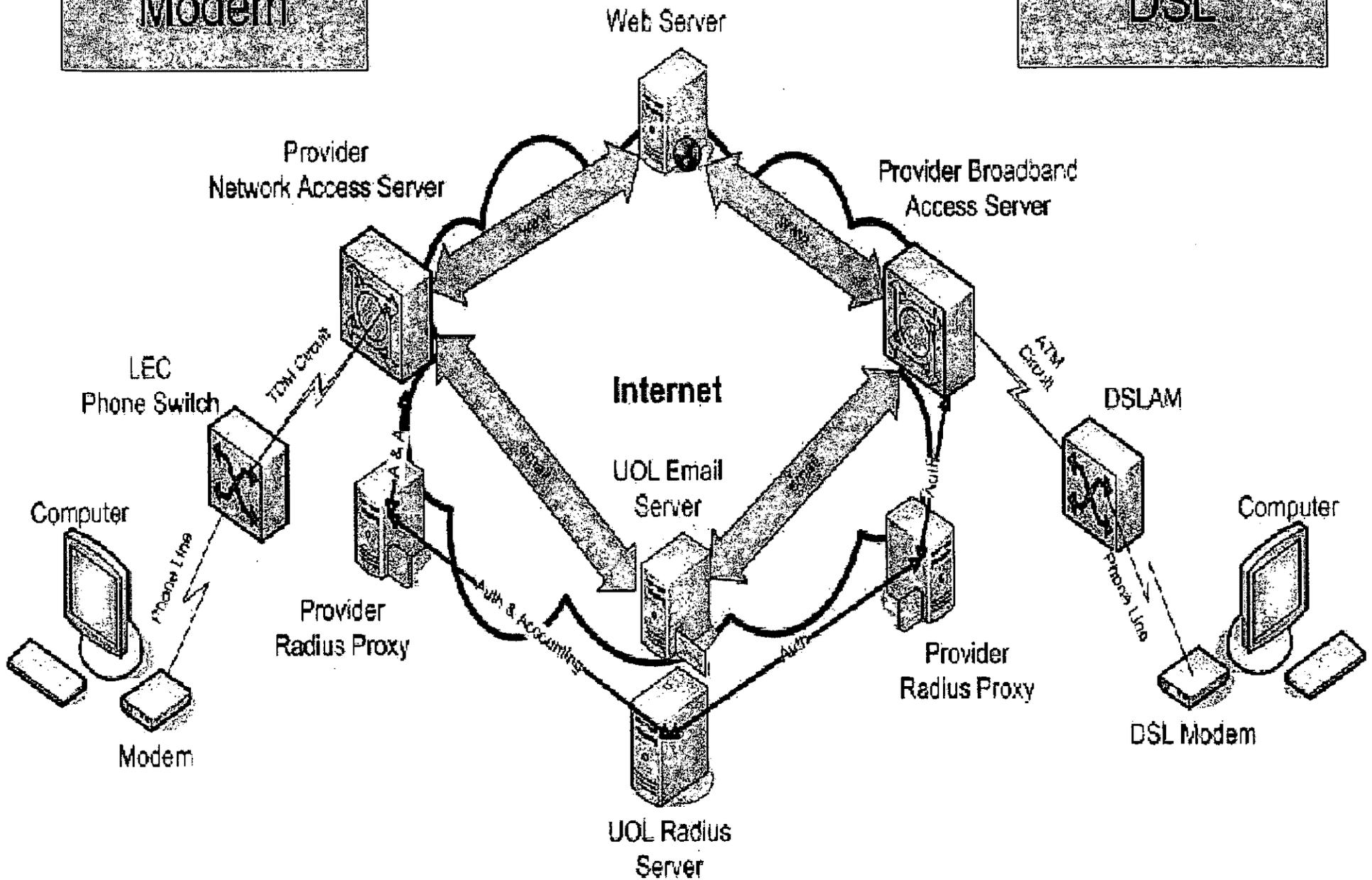
- United Online provides Internet access under the brand names NetZero and Juno.
 - 1.4 million subscribers
 - Service available in 2,510 counties
 - Offer dial up access for \$9.95 per month
- Dial-up subscribers and average dial-up usage per month have been declining over the last five years.

Problem Facing Rural America

- United Online has experienced a significant decrease in access lines in rural counties.
- If the trend continues, residents in rural counties will have limited or no access to affordable Internet access.
- Ending the discriminatory treatment of ISP-bound traffic will help reverse this trend.

Modem

DSL



Summary of Access Line Loss

- Since 2007, UOL has been forced to terminate ISP service to approximately 20,000 subscribers due to loss of access lines.
- UOL faces similar losses in the near future as network service providers decrease the areas in which they provide managed modem service.
- The loss of access lines has occurred exclusively in rural counties.

Risk to Small Counties

- Key issue is loss of access in numerous lower tier counties
- UOL's experience is that access providers will not offer service in these counties because of the cost to connect to the ILEC's network.
- The cost to access providers has increased due to state PUC decisions that require modems be placed within the local calling area in order to receive compensation.

Risk to Small Counties

- Numerous providers of access lines to ISPs have exited the managed modem market.
- Existing providers continue to exit the market or decrease their managed modem footprint.
- This results in only the ILEC offering Internet access – no competition or consumer choice.

Remedy

- End discrimination in rates for ISP traffic.
- Because ISP traffic is Section 251(B)(5), the FCC may not set the rate, even if interim.
- Many RLECs state on record that they have not implemented the FCC rate.

Remedy

- Putting ISP-bound traffic on par with voice traffic will provide funds that enable companies to maintain and improve dial-up availability and competition in rural areas.
- Non-discriminatory rate for dial-up access helps ensure that areas with no broadband access still have affordable Internet access options.