

March 17, 2010

Ex Parte

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

RE: *Petition for a Declaratory Ruling Regarding Access Charges by Certain Inserted CLECs for CMRS-Originated Toll-Free Calls; Developing a Unified Intercarrier Compensation Regime, WC Docket No. 01-92; Access Charge Reform, CC Docket No. 96-262*

Dear Ms. Dortch:

On March 16, 2010, William Hunt of Level 3 Communications, LLC (“Level 3”) and I met with Marcus Maher, Jennifer Prime, John Hunter, Lynn Engledow and Doug Sloten of the Wireline Competition Bureau (“WCB”). We urged that the Commission move forward and act on Level 3’s petition which is referenced above. The Commission can end these Inserted CLEC “high cost routing” arbitrage scheme by eliminating the rebates paid to wireless carriers that are *de facto* wireless carrier access charges. Such an action would further the directions outlined in the National Broadband Plan for intercarrier compensation reform, which recommended that the Commission “should adopt a framework for long-term intercarrier compensation (ICC) reform that creates a glide path to eliminate per-minute charges while providing carriers an opportunity for adequate cost recovery, and establish interim solutions to address arbitrage.”¹ The Plan recommends a framework to “to phase out per-minute charges by 2020.”² The Inserted CLEC routing scheme with rebates fueling re-routing of wireless traffic is yet another example of a “fundamental problem[] that create[s] inefficient incentives.”³ Like access stimulation schemes, this form of arbitrage also stems from the fact that “most ICC rates are above incremental cost.”⁴ Allowing these schemes to continue and to proliferate will only serve to complicate, and not to aid, the Commission’s efforts to achieve comprehensive intercarrier compensation reform by increasing both Inserted CLECs and wireless carriers’ dependencies of intercarrier compensation revenues. In addition, we made points previously summarized in our *ex parte* dated January 28, 2010.

¹ *Connecting America: The National Broadband Plan*, Federal Communications Commission, 148 (March, 16 2010), <http://download.broadband.gov/plan/national-broadband-plan.pdf> (“National Broadband Plan”).

² *Id.*

³ National Broadband Plan at 142.

⁴ *Id.*

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A copy of this letter is being filed in the above-referenced dockets.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Nakahata", with a long horizontal flourish extending to the right.

John T. Nakahata
Counsel to Level 3 Communications, LLC

cc: Marcus Maher
Jennifer Prime
John Hunter
Lynn Engledow
Doug Slotten