



June 3, 2010

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Ex Parte

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

Re: Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings, LLC for Consent to Transfer of Control of Licenses, Authorizations, and Spectrum Manager and De Facto Transfer Leasing Arrangements, WT Docket No. 08-95; Request for Review by Corr Wireless Communications, LLC, of Decision of Universal Service Administrator, CC Docket No. 96-45, WC Docket No. 05-337

Dear Ms. Dortch:

Yesterday, John Scott of Verizon Wireless and I met with Zachary Katz, of the Office of Strategic Planning & Policy Analysis, and Sharon Gillett, Lisa Gelb, Alex Minard, Amy Bender, and Ted Burmeister, all of the Wireline Competition Bureau, to discuss implementation of reductions to high cost universal service support for Verizon Wireless pursuant to the condition adopted by the Commission in its November 10, 2008 order approving Verizon Wireless's acquisition of Alltel.¹

In particular, Verizon Wireless explained, consistent with the terms of the *Alltel Order* and the *CETC Cap Order*,² that:

- (1) High cost support for Verizon Wireless is calculated pursuant to the *CETC Cap Order*, which limits high cost support for all CETCs, and related rules, based on filed line counts, after which USAC reduces the support to reflect the required 20% reductions;³

¹ *Applications of Cellco Partnership d/b/a Verizon Wireless & Atlantis Holdings LLC for Consent to Transfer Control of Licenses, Authorizations & Spectrum Manager & De Facto Transfer Leasing Arrangements & Petition for Declaratory Ruling That the Transaction Is Consistent with Section 310(b)(4) of the Communications Act*, WT Docket No. 08-95, Memorandum Opinion and Order and Declaratory Ruling, 23 FCC Rcd 17444, 17531-32 (paras. 196-197) (2008) (“*Alltel Order*”).

² *High-Cost Universal Service Support, et al.*, WC Docket No. 05-337, Order, 23 FCC Rcd 8834 (2008) (“*CETC Cap Order*”).

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- (2) The reductions in high cost support to Verizon Wireless will not result in an increase in high cost payments to other competitive eligible telecommunications carriers (CETCs);⁴ and
- (3) The universal service merger condition does not apply to properties that Verizon Wireless is required to divest.⁵

This letter is being filed electronically pursuant to Section 1.1206 of the Commission's Rules. Please contact me if you have any questions.

Sincerely,



cc: Zachary Katz
Sharon Gillett
Lisa Gelb
Alex Minard
Amy Bender
Ted Burmeister

³ Thus Verizon Wireless disagrees with the recent ex parte filing by the "Alliance of Rural CRMS Carriers" ("ARC"). Letter from David A. LaFuria, Counsel to ARC, WT Docket Nos. 08-94, 08-95, WC Docket No. 05-337, CC Docket No. 96-45 (filed May 7, 2010). ARC claims that Verizon Wireless's support (and Sprint's support, which is subject to a similar merger condition) should be "frozen as of the merger effective date." Besides having no basis in Commission rules or the merger orders, ARC's approach would potentially limit the savings to the high cost fund realized as a result of the merger conditions. By contrast, basing the calculation of support on actual line count filings is consistent with the existing rules and will not increase the size of the high cost fund, because the amount of support each carrier can receive is limited by the overall CETC cap and the annual phase-out percentages. Moreover, if either carrier wins lines during the phase-down period, this will simply increase the amount of capped support to which the phase-down percentage is applied, resulting in further savings to the fund.

⁴ *Alltel Order*, 23 FCC Rcd at 17531 (para. 196); *see also id.* at 17563-64 (Statement of Chairman Kevin J. Martin) (the high-cost phase-down conditions "provide certainty for the carriers, while reducing the pressure on the fund over time").

⁵ *Id.* at 17531 (para. 196) (citing Verizon Wireless Ex Parte Letter, WT Docket No. 08-95 (filed Nov. 3, 2008) ("The terms of these commitments do not apply to any properties that are to be divested, or to any properties as to which Verizon Wireless lacks control.")).