Tamara Preiss
Vice President
Federal Regulatory Affairs

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

Phone 202 515-2540
Fax 202 336-7922
tamara.preiss@verizon.com

August 4, 2010

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 Holidngs 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, I spoke by telephone with Angela Kronenberg, Acting Chief of Staff and Wireline Advisor to Commissioner Clyburn. We discussed 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]

I explained, consistent with the terms of the *Alltel Order* and the *CETC Cap Order,*[2] that high cost support for Verizon Wireless should be 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 will reduce the support to reflect the required 20 percent reductions,[3] and that

---

[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*").

[3] Thus Verizon Wireless disagrees with the recent ex parte filings 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 and June 3, 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

reductions in high cost support to Verizon Wireless should not result in an increase in high cost payments to other competitive eligible telecommunications carriers (CETCs).[4] These CETCs are not prejudiced by the merger condition, as it relates only to high cost funding to which Verizon Wireless (and Sprint) would otherwise be entitled. There is no principled basis for them to enjoy a windfall at the expense of Verizon Wireless and Sprint, and re-distribution of that money to other CETCs is inconsistent with the Commission's broadband goals.

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: Angela Kronenberg (via e-mail)

---

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. ARC also incorrectly asserts that reducing support based on actual line counts contradicts the language in the merger order that support must be reduced "in equal 20 percent increments annually." *Alltel Order*, 23 FCC Rcd at 17531 (para. 196). To the contrary, the order requires only that support be reduced in equal *percentage* increments each year, which is satisfied if support is reduced 20% in the first year, 40% in the second year, and so forth. There is no requirement that the actual dollar amounts be equal.

[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").