

Tamar E. Finn
Direct Phone: 202.373.6000
Direct Fax: 202.373.6001
tamar.finn@bingham.com

September 17, 2010

VIA ELECTRONIC FILING

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

Re: Notice of Ex Parte Communication, WC Docket No. 06-122

Dear Ms. Dortch:

On September 16, 2010, Nancy Lubamersky, of U.S. TelePacific Corp. d/b/a TelePacific Communications (“TelePacific”), J.K. Hage III of Hage & Hage Law and Consulting, and the undersigned met separately with (1) Angela Kronenberg, Legal Advisor to Commissioner Mignon Clyburn, (2) Vickie Robinson, Carol Pomponio, Nicholas Degani, Claudia Fox, and Chin Yoo of the Wireline Competition Bureau, (3) Zachary Katz, Legal Advisor to Chairman Julius Genachowski, and Vickie Robinson, Carol Pomponio, Nicholas Degani and Chin Yoo of the Wireline Competition Bureau, (4) Bradley Gillen, Legal Advisor to Commissioner Meredith Baker, and (5) Austin Schlick, Julie Veach, and Diane Griffin Holland of the Office of General Counsel and Carol Matthey, Rebekah Goodheart, and Vickie Robinson of the Wireline Competition Bureau.

The participants discussed the Bureau’s April 30, 2010 Order on TelePacific’s Request for Review of a USAC Decision. In that Order, the Bureau determined that TelePacific does not owe direct universal service fund (“USF”) contributions on the sale of wireline broadband Internet access service to its end user customers. Paragraph 13 of the TelePacific Order states, however, that “we do not have sufficient information in the record to address TelePacific’s contention that no federal universal service contributions should be assessed on revenues derived from the sale of T-1 lines to TelePacific.” (Hereafter, TelePacific will refer to this as the “indirect contribution issue.”)

Notwithstanding the fact that the TelePacific Order made no findings on the indirect contribution issue, some have assumed incorrectly that the issue has been decided and any CLEC purchasing T-1s for use in a broadband Internet access service must be treated as an end user and subject to indirect contribution.

Consistent with the arguments made in its February 1, 2010 ex parte, TelePacific argued that (1) FCC rules permit TelePacific to submit a reseller certification on an entity (not individual service) basis; (2) indirect contribution violates the FCC principles of competitive neutrality and creating a level playing field for all providers of broadband Internet access service, regardless of technology or ownership of local loop transmission facilities; and (3) indirect contribution violates Section 254’s equitable and nondiscriminatory contribution requirement.

Boston
Hartford
Hong Kong
London
Los Angeles
New York
Orange County
San Francisco
Santa Monica
Silicon Valley
Tokyo
Walnut Creek
Washington

Bingham McCutchen LLP
2020 K Street NW
Washington, DC
20006-1806

T 202.373.6000
F 202.373.6001
bingham.com

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In the meeting with the Wireline Competition Bureau participants, TelePacific also expressed support for enhancing the existing revenue-based USF contribution methodology. TelePacific advocated USF contribution rules that are transparent and competitively neutral, to ensure that all market participants operate on a level playing field. TelePacific believes that a numbers-based methodology would have adverse consequences for the small and medium size business customers that TelePacific serves.

In the meeting with Austin Schlick, the participants also discussed the Petition for Clarification of the TelePacific Order. TelePacific indicated that it intends to file an ex parte clarifying its position on that Petition in the near future.

If you have any questions, please do not hesitate to contact me.

Sincerely yours,

/s/ electronically signed

Tamar E. Finn

cc (by e-mail):

Austin Schlick
Julie Veach
Diane Griffin Holland
Angela Kronenberg
Zachary Katz
Vickie Robinson
Carol Pomponio
Nicholas Degani
Claudia Fox
Chin Yoo
Bradley Gillen
Carol Matthey
Rebekah Goodheart