NASUCA

NATIONAL ASSOCIATION
OF STATE UTILITY
CONSUMER ADVOCATES

VIA ELECTRONIC DELIVERY

October 15, 2010

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

Re: **Ex Parte Communication**, CC Docket No. 01-92, WC Docket No. 05-337, WC Docket No. 07-135, GN Docket No. 09-51, WC Docket No. 10-90

Dear Ms. Dortch:

On October 14, 2010, representatives of the National Association of State Utility Consumer Advocates ("NASUCA") had a telephone conversation with staff of the Federal Communications Commission Wireline Competition Bureau ("WCB") regarding the intercarrier compensation provisions of the National Broadband Plan ("NBP"). WCB staff on the call included Betsy McIntyre, Jay Atkinson, John Hunter, Victoria Goldberg and Randy Clarke of the Pricing Policy Division; Ted Burmeister, of the Telecommunications Access Policy Division; and Matthew Warner of the Competition PolicyDivision. The NASUCA representatives on the call were David Bergmann, Chair of the NASUCA Telecommunications Committee, with the Office of the Ohio Consumers' Counsel; Natalie Billingsley and Alik Lee, with the California Division of Ratepayer Advocate; Wayne Jortner, with the Maine Office of the Public Advocate; Earl Poucher, with the Florida Office of the Public Counsel; Barrett Sheridan, with the Pennsylvania Office of Consumer Advocate, and Mary Wright, with the Montana Consumer Counsel.

All discussion was consistent with NASUCA filings in these dockets, but included the following points:

- If one carrier uses another's network, for completing a call or otherwise, the using carrier should compensate that carrier for the use. This includes contribution to the joint and common costs of the network, which means that an incremental cost basis is not appropriate for intercarrier compensation.

- If intercarrier compensation rates are reduced, there should be no guaranteed recovery of lost revenues by the carriers. This includes increases to subscriber line charges and universal service fund disbursements.

- The various mechanisms for recovery of lost revenues typically ignore the first-mover issue, unreasonably burdening consumers in states that have already taken action on access charges and other forms of intercarrier compensation.

- Consideration of lost access charge revenues must take into account the continuing decline in access minutes. It also take into account sources of increased revenues (such as from broadband), and intracompany revenue transfers (such as when one part of a company loses access charge revenues, but another part saves money from not paying access charges).

- The FCC must be respectful of state jurisdiction on intrastate rates, including intrastate access charges, and cannot order reductions in intrastate access charges.

- In some states, reductions in intrastate access charges have not led to lower intrastate toll rates.

- Fundamentally, as expressed in the NBP, there is minimal logical connection between intercarrier compensation issues and the national broadband deployment goal.

- Overall, therefore, the intercarrier compensation proposals in the NBP are not in the public interest because they violate these principles.

- The FCC can take action on traffic pumping, phantom traffic, and VoIP traffic intercarrier compensation without implicating many of the problematic issues discussed. Such action would likely go a long way to reducing the intercarrier issues identified in the NBP.

NASUCA appreciates the opportunity to make these views know to FCC staff.

Respectfully submitted,

/s/ David C. Bergmann

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