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(Via electronic mail)

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Notice of Ex Parte Presentation – *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *IP-Enabled Services*, WC Docket No. 04-36; *A National Broadband Plan for Our Future*, GN Docket No. 09-51.

Dear Chairman Genachowski:

The VON Coalition commends the Commission for its announcement that it intends to move forward with the proposals in the National Broadband Plan to reform intercarrier compensation and ensure that any carrier-to-carrier payment regime promotes broadband deployment and adoption. The Commission has never reached the conclusion that access charges apply to traffic that originates or terminates using Internet Protocol (IP), While acknowledging that it has not made such a decision, the Commission should use the forthcoming Notice of Proposed Rulemaking (NPRM) to adopt an economically rational regulatory regime to govern the exchange of such traffic on the PSTN, ideally bill and keep. Perpetuating a system that requires or permits carriers to apply above-cost rates that vary depending on out-dated jurisdictional and technological distinctions will only stifle innovation and broadband deployment. Comprehensive reform of the existing intercarrier compensation system is critical to accommodate progress, innovation, and continued investment in broadband networks and the IP enabled products, applications, and services that consumers access over those networks.

Some have advocated that the Commission should apply legacy "access charges" to IP-based voice services, suggesting that this would be a "first step" towards intercarrier compensation reform.[1] This would be a fundamental mistake. The Commission is about to embark on real reform of the intercarrier compensation system precisely *because* the legacy system does not work with modern communications technologies. Access charges are part of a regime that regulators designed 30 years ago, before the advent of IP-based services, for an industry defined by "circuits," "calls," and "minutes," not IP packets, and for which distinctions between "local" and "long distance" traffic, and between "interstate" and "intrastate" traffic, were meaningful. IP-based voice services simply cannot be shoehorned into that system, and consumers of IP-based voice services should not be burdened with the resulting above-cost charges.

[1] *See,* e.g., letter from CenturyLink, Frontier, Qwest, and Windstream to Chairman Genachowski, GN Docket No. 09-51; WC Docket Nos. 07-135; 05-337; 04-36; CC Docket Nos. 99-68; 01-92, January 18, 2011.

Today, more than ever, companies are investing in next-generation platforms based on IP technology. These revolutionary IP products, services and applications up-end traditional concepts of location-based and device-based services, enabling customers to have a single number that reaches them, no matter where they are and what device (e.g., phone or computer) they are using. IP-based services enable subscribers to utilize multiple service features that access different websites or IP addresses during the same communication session and to perform different types of communications simultaneously. In addition, they can route calls seamlessly to and from a wide variety of devices, including mobile, some of which may be nomadic and some of which may be fixed but changeable at the user's discretion. It is precisely these features do not fit within traditional legacy telephone regulatory treatment and access charges.

The VON Coalition agrees with the proposals in the National Broadband Plan to establish a compensation regime that eliminates per-minute above cost compensation rates for *all* traffic exchanged with or on the public switched telephone network. The Commission must focus on policies that will help spur the continued evolution to more advanced IP and broadband networks and the products, services, and applications that consumers access over these networks. Applying legacy access charges to VoIP traffic while the Commission is making a final determination regarding such traffic would harm consumers and delay further broadband deployment by saddling VoIP and IP-based service providers (and ultimately consumers) with inefficient and exorbitant costs that would limit the availability of such services. More precisely, slowing the development of innovative IP-based services would suppress demand for broadband, interfering with the National Broadband Plan's ambitious broadband deployment and adoption goals. In order to ensure that VoIP providers continue to innovate and deploy new services that serve consumers and drive broadband adoption and deployment, the Commission should reject efforts to apply legacy regulations to the IP world.

Please contact the undersigned should you have any questions.

Respectfully submitted,

/s/

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Executive Director

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