

Donna Epps  
Vice President  
Federal Regulatory Affairs



May 10, 2011

**Ex Parte**

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

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Washington, DC 20005

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**Re: Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109**

Dear Ms. Dortch:

Yesterday, Maggie McCreedy, Alan Buzacott, Chris Miller, and the undersigned, of Verizon, met with Carol Matthey, Amy Bender, Katie King, Steven Rosenberg, Rebekah Goodheart, Albert Lewis, Joseph Cavender, Travis Litman, Rohit Dixit, Kevin King, Victoria Goldberg, Marcus Maher, Theodore Burmeister, Lynne Engledow, John Hunter, Douglas Sloten, and Patrick Halley of the Wireline Competition Bureau.

The purpose of the meeting was to discuss Verizon's position regarding pending intercarrier compensation and universal service reform efforts. We urged the Commission to act quickly and set a low, default intercarrier compensation rate of \$0.0007 per minute for VoIP traffic that connects with the PSTN. We said similar decisions by the Commission with respect to wireless traffic have allowed wireless services to grow efficiently, unburdened by the legacy access charge regime, and that a similar policy with VoIP would also produce consumer benefits.

In addition, we expressed support for the Commission's proposals to address traffic pumping schemes and urged the Commission to quickly address wireless-originated intraMTA termination rates by CLECs. We urged the Commission to make a few minor modifications to strengthen its traffic pumping proposal, including establishing a presumption that a revenue sharing arrangement exists if a predominant share of a LEC's billed intercarrier compensation minutes are routed to or from conferences bridges, information services such as chat lines, or other known traffic stimulation mechanisms, regardless of whether the LEC and the other providers are affiliated. We also asked the Commission to make clear that any new traffic pumping rules do not establish a presumption that traffic pumping and other intercarrier compensation arbitrage schemes that may fall outside of the four corners of those rules are considered legitimate and consistent with section 201(b) of the Act. In the long-term, we proposed that the Commission exercise its preemption authority and adopt a single, low intercarrier compensation rate for all traffic and all technologies.

Overall, we expressed support for the Commission's proposed framework for universal service reform. Specifically, we said that it makes sense to set a budget for broadband-based high cost funding at today's support levels, to distribute support using competitive bidding, and to make clear that regulatory obligations flow only to those carriers that receive high cost USF support. As a threshold matter, we said the Commission should quickly eliminate remaining CETC support to free up funding for broadband priorities.

Sincerely,

A handwritten signature in black ink that reads "Donna Epps".