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May 26, 2011

ELECTRONIC FILING

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

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

Dear Ms. Dortch:

This is to inform you that on May 25, 2011, David Erickson, Founder and CEO, and Hector De La Torre, Vice President, Regulatory Affairs and Communications, both of Free Conferencing Corporation, Amy Mehlman of Mehlman Capitol Strategies, Inc., Mary Diamond Stirewalt of Mary Diamond Strategies, LLC, and the undersigned met with John Hunter, Rebekah Goodheart, Jennifer Prime, and Douglas Slotten of the Wireline Competition Bureau. We discussed the above-captioned proceeding, focusing on intercarrier compensation and the proposals to address access stimulation.

The discussion followed the attached presentation, which was shared with the Commission staff present at the meeting.

Please do not hesitate to contact me with any questions.

Respectfully,

A handwritten signature in black ink that reads "T. Devendra Kumar". The signature is written in a cursive style with a horizontal line underlining the name.

Henry Goldberg
Devendra T. Kumar
Counsel for Free Conferencing Corporation

cc: John Hunter
Rebekah Goodheart
Jennifer Prime
Douglas Slotten

Intercarrier Compensation Reform

Options and Projection of Outcomes

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FreeConferenceCall.com®

Free Toll Conferencing: Consumer Savings

- 54 Billion total minutes of conferencing
- 12 Billion minutes of FREE toll conferencing
- \$3.2 billion in conference organizer/per minute fees (not including terminating access)

- 42 billion of pay minutes at $\$3.2\text{b} = \$.075$ average per minute
- 12 billion of free toll minutes charged at $\$.075$ average = \$901m in consumer savings



Proposed Solutions

- Revenue Sharing Trigger
- Possible Second Trigger
 - MOU Caps
 - Imbalance Ratio
 - HVAT



Revenue Sharing Trigger

- Step in the right direction, a good marker
- Leads to One Size Fits All Solution
 - Revenue Sharing is not synonymous with access stimulation
 - Only rural carriers that share revenue but do not stimulate access would be harmed
 - Results in access stimulation only taking place at RBOC rates in urban areas



Revenue Share Trigger is Appropriate; Need Second Trigger

- Second trigger would
 - Hold harmless those that share revenue but do not stimulate access
 - Incentivize moving non-geographic, higher volume traffic to the areas that would benefit from the infrastructure and jobs required to host it



Possible Second Triggers

- Minute of Use Caps
- Traffic Imbalance Ratios
- HVAT



Minute of Use Caps

- Over "X" minutes rate drops to RBOC
- Difficult to police (aggregated traffic)
- No parallel cap in urban rates

Example:

MOU per line	406	1000	2000	3000	4000	5000	6000
Revenue per line	17.458	20.428	25.428	30.428	35.428	40.428	45.428
Rate per minute	0.043	0.020	0.013	0.010	0.009	0.008	0.008

Rural Rate at .043 /
RBOC Rate .005



Traffic Imbalance Ratio

- 3:1 Ratio incoming to out-going
- Difficult to police (aggregated traffic)
- With no floor, RLEC rates would drop below urban LEC rates

Example:

Rural Rate 0.043	Outbound	1,000,000			
	Maximum	3,000,000	\$129,000		
	Inbound	1,000,000	3,000,000	25,000,000	100,000,000
	Ratio	1	3	25	100
	New Rate	0.043	0.04300	0.005160	0.001290
	Delta / RBOC (at 0.005)			0.000160	(0.003710)

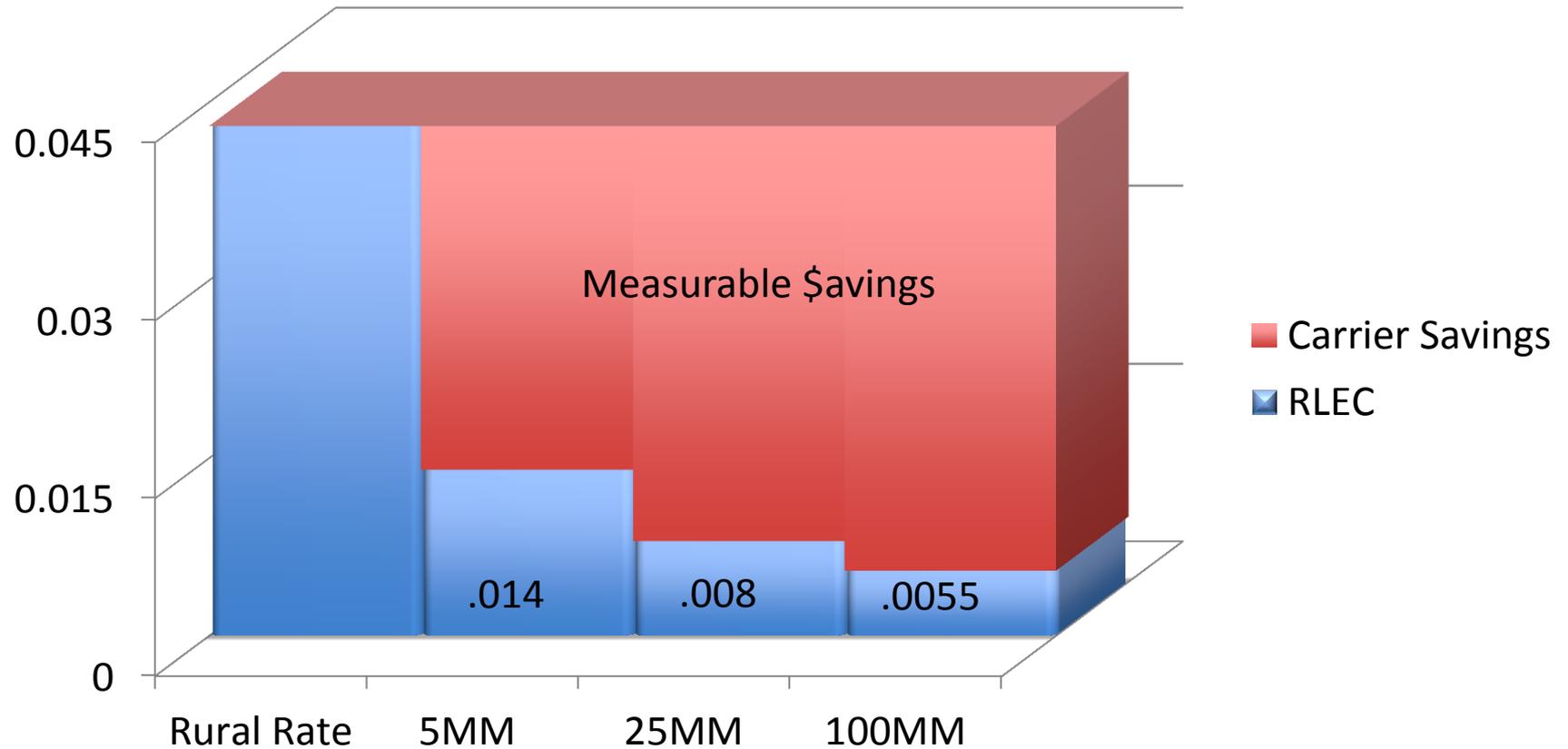


High Volume Access Tariff

- Steps rates down as volumes go up
- Self-policing – each carrier is aware of the traffic it sends to RLEC
- Received FCC approval and in use in multiple rural service areas



HVAT Example



Deemed Lawful

- Certainty is needed with any Commission action
- Lawsuits and self-help cause market disruption
- Lack of deemed lawful would produce confusion – negating benefits from NPRM
- Deemed lawful status at RBOC rate would be just and reasonable in rural areas as well

