

LAW OFFICES  
**GOLDBERG, GODLES, WIENER & WRIGHT**  
1229 NINETEENTH STREET, N.W.  
WASHINGTON, D.C. 20036

HENRY GOLDBERG  
JOSEPH A. GODLES  
JONATHAN L. WIENER  
DEVENDRA ("DAVE") KUMAR  
LAURA A. STEFANI

(202) 429-4900  
TELECOPIER:  
(202) 429-4912  
[general@g2w2.com](mailto:general@g2w2.com)

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HENRIETTA WRIGHT  
THOMAS G. GHERARDI, P.C.  
COUNSEL

—  
THOMAS S. TYCZ\*  
SENIOR POLICY ADVISOR  
\*NOT AN ATTORNEY

July 8, 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**

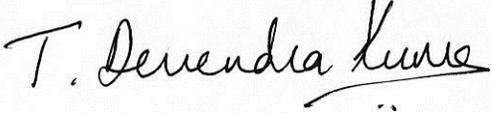
Dear Ms. Dortch:

This is to inform you that on July 7, 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: (1) Angie Kronenberg, Wireline Legal Advisor to Commissioner Mignon Clyburn; (2) Margaret McCarthy, Wireline Policy Advisor to Commissioner Michael J. Copps; and (3) Zac Katz, Chief Counsel and Senior Legal Advisor to Chairman Julius Genachowski, and Bureau Chief Sharon Gillett, John Hunter, Jennifer Prime, Douglas Slotten, and Al Lewis, all 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 meetings.

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: Angie Kronenberg  
Margaret McCarthy  
Zac Katz  
Sharon Gillett  
Al Lewis  
John Hunter  
Jennifer Prime  
Douglas Slotten

# Principles of a Rural Tariff Structure

Corporate Headquarters:

110 W. Ocean Blvd., Suite C

Long Beach, CA 90802

Phone: 877-482-5838

Fax: 562-437-1422

[www.FreeConferenceCall.com](http://www.FreeConferenceCall.com)



# Triggers by NPRM Respondents

- Reduce terminating access tariffs in rural America
- Revenue sharing trigger in Commission proposal combined with a second trigger to address costs of higher call volumes for certain rural carriers
- Recognize need to hold harmless rural carriers with low call volumes



# Time and/or Volume Steps

- Step-down in rural tariffs from rural rate
- One or two steps in transition from current rate to provide business certainty to rural carriers
- Rural tariffs must be just and reasonable at each step and at the endpoint
- Time limit regardless of call volumes guarantee tariff reductions



# Maximize Savings at Each Step

- At each successive step, tariff is applicable to first minute of use—not a blended rate of higher and lower rates
- New tariff structure must produce measurable, quantifiable savings in intercarrier compensation at each step



# Stability of New Tariff Structure

- No less than parity between rural and urban, RLEC and ILEC needed for market stability
- Reduction in rural tariffs must have a floor of RBOC tariffs in their region to be just and reasonable
- New tariffs must be “deemed lawful” per Section 204(a)(3) of the 1996 Act to avoid market uncertainty and litigation



# RBOC-Based Rural Tariff

- Upon reporting of revenue-sharing agreement to FCC, RLEC begins three step reduction in tariff
  - 1) Immediate drop to RBOC plus 100% tariff
  - 2) Upon meeting first mark of minutes of use per line, further drop to RBOC plus 50%
  - 3) Upon meeting second mark of minute of use per line, further drop to RBOC
- Regardless of call volumes, after three years, the tariff for every RLEC (with or without a revenue-sharing agreement) is RBOC plus 100%



# Transparency and Enforcement

- Revenue sharing agreements, number of lines, and call volumes must be reported to FCC quarterly to establish RLEC's tariffs
- New, lower tariffs are established when call volumes are confirmed by each originating carrier
- Setting of lower tariffs can be confirmed by originating carriers—self-policing adds to ease of enforcement
- RLEC must report any change in line capacity



# RBOC-Based Tariff Structure

