

Lampert, O'Connor & Johnston, P.C.

www.lojlaw.com
lampert@lojlaw.com

1776 K Street NW, Suite 700
Washington, DC 20006

tel (202) 887-6230
fax (202) 887-6231

August 1, 2011

Ex Parte via Electronic Filing

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

Re: *Connect America Fund*, WC Dkt. No. 10-90; *A National Broadband Plan for Our Future*, GN Dkt. No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Dkt. No. 07-135; *High-Cost Universal Service Support*, WC Dkt. No. 05-337; *Developing a Unified Intercarrier Compensation Regime*, CC Dkt. No. 01-92; *Federal-State Joint Board on Universal Service*, CC Dkt. No. 96-45; *Lifeline and Link-Up*, WC Dkt. No. 03-109; *Universal Service Contribution Methodology*, WC Dkt. No. 06-122

Dear Ms. Dortch:

On Thursday, July 28, 2011, Richard S. Whitt, Director and Managing Counsel for Telecom and Media Policy, Google Inc., and the undersigned of Lampert, O'Connor & Johnston, P.C., had a telephone conversation with Zachary Katz, Legal Advisor for Wireline Communications, International and Internet Issues to Chairman Julius Genachowski, and Michael Steffen, Special Counsel, of the Office of General Counsel, to discuss the FCC's proposed reforms of the intercarrier compensation (ICC) system and federal universal service (USF) program.

We expressed our overall support for rapid and decisive FCC action to promote universal broadband connectivity and advanced IP networks that are so critical to our economic recovery and global competitiveness. We also expressed our hope that proposals being developed at the time of the conversation for submission by the nation's largest wireline telecommunications carriers would provide a useful vehicle for the long-awaited and necessary reforms of those carrier compensation and subsidy systems.

Nonetheless, while Google and other high-tech and online companies and end users agree with the legacy wireline carriers that the Commission should adopt carrier compensation and subsidy policies that further important goals delineated by the *National Broadband Plan*, we discussed how and why certain aspects of the carrier proposals create some backward-looking incentives. We noted the overly-lengthy proposed transition periods to more cost-based traffic termination rates, and the negative impact of

recommendations to extend, for the first time, the antiquated carrier access charge regime to voice over Internet protocol (VoIP) applications. Saddling emerging IP applications and services with yesterday's regulatory mandates over a lengthy transition period would be a significant step away from the nation's broadband goals and would send the wrong signals to technology innovators, investors, and users.

To meet the national goal of deploying broadband to all Americans, we discussed the outline of a proposed technology-neutral broadband Connect America Fund (CAF) to replace today's implicit ICC support and USF over a three year period. The suggested new CAF would have two basic components – Broadband Build and Broadband Operations – to subsidize where necessary both the initial deployment of broadband networks, and their continued operation, in high-cost areas. The CAF would include a significant oversight and compliance role for the States, as they are the “boots on the ground” with the best knowledge of local and regional broadband needs and challenges. Further, since comprehensive reform should include a sustainable, equitable, and forward-looking mechanism to fund broadband support that mirrors the shift of networks and services to broadband and IP, we explained that the FCC should consider adopting a connections-based contributions mechanism that assesses the number and capacity of end-user's communications network connections.

Finally, we urged that ICC reform should move rapidly to more cost-based rates consistent with modern network cost drivers, and discussed the need for the FCC to clarify the IP traffic interconnection obligations of local carriers.

Pursuant to the Commission's rules, this notice is being filed in the above-referenced dockets for inclusion in the public record. Please contact me directly should you have any questions.

Sincerely,



Donna N. Lampert
Counsel for Google Inc.

CC: Zachary Katz
Michael Steffen