



September 30, 2011

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Ex Parte

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

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 an Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; IP-Enabled Services, WC Docket No. 04-36

Dear Ms. Dortch:

On September 28, 29 and 30, 2011, I discussed the above-referenced proceedings with Margaret McCarthy, Policy Advisor to Commissioner Copps, Angie Kronenberg, Wireline Legal Advisor to Commissioner Mignon Clyburn, Christine Kurth, Policy Director and Wireline Counsel to Commissioner Robert McDowell, and Zachary Katz, Chief Counsel and Senior Legal Advisor to Chairman Julius Genachowski. The discussions focused on America's Broadband Connectivity Plan (the "ABC Plan") filed by AT&T, CenturyLink, FairPoint, Frontier, Verizon and Windstream as well as the consensus framework our companies reached with the National Telecommunications Cooperative Association (NTCA), Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO), Western Telecommunications Alliance (WTA), and USTelecom.

In these discussions, I made the following points, consistent with Verizon's prior filings in this proceeding:

- The ABC Plan and Joint Rural Association proposal represent consensus that provides policymakers with an opportunity to resolve once and for all contentious issues that have blocked universal service and intercarrier compensation reform for over a decade. I urged the Commission to take advantage of the momentum created by those agreements and move quickly to adopt reform;
- The framework will achieve significant consumer benefits. In particular, reducing intercarrier compensation rates to more rational, uniform levels and adopting the

ABC Plan's transition to a system based primarily on end user charges will produce extensive consumer benefits. The Plan's intercarrier compensation reforms reduce existing per minute charges. Past Commission decisions contributed significantly to the development of wireless service, and consumers have benefited directly from the reductions in price and increases in quality. Extending these decisions to all terminating traffic exchanged with the PSTN will benefit all consumers;

- The ABC Plan's right-of-first-refusal approach to distributing Connect America Fund support in certain high-cost areas where there is no unsupported broadband provider is an important component of the plan. I explained that the right of first refusal is a narrowly-targeted means of accelerating broadband deployment and preventing inefficient duplication of existing facilities constructed with the help of legacy high-cost universal service programs; and
- I addressed recent filings by parties regarding IP interconnection and the open Internet model that has produced a fully interconnected network in the absence of proscriptive regulatory requirements. I reiterated Verizon's prior positions that all VoIP services are interstate services subject to exclusive federal jurisdiction as well as the need to ensure that demand for these innovative new services is not depressed by legacy intrastate access charges.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Gillh". The signature is written in a cursive, slightly slanted style.