



REDACTED - FOR PUBLIC INSPECTION

December 22, 2011

**VIA HAND DELIVERY**

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

Re: ***Developing a Unified Intercarrier Compensation Regime, et al., CC Docket No. 01-92; WC Docket Nos. 05-337, 07-135, 10-90; GN Docket No. 09-51***

**Ex Parte Communication**

Dear Ms. Dortch:

U.S. TelePacific Corp. ("TelePacific") submits this letter to support requests that the Commission reduce rates for the exchange of LEC-CMRS intraMTA traffic in accordance with the same multi-year transition that applies to other forms of terminating traffic.

TelePacific urges the Commission to apply its LEC-CMRS compensation rules to all LECs, both incumbent and competitive, equally. In the *T-Mobile Order*, the Commission prohibited all LECs from tariffing terminating compensation for intraMTA traffic, but granted only incumbent LECs the right to demand interconnection negotiations with CMRS providers.<sup>1</sup> Notwithstanding this ruling, TelePacific eventually was successful in negotiating traffic exchange agreements with CMRS carriers. TelePacific's CMRS agreements provide mutual compensation for the exchange of intraMTA traffic and include negotiated reciprocal compensation rates that are based on cost-based unbundled network element ("UNEs") rates set by the California Public Utilities Commission. These negotiated rates, **\*\*\*BEGIN CONFIDENTIAL** **END CONFIDENTIAL\*\*\***, are above \$0.0007. During the "base" fiscal year defined by the *Order*,<sup>2</sup> TelePacific's net compensation for intraMTA traffic under two

<sup>1</sup> *Developing a Unified Intercarrier Compensation Regime; T-Mobile et al. Petition for a Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs*, CC Docket No. 01-92, Declaratory Ruling and Report and Order, 20 FCC Rcd 4855, ¶¶ 14, 16 (2005); 47 C.F.R. § 20.11(e) & (f).

<sup>2</sup> *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, n.1639 (rel. Nov. 18, 2011) ("*Order*").

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such agreements was **\*\*\*BEGIN CONFIDENTIAL** **END CONFIDENTIAL\*\*\***. By comparison, TelePacific's Estimated 2011 operating income is **\*\*\*BEGIN CONFIDENTIAL** **END CONFIDENTIAL\*\*\***. Contrary to the Commission's assumption,<sup>3</sup> TelePacific had a basis for reliance on the mutual compensation provisions of the Act and Commission rules to receive compensation for the exchange of intraMTA traffic with CMRS carriers.

TelePacific supports a uniform, cost-based rate for the exchange of all traffic. Granting a preferential rate to one form of traffic, such as LEC-CMRS intraMTA traffic, perpetuates the arbitrage the *Order* is designed to end. The Commission should subject the exchange of *all* LEC-CMRS intraMTA traffic to the same multi-year transition as other forms of terminating compensation.

Sincerely yours,

*/s/ electronically signed*

Nancy Lubamersky  
Vice President  
Public Policy & Strategic Initiatives  
U.S. TELEPACIFIC CORP.

cc (by e-mail):

Zac Katz  
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<sup>3</sup> *Id.*, ¶ 996.