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March 2, 2012

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Ex Parte

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

Re: In the Matter of Connect America Fund A National Broadband Plan for Our Future High-Cost Universal Service Support, WC Docket No. 10-90; In the Matter of Federal -State Joint Board on Universal Service High-Cost Universal Service Support, WC Docket No. 05-337; Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC, for Consent to Transfer of Control of Licenses, Authorizations, and Spectrum Manager and De Facto Transfer Leasing Arrangements, WT Docket No. 08-95

Dear Ms. Dortch:

On February 29, Chris Miller and the undersigned of Verizon spoke by telephone with Rebekah Goodheart of the Wireline Competition Bureau. On March 1, Kathy Grillo, Chris Miller, and the undersigned also met with Michael Steffen of the Chairman's Office, and Sharon Gillett, Ms. Goodheart, Randy Clarke, Victoria Goldberg, and Travis Litman of the Wireline Competition Bureau. The purpose of these discussions was to address VoIP intercarrier compensation issues, and, specifically, recent disputes regarding the proper originating access rate for PSTN-VoIP calls under the *USF-ICC Transformation Order*.¹

We discussed the pending petition for reconsideration or clarification filed by Windstream and Frontier regarding this matter. We acknowledged these carriers' legitimate concern over the potential loss of revenues that are not accounted for in the *USF-ICC Transformation Order's* access revenue recovery mechanisms. We said that we do not dispute these carriers' expectation leading up to the *USF-ICC Transformation Order* that potential reductions in originating access charges may be addressed but at a later date. Nonetheless, we said that the text of *USF-ICC Transformation Order* indicates that originating access charges for

¹ *Connect America Fund, et al.*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (paras. 513-520) (rel. Nov. 18, 2011) ("*USF-ICC Transformation Order*").

Ms. Marlene H. Dortch

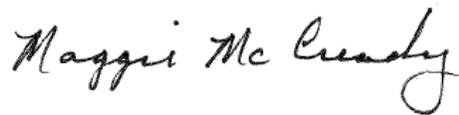
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all PSTN-VoIP traffic is subject to interstate rates, not intrastate rates. We said that this result strikes the right balance and is consistent with the Commission's objectives to avoid applying the legacy access charge regime to IP traffic, and also to treat all IP traffic in a symmetrical manner. We said that if the Commission were to reverse course now it would upset the careful balance of competing interests in the *USF-ICC Transformation Order* and erode those objectives. In addition, we said that reconsidering this aspect of the order would, perversely, serve as a disincentive to migrate customers to IP platforms in order for carriers to continue charging higher intrastate originating access rates. This approach would also subject a subset of VoIP traffic to state rates and, potentially, put the Commission in the position of speaking to prior period intercarrier compensation disputes, which the Commission said in the *USF-ICC Transformation Order* that it would not do. Finally, we discussed our concerns about potential arbitrage schemes if the Commission were to reverse course.

This letter is being filed electronically pursuant to Section 1.1206 of the Commission's Rules. Should you have any questions, please contact the undersigned.

Sincerely,

A handwritten signature in black ink that reads "Maggie McCreedy". The signature is written in a cursive, flowing style.

cc: (via e-mail)
Michael Steffen
Sharon Gillett
Rebekah Goodheart
Randy Clarke
Victoria Goldberg
Travis Litman