



July 16, 2012

Marlene H. Dortch
445 12th Street, S.W.
Room TW-A325
Washington, D.C. 20554

Re: *Vonage's Petition for Limited Waiver*, CC Docket No. 99-200

Dear Ms. Dortch:

On Thursday, July 12, the undersigned, along with Brendan Kasper and Craig Lennon (by phone) of Vonage met with Randy Clarke, Michelle Domingue, Victoria Goldberg, Rhonda Lien, Alec MacDonell, and Deena Shettler of the Wireline Competition Bureau to discuss the impact of Vonage's requested waiver on intercarrier compensation arrangements.

In that meeting, Vonage explained that its waiver, if granted, will not affect existing compensation arrangements for outbound call flows to carriers with which Vonage does not enter direct IP interconnection agreements. Vonage intends to maintain its existing routing of these outbound calls. Under existing arrangements, Vonage sends its outbound traffic to CLEC and IXC carrier partners. These carriers terminate Vonage's traffic and handle intercarrier compensation for that traffic; Vonage pays these carriers their quoted and contracted rates, which are sufficient to cover the cost of access charges.

Level 3's suggestion that changing "ownership" of telephone numbers from a Vonage carrier partner to Vonage will disrupt access charge payments is incorrect. The Commission's rules provide that access charges are to be paid by "interexchange carriers."¹ This obligation does not turn on who is assigned the number from which a call originates, and enabling the assignment of telephone numbers to Vonage will, accordingly, not alter existing obligations to pay access charges. The terminating LEC will continue to bill terminating access to the IXC, delivering the traffic using IXC CIC codes.

¹ 47 C.F.R. § 69.5(b).

To the extent that Level 3 raises concerns about outbound reciprocal compensation, those are likewise misplaced. As explained above, Vonage will continue to route its outbound traffic through carrier partners. Outbound non-access traffic will therefore continue fall within the definition of non-access traffic under the Commission’s rules and compensation requirements.² The call signaling rules adopted in the *CAF Order* require Vonage and its carrier partners to pass calling party number unaltered.³ These carriers and terminating carriers will therefore have the calling party data necessary to route and bill Vonage traffic as local where appropriate, just as they do today.⁴

Direct access to numbers will alter intercarrier compensation in two significant respects, but neither endangers third party rights to intercarrier compensation. First, where Vonage is able to negotiate IP interconnection agreements, it will seek bill and keep arrangements. Second, Vonage will not seek to bill for end office access elements or to collect reciprocal compensation for traffic that is inbound to Vonage.⁵

Finally, Vonage notes that using a calling party number associated with Vonage, rather than a calling party number associated with an underlying carrier which may provide numbers to any number of providers, will not affect carriers’ ability to determine the billing jurisdiction for calls, and will provide terminating carriers with more, not less, information about the traffic they terminate.

The Commission has found that waivers like the waiver requested by Vonage are in the public interest, and has stated that it will grant such waivers.⁶ Vonage urges the Commission to expeditiously grant Vonage’s long-standing waiver request.

² 47 C.F.R. § 51.701(b).

³ 47 C.F.R. § 64.1601.

⁴ Vonage’s contracts with carrier partners require compliance with applicable law.

⁵ Tandem transit providers with which Vonage partners to receive traffic may seek compensation for functions they provide, consistent with Commission rules and orders.

⁶ *Administration of the North American Numbering Plan*, Order, 20 FCC Rcd. 2957, 2960 (2005) (“SBCIS Waiver Order”).

If you have questions or require any additional information, please do not hesitate to contact me at (202) 730-1346.

Sincerely,

A handwritten signature in black ink, appearing to read 'BDS', with a long horizontal flourish extending to the right.

Brita D. Strandberg
Counsel to Vonage Holdings Corp.

Cc: Priscilla Delgado Argeris
Matthew Berry
Nicholas Degani
Lisa Gelb
Angela Giancarlo
Angela Kronenberg
Travis Litman
Michael Steffen
Julie Veach