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October 24, 2012

Ex Parte

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

**RE: Universal Service Contribution Methodology; Universal Service
Administrative Company Request for Guidance, WC Docket No. 06-122**

Dear Ms. Dortch:

On October 22, 2012, Chris Miller and the undersigned of Verizon met with Priscilla Delgado Argeris, Legal Advisor to Commissioner Rosenworcel, regarding the above-captioned proceeding.

In the meeting, we urged the Commission to reverse the *Bureau Order* that established an asymmetrical, one year limit on a contributor's ability to refile its Form 499 to revise its revenues downward and thereby reduce its required contributions.¹ The one-year deadline set in the *Bureau Order* was beyond the Wireline Competition Bureau's authority and should have been the subject of notice and comment. In addition, the one-year deadline to refile is too short for carriers to reasonably identify all situations where they may have overpaid their required contributions. This is especially true in situations that are outside of a contributor's control such as external audits and service classification decisions by the Commission itself.

We also discussed the asymmetrical nature of the one-year deadline, which contrasts with the lack of a Commission rule or order addressing a limitations period to re-file in a situation where a carrier's contributions would increase. We said that the asymmetrical nature of this approach is arbitrary and capricious and otherwise contrary to law. We urged the Commission to grant the pending applications for review of the *Bureau Order* and adopt in this proceeding a symmetrical three-year period for refiling Form 499s, whether they increase or decrease required USF contributions.

In addition, we discussed proposals to change the reseller exemption process to require resellers to apportion facilities or services purchased from wholesale providers between services resold as telecommunications and those resold as information services. As Verizon has previously explained, there is no existing Commission rule that prohibits a customer from

¹ See *Federal-State Joint Board on Universal Service*, et al., 20 FCC Rcd 1012 (WCB 2004) ("*Bureau Order*")

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accurately certifying on an entity basis that it is a reseller. If the Commission nonetheless finds that there should be a requirement for service-specific certifications, it should implement the new process in an orderly fashion that recognizes transitioning from an entity-wide certification process to a service-specific certification process will be costly and time-consuming. We explained that the Commission could reasonably establish a January 1, 2014 deadline for implementation of the service-specific certification requirement only if it commits to issuing specific guidance well in advance of the target date. If the Commission sets a deadline of January 1, 2014 but does not provide the industry with guidance, carriers would be forced to make systems and process changes based on their own interpretation of the service-specific certification requirement, which would lead to disputes and increase the risk that carriers would have to revise their systems and processes again at a later date.

This letter is being filed electronically pursuant to Section 1.1206 of the Commission's rules. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Beyers". The signature is written in a cursive, slightly slanted style.

cc: Priscilla Delgado Argeris (via e-mail)