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NOTICE OF EX PARTE

November 13, 2012

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

Re: *In the Matter of Petitions for Waiver of Commission's Rules Regarding Access to Numbering Resources*, CC Docket 99-200; *Connect American Fund, et al.*, Further Notice of Proposed Rulemaking on IP-to-IP Interconnection Issues, WC Docket No. 10-90; GN Docket No. 09-51; WC Docket No. 07-135; WC Docket No. 05-337; CC Docket No. 01-92; CC Docket No. 96-45; WC Docket No. 03-109; WT Docket No. 10-208 (the "Waiver Requests").

Dear Ms. Dortch:

On November 9, 2012, I spoke by phone on behalf of Level 3 Communications, LLC ("Level 3") with Julie Veach, Chief of the Wireline Competition Bureau ("Bureau") concerning the Waiver Requests. Ms. Veach had a few requests of Level 3 on behalf of the Bureau.

Specifically, the Bureau is interested in Level 3's views on the financial impact to Level 3 of granting the Waiver Requests, and on granting a waiver to Vonage. The Bureau is also interested in the financial impact to the industry generally. I advised that Level 3 is currently working to provide the Bureau with its view of the financial impacts to Level 3 of granting Vonage a waiver, and that we hoped to have our data ready to share with the Bureau later this week. I also advised that while a number of other CLECs, including Bandwidth.com and the CLECs represented by COMPTTEL, oppose granting the Waiver Requests generally and the Vonage waiver specifically, that it would be difficult for Level 3 to predict the financial impact across the entire industry of waiver grants. Any Level 3 estimates would require extrapolation, and would be inherently unreliable. If the Commission is inclined to focus on the financial impacts on the

industry, the best way to obtain reliable information in that regard would be through a Notice of Proposed Rulemaking (“NPRM”) that would provide an opportunity for all industry players to submit data.

The Bureau also expressed interest in the financial impact of putting the Waiver Requests out on an NPRM, as well as the financial impact if, at the end of such an NPRM process, non-carriers were conditionally granted direct access to telephone numbering resources. Level 3 will consider those questions, and endeavor to respond to them in a future *ex parte*. In our phone conversation, however, I stressed that an NPRM process, in addition to helping answer the myriad of technical, operational, and other concerns raised in this Docket, would maintain the current level playing field. In other words, during the pendency of the NPRM process, everyone in the industry would still play by the same rules, and at its conclusion, either the status quo would be retained (as many commenters have advocated) or new rules, again applicable to the industry generally, would be announced. This result would be far better than market efficiency distorting and discriminatory waiver grants favoring only one or a few competitive providers over everyone else. We further stress that any NPRM process should involve an open and deliberate inquiry, and should not presuppose any hard and fast conclusions.

Further, I hypothesized that if at the end of an NPRM process (and again assuming for argument’s sake that the current rules would be changed) the Commission were to provide a future date at which its “new rules” would be effective, it would allow the industry the opportunity to develop and test reliable new products and services. These products and services do not exist today and their nature and scope can only be developed once companies understand the full details of the Commission’s market-altering initiatives. If the Commission were to go down this road, companies would need time to create market-ready services for delivery to the new class of providers permitted direct access to numbering resources. In any NPRM, the Commission should consider asking the industry the reasonable lead time that would be required to design and test such new services. Having such products and services ready when any new rules take effect could ultimately lessen the financial impact of these rule changes on the industry overall.

In closing, Level 3 urges the Commission to consider the many broad concerns raised in this proceeding, including: whether today’s carrier-based system should even be revisited at this time; the operational, legal, and regulatory impacts of such changes; the standard that providers must meet in order to be granted direct access; and what, if any, role the states should have in the process.

As required by Section 1.1206(b), this *ex parte* notification is being filed electronically for inclusion in the public record of the above-referenced proceeding. Please direct any questions regarding this matter to the undersigned.

Sincerely,

/s/

Michael J. Mooney
General Counsel, Regulatory Policy

cc: Julie Veach