**Exhibit No. ___________**

# Cross Examination Exhibit

## Henry J. Roth

Vogt Letter to Dortch (FCC) (10-9-08)

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October 9, 2008

**EX PARTE PRESENTATION**

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

Re: *Intercarrier Compensation for ISP-Bound Traffic*, CC Docket No. 99-68; *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92.

Dear Ms. Dortch:

This letter is to inform you that on October 9, 2008, Tom Gerke, CEO of Embarq, Daniel McCarthy, Executive Vice President & COO of Frontier Communications Corp., Glen F. Post III, CEO of CenturyTel, Inc., John Jones, Vice President, Regulatory-Government Relations for CenturyTel, Ken Mason, Vice President-Government & External Affairs for Frontier, David W. Zesiger, Senior Vice President, Regulatory Policy and External Affairs for Embarq, R. David Wilson, New Frontiers Consulting, and I met with Chairman Kevin J. Martin and Daniel Gonzalez, Chief of Staff, in the above-referenced dockets.

The mid-size company participants indicated that in today's unstable economy, intercarrier compensation must be reformed in order to reduce uneconomic arbitrage and achieve a balanced, viable rate structure that ensures network reliability, investment in advanced services, and the Act's mandate of affordable and comparable services in all areas. Current proposals that compensation rates should be $ 0.0007 fail to reflect the higher costs in rural areas and would not produce positive benefits for rural subscribers. In fact, a rate this low will shift the economic benefit to large, integrated urban carriers with long distance and large wireless operations at the expense of ratepayers in every state, who will have to shoulder a disproportionate and unfair shift in the form of higher end user rates.

The FCC should take the initial step of adopting enforceable phantom traffic rules. This step would correctly identify the true amount of intercarrier compensation owing and would thus make ultimate reform easier to achieve with better consumer outcomes.

The FCC could solve the uneconomic arbitrage that is rampant in the industry with a more moderate and balanced approach that protects ratepayers from untoward rate increases, reduces pressure on the growing universal service fund and carriers from unreasonable access rate decreases. A more reasonable approach was provided recently by the Independent Telephone & Telecommunications Alliance ("ITTA") where compensation rates would be closer to $ 0.0095 for mid-size carriers, modest subscriber line charge increases phased in over time, a reasonable local rate benchmark of around $20.76, and, if necessary, a universal service fund mechanism for carriers serving high cost markets and consumers.

The participants also urged the Commission to address the *ISP Remand Order* in a way that preserves the status quo. ISP–bound traffic is all one-way and is still a significant economic issue for mid-size carriers who serve mostly rural America. The participants also urged the FCC to rule that IP-traffic is subject to the appropriate jurisdictional-based charge, and the FCC should not simply rule that the traffic is interstate. Such a result would undermine mid-size carrier cost recovery.

Pursuant to 47 C.F.R. § 1.1206, please include this ex parte filing in the above-referenced docket.

Sincerely,

*/s/ Gregory J. Vogt*

Gregory J. Vogt
Counsel for CenturyTel, Inc.

cc: Chairman Kevin J. Martin
Daniel Gonzalez