

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

**LEVEL 3 COMMUNICATIONS, LLC**

*Complainant,*

v.

**AT&T INC.; BELLSOUTH  
TELECOMMUNICATIONS, LLC;  
NEVADA BELL TELEPHONE  
COMPANY; PACIFIC BELL  
TELEPHONE COMPANY;  
SOUTHWESTERN BELL TELEPHONE,  
L.P.; ILLINOIS BELL TELEPHONE  
COMPANY; MICHIGAN BELL  
TELEPHONE COMPANY; OHIO BELL  
TELEPHONE COMPANY; AND  
WISCONSIN BELL TELEPHONE  
COMPANY,**

*Defendants.*

**EB Docket No. 17-227  
File No. EB-17-MD-003**

**DEFENDANTS' ANSWER TO NUMBERED PARAGRAPHS  
OF FORMAL COMPLAINT OF LEVEL 3 COMMUNICATIONS, LLC**

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Dated: October 10, 2017

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Pursuant to 47 C.F.R. § 1.724 and the Commission's Letter Orders dated August 31, 2017 and September 13, 2017, Defendants Bellsouth Telecommunications, LLC; Nevada Bell Telephone Company; Pacific Bell Telephone Company; Southwestern Bell Telephone, L.P.; Illinois Bell Telephone Company; Michigan Bell Telephone Company; Ohio Bell Telephone Company; and Wisconsin Bell Telephone Company (collectively, "AT&T" or "Defendants") hereby provide this Answer to Numbered Paragraphs, along with a Brief and Legal Analysis ("AT&T Legal Analysis") in answer to the Formal Complaint of Level 3 Communications, LLC ("Level 3").

Defendant AT&T Inc. denies that (i) it provides, or has filed tariffs for, any of the services at issue in the Complaint; (ii) it operates as a common carrier; and (iii) the Commission has

jurisdiction over AT&T Inc. under 47 U.S.C § 208. Unless specifically so admitted, no use of the term “AT&T” in this Answer (including AT&T’s Legal Analysis and all supporting materials) should be deemed to refer to or encompass AT&T Inc.

Pursuant to the Commission Staff’s Letter Orders, the Staff waived 47 C.F.R. §§ 1.724(c) and (f), and thus AT&T’s Answer does not contain proposed conclusions of fact and law, or an information designation. The Answer and AT&T Legal Analysis comply with all other applicable requirements of Section 1.724.

1. AT&T admits that Level 3 filed a Formal Complaint, but denies that “AT&T Inc.” is a proper defendant, *see infra* paragraph 4. For purposes of AT&T’s Answer, the term “AT&T” only includes Defendants other than AT&T Inc. For the reasons stated in the AT&T Legal Analysis, Background & Parts I-II, AT&T denies any and all liability alleged by Level 3, including that AT&T violated “Sections 201(b) and 202(a) of the Act,” and denies any remaining allegations in paragraph 1.

2. For the reasons stated in the AT&T Legal Analysis, Background & Parts I-II, AT&T denies the allegations in paragraph 2.

3. AT&T admits that it filed revisions to its access tariffs pursuant to Section 51.907(g), 47 C.F.R. § 51.907(g), (the “Step Six” tariff revisions), but denies the remaining allegations in paragraph 3 for the reasons set forth in AT&T’s Legal Analysis, Background and Part I. AT&T’s Step Six tariff revisions were filed in compliance with Section 51.907(g)(2) and lawfully implement the Commission’s rules and Staff Guidance. *See* AT&T Legal Analysis, Background & Part I.

4. AT&T denies that “AT&T Inc.” is a proper defendant. AT&T Inc. does not provide any of the access services referred to in the Complaint, and did not file any of the tariffs

that are the subject of the Complaint. AT&T Inc. is not a common carrier within the meaning of the Communications Act or Section 208, 47 U.S.C. § 208, and is not subject to the requirements of Title II of the Act. The Commission lacks jurisdiction over AT&T Inc. in this proceeding. AT&T Inc. should therefore be dismissed from this proceeding on these jurisdictional grounds. As to the other Defendants, AT&T admits that the Commission has jurisdiction pursuant to 47 U.S.C. § 208. Any other allegations in paragraph 4 are denied.

5. For the reasons stated in the AT&T Legal Analysis, Background & Parts I-II, AT&T denies that Level 3 is entitled to any damages. As explained in the AT&T Legal Analysis, AT&T denies that it has engaged in any alleged unlawful, unreasonable, or discriminatory conduct under Sections 201(b) or 202(a), 47 U.S.C. §§ 201(b), 202(a), or any other relevant provision of the Act. Further, if a determination were made that AT&T's tariffs were unlawful in any respect, AT&T would have substantial defenses, based on the due process clause and Section 204(a)(3) of the Act, 47 U.S.C. § 204(a)(3), that, at most, only prospective relief would be permissible. *See* AT&T Legal Analysis, Part II. AT&T filed the tariffs at issue on a streamlined basis pursuant to 47 U.S.C. § 204(a)(3) and according to specific guidance received from the Commission's Staff. *See id.*, Part I. Although the Commission need not decide any of these issues because AT&T has not violated any provision of the Act, AT&T denies that Level 3 is entitled to any damages. *See id.* at Parts I-II. AT&T further denies that Level 3 paid any charges in excess of the lawful rate, and AT&T also denies that Level 3 is entitled to consequential damages. *See id.* Any remaining allegations in paragraph 5 are denied. *See id.*

6. AT&T admits that Level 3 has requested to bifurcate the issue of damages, but denies that Level 3 is entitled to any damages, *see supra* paragraph 5. Because Level 3 has

decided to bifurcate its liability claims, the Commission should not in this stage of the proceeding decide any issue related to damages.

7. AT&T admits that Level 3 filed the identified Petition to Reject or Suspend and Investigate (“Level 3 Petition”). Significantly, the Commission and/or its Staff have already considered the Level 3 Petition, including its allegations and legal arguments therein, which are similar to the allegations in the Complaint, and the Commission Staff has rejected those claims. *See* AT&T Legal Analysis, Part I. AT&T admits that the three identified other proceedings relate to this proceeding, insofar as the legal arguments Level 3 asserts in this proceeding are similar to some of the legal arguments made in the three identified proceedings.

8. AT&T admits paragraph 8.

9. For the reasons stated in paragraph 4, *supra*, AT&T denies that “AT&T Inc.” is a proper defendant, and denies that the term “AT&T” as used in the Complaint properly encompasses AT&T Inc. AT&T admits that the other Defendants apart from AT&T Inc. are common carriers and price cap carriers. AT&T admits that it has affiliates that operate as a competitive local exchange carrier, as a wireless or commercial mobile radio services provider, and as a provider of voice over Internet Protocol, but denies that these entities are parties to this proceeding, nor are they subject to the rule at issue, 47 C.F.R. § 51.907(g). AT&T denies any remaining allegations in paragraph 9 for the reasons set forth in AT&T’s Legal Analysis, Parts I and II.

10. AT&T admits that the Complaint asserts that AT&T’s tariffs are unlawful. As explained in the AT&T Legal Analysis, Parts I and II, the crux of the Complaint is that the

interpretation of Rule 51.907(g) that was announced recently by the Commission<sup>1</sup> and that was provided informally by the Commission Staff, and then implemented by AT&T and other price cap LEC carriers, is contrary to the text of the Rule. AT&T denies the remaining allegations in paragraph 10. *See* AT&T Legal Analysis, Parts I-II.

11. For the reasons stated in the AT&T Legal Analysis, Level 3's claim that traffic from legacy TDM networks is increasingly shifting to wireless and VoIP networks is irrelevant to how to interpret Rule 51.907(g), and the interpretation of the Commission, its Staff, and AT&T does not undermine the objective of the Commission's initial transition. *See* AT&T Legal Analysis, Part I.B. Indeed, the contents of paragraph 11, including the quoted statements by the Commission, say nothing about how the Rule is to be interpreted. *See id.* Moreover, the second sentence of paragraph 11 consists of statements or findings that were all made *after* the Rule was issued, making them wholly irrelevant to the issue in this proceeding, which is the meaning of the Rule the Commission issued in 2011. *See id.* at Part I. Accordingly, the claims asserted by Level 3 in Part I.A of the background to its Complaint have no bearing on how Rule 51.907(g) should be interpreted. *See id.* at Part I.B. Subject to these objections, AT&T admits that the language quoted by Level 3 is accurately quoted. AT&T denies the remaining allegations in paragraph 11. *See id.*

12. For the reasons stated in paragraph 11, *supra*, the claims asserted by Level 3 in Part I.A of the background to its Complaint have no bearing on how Rule 51.907(g) should be interpreted. *See* AT&T Legal Analysis, Part I.B. Subject to these objections, AT&T admits that

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<sup>1</sup> Public Notice, "Parties Asked To Refresh The Record On Intercarrier Compensation Reform Related To The Network Edge, Tandem Switching And Transport, And Transit," WC Docket No. 10-90; CC Docket No. 01-92, at 2 (released September 8, 2017) (emphasis added) ("Tandem Refresh Public Notice")



the language quoted by Level 3 is accurately quoted. AT&T denies the remaining allegations in paragraph 12. *See id.*

13. For the reasons stated in paragraph 11, *supra*, the claims asserted by Level 3 in Part I.A of the background to its Complaint have no bearing on how Rule 51.907(g) should be interpreted. *See* AT&T Legal Analysis, Part I.B. Subject to these objections, AT&T admits VoIP calling and mobile wireless has grown. AT&T denies the remaining allegations in paragraph 13. *See id.*

14. For the reasons stated in paragraph 11, *supra*, the claims asserted by Level 3 in Part I.A of the background to its Complaint have no bearing on how Rule 51.907(g) should be interpreted. *See* AT&T Legal Analysis, Part I.B. Subject to these objections, and excepting the claim as to AT&T's mobile subscribers increasing to 134.8 million, which is unsupported, AT&T admits that, as a general matter, its VoIP service and mobile subscribers have been increasing. AT&T denies the remaining allegations in paragraph 14. *See id.*

15. For the reasons stated in paragraph 11, *supra*, the claims asserted by Level 3 in Part I.A of the background to its Complaint have no bearing on how Rule 51.907(g) should be interpreted. *See* AT&T Legal Analysis, Part I.B. Subject to these objections, AT&T admits that a number of calls are routed over AT&T's price-cap tandem switches to callers using wireless or VoIP services. AT&T otherwise denies paragraph 15, including that there is any "probability" involved in where a call terminates. *See id.* AT&T denies the remaining allegations in paragraph 15. *See id.*

16. AT&T denies that Part I.B. of the background of Level 3's Complaint provides the complete context necessary to resolve the Complaint, and AT&T refers the Commission to the AT&T Legal Analysis for the appropriate context. *See* AT&T Legal Analysis, Background and

Part I. Subject to these objections, AT&T admits that, generally, intercarrier compensation refers to charges carrier may pay to one another when exchanging telephone traffic, and that the Commission has attempted to reform its intercarrier compensation rules. AT&T admits that the quoted language is from the cited source. AT&T admits that, as a general matter, since the Telecommunications Act of 1996, the Commission has attempted to remove implicit subsidies from access charges. AT&T denies the remaining allegations in paragraph 16. *See id.*

17. AT&T denies that Part I.B. of the background of Level 3's Complaint provides the complete context necessary to resolve the Complaint, and AT&T refers the Commission to the AT&T Legal Analysis for the appropriate context. *See AT&T Legal Analysis, Background and Part I.* Subject to these objections, AT&T admits that, in 2011, the Commission ordered a partial, gradual and incomplete overhaul of the intercarrier compensation regime, and indicated that it would later finish its reforms and move intercarrier compensation to a default regime of bill-and-keep. *See id.* AT&T admits the quoted language is from the cited sources. AT&T denies the remaining allegations in paragraph 17. *See id.*

18. AT&T denies that Part I.B. of the background of Level 3's Complaint provides the complete context necessary to resolve the Complaint, and AT&T refers the Commission to the AT&T Legal Analysis for the appropriate context. *See AT&T Legal Analysis, Background and Part I.* AT&T denies the first two sentences of paragraph 18; the Commission instituted a *partial* transition for only certain access elements, as set forth in the *Transformation Order*<sup>2</sup> and Subpart J of Part 51 of its rules, and the Commission issued a further notice of proposed rulemaking for all other elements, as explained in AT&T's Legal Analysis. *See id.* Part I. Further, as explained

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<sup>2</sup> Report and Order and Further Notice of Proposed Rulemaking, *Connect America Fund et al.*, 26 FCC Rcd 17663 (2011) ("*Transformation Order*")

in the AT&T Legal Analysis, the Commission has not decided issues about the network edge, and has thus not made any final determinations that carriers “will no longer charge (are are no longer charged by) competitors for transport and termination.” *See id.* As to the third sentence, AT&T admits that the Commission found certain benefits to transitioning to bill-and-keep as the *default* system, but denies the remaining assertions in the third sentence. *See id.* Indeed, even after the Commission has concluded its pending proposed rulemaking for all remaining elements of the transition, carriers may still charge one another for the cost of transporting traffic, albeit via negotiations instead of tariffs. *See id.* at Parts I-II. Accordingly, Level 3’s notion that carriers no longer charge and are no longer charged for transport and termination of traffic under bill-and-keep is erroneous. *See id.* AT&T denies the remaining allegations in paragraph 18. *See id.*

19. AT&T denies that Part I.B. of the background of Level 3’s Complaint provides the complete context necessary to resolve the Complaint, and AT&T refers the Commission to the AT&T Legal Analysis for the appropriate context. *See* AT&T Legal Analysis, Background and Part I. Subject to these objections, AT&T admits the quoted language in sentence 2 is from the cited source. AT&T generally admits that access revenues and demand for access services have often decreased. AT&T denies the last two sentences, for the reasons stated in the AT&T Legal Analysis. *See id.* at Part I. AT&T denies the remaining allegations in paragraph 19. *See id.*

20. AT&T admits paragraph 20.

21. AT&T admits that Step Six of the partial transition for price-cap carriers is set forth in section 51.907(g)(2) and became effective on July 1, 2017. Otherwise, AT&T denies the allegations in paragraph 21 for the reasons set forth in the AT&T Legal Analysis. *See* AT&T Legal Analysis, Parts I–II.

22. AT&T admits it filed annual tariff revisions with the Commission on June 7, 2017. AT&T admits it applied the \$0.0007 rate consistent with the requirements of 51.907(g), and with the guidance provided by the Commission Staff. *See* AT&T Legal Analysis, Parts I-II. AT&T admits that it does not apply section 51.907 to traffic terminated to non-price-cap carriers because the rule applies to only price-cap carriers. *See id.* The rates in AT&T's tariffs speak for themselves. AT&T denies that its rates exceed permissible transitional rates for the reasons set forth in AT&T's Legal Analysis, Parts I and II. AT&T's tariff revisions have been deemed lawful, comply with Section 51.907(g)(2), and lawfully implement the Commission's rules and Staff Guidance. *See id.* AT&T denies any and all liability alleged by Level 3. *See id.* AT&T denies the remaining allegations in paragraph 22. *See id.*

23. As a general matter, AT&T admits paragraph 23.

24. AT&T admits paragraph 24.

25. AT&T denies paragraph 25, for the reasons stated in the AT&T Legal Analysis. AT&T's tariff revisions have been deemed lawful, comply with Section 51.907(g)(2), and lawfully implement the Commission's rules and Staff Guidance. *See* AT&T Legal Analysis, Part I-II. AT&T denies any and all liability alleged by Level 3. *See id.*

26. As to the first sentence, AT&T admits that the quoted language is from the cited source. Otherwise, AT&T denies paragraph 26 for the reasons set forth in AT&T's Legal Analysis, Background and Part I.

27. AT&T admits that the terms in Section 51.907(g)(2) are clear and unambiguous in AT&T's favor, and are consistent with the guidance provided by the Commission Staff. *See* AT&T Legal Analysis, Part I. AT&T admits that the quoted language is from the cited sources. AT&T otherwise denies paragraph 27 for the reasons set forth in AT&T's Legal Analysis, Parts

I and II. As to footnote 42, the reason that the reference to Section 61.3(aa) “appears to be a typographical error” is that it is apparent from the context that the Commission meant to refer in 47 C.F.R. § 51.903(f) to the definition of price cap carrier in Section 61.3(bb), rather than “Other participating carrier.” For the same reasons, and as described in the AT&T Legal Analysis, Part I.B, it is inappropriate for Level 3 to ignore the context of Rule 51.907(g), when the context makes clear that “terminating carrier” refers back to “Price Cap Carrier.” Just as it would be absurd to read Rule 51.903(f), despite its “clear” text, to refer to “Other participating carrier,” it is absurd to read Rule 51.907’s reference to terminating carrier in the manner advocated by Level 3 (*see* Compl. ¶ 28), as explained in AT&T’s Legal Analysis, Part I.

28. For the reasons stated in AT&T’s Legal Analysis, Part I, AT&T denies the allegations of paragraph 28. In particular, Level 3’s reading of the phrase “terminating carrier” to mean “*any* party” that “performs switching functions, or their equivalent, and then delivers the call to the called party” makes no sense in the context of Rule 51.907(g) and leads to absurd results. *See* AT&T Legal Analysis, Part I.

29. AT&T admits that the Act contains the stated definition of “Affiliate.” For the reasons stated in AT&T’s Legal Analysis, Part I, AT&T denies the remaining allegations in paragraph 29.

30. AT&T denies the allegations in paragraph 30, for the reasons stated in AT&T’s Legal Analysis, Part I.

31. AT&T denies the allegations in paragraph 31, for the reasons stated in AT&T’s Legal Analysis, Part I.

32. AT&T admits, as a general matter, that portions of paragraph 32 describes parts of AT&T's Opposition to Level 3's Petition to suspend. AT&T denies the remaining allegations in paragraph 32, for the reasons stated in AT&T's Legal Analysis, Parts I and II.

33. AT&T denies the allegations in paragraph 33, for the reasons stated in AT&T's Legal Analysis, Parts I and II.

34. AT&T admits that the term "terminating carrier" refers back to the Price Cap Carrier at the beginning of the sentence for the purposes of Rule 51.907(g). AT&T denies the remaining allegations in paragraph 34, for the reasons stated in AT&T's Legal Analysis, Parts I and II.

35. AT&T admits, as a general matter, that portions of paragraph 35 describe parts of AT&T's Opposition to Level 3's Petition to suspend. AT&T denies the remaining allegations in paragraph 35, for the reasons stated in AT&T's Legal Analysis, Parts I and II.

36. AT&T denies the allegations of paragraph 36, for the reasons stated in its Legal Analysis, Parts I and II.

37. AT&T denies the allegations of paragraph 37, for the reasons stated in its Legal Analysis, Parts I and II.

38. AT&T denies the allegations of paragraph 38, for the reasons stated in its Legal Analysis, Parts I and II.

39. Although paragraph 39 quotes accurately from a portion of AT&T's forbearance petition, AT&T denies that this paragraph or the Complaint accurately reflects AT&T's position on intercarrier compensation, for the reasons stated in AT&T's Legal Analysis, Parts I and II. AT&T denies the remaining allegations in paragraph 39. *See* AT&T's Legal Analysis, Parts I-II.

40. AT&T denies the allegations of paragraph 40, for the reasons stated in its Legal Analysis, Part I.

41. AT&T denies the allegations of paragraph 41, for the reasons stated in its Legal Analysis, Part I. AT&T also denies the relevance of Level 3's purported calculation of "overcharges," because AT&T is charging the appropriate rate required by Rule 51.907(g), and, in any event, for the reasons stated above, Level 3 is not entitled to damages or retroactive relief under any circumstances. *See id.* at Parts I–II. Further, Level 3's purported calculation of a "monthly cost difference" is misleading and entitled to no weight. *See id.* As explained in AT&T's Legal Analysis, Level 3's calculation improperly assumes that the Commission has already decided where the network edge will be located on calls to VoIP and CMRS providers, and that the network edge has been set such that Level 3 will incur no costs whatsoever to transport its traffic from its network to the VoIP/CMRS carriers; in fact, the Commission has made no such determinations yet. *See id.*

Further, like much of its Complaint, Level 3 in this paragraph fails to consider the broader context. In setting the initial transition, the Commission necessarily was required to draw lines as to the timing and scope of the transition for particular access services and particular carriers. *See Transformation Order*, ¶ 809. Many of the lines drawn by the Commission—such as the applicable step downs for intrastate access services, for terminating end office service, and the tandem step down applicable when the price cap carrier owns the tandem and the end office—provided substantial benefits to access customers, including Level 3. *See AT&T Legal Analysis*, Parts I–II. On the other hand, in some of the other lines the Commission drew for the initial transition, the Commission determined that it should *not* immediately reduce rates for other categories of access service, such as originating access services and terminating tandem services

where the price cap carrier does not hand off to a price cap end office. The Commission's decision to delay the transition for these other access services might mean that purchasers of the services pay more than they otherwise would if the Commission had included them in the initial transition, but the Commission found that outcome necessary. *See id.* It explained that its overall initial transition sought to "strike the right balance between our commitment to avoid flash cuts and enabling carriers sufficient time to adjust to marketplace changes," while furthering the goal of overall reform. *Transformation Order* ¶ 802; *see also Transformation NPRM*, ¶ 555 (a more rapid or immediate transition would both complicate universal service reform and add to the "complexity of issues that need to be addressed earlier in the transition process, as compared to an approach that deferred certain types of rate reductions until later in the process.").

In these circumstances, Level 3's calculation of the purported monthly cost difference in paragraph 41 ignores that the Commission sought to "strike the right balance" in its initial transition, and improperly assumes that any "cost difference" incurred by Level 3 is necessarily arbitrary. *See AT&T Legal Analysis*, Parts I-II. That is not correct. *See id.* At a minimum, if Level 3 believes that its alleged "cost difference" is relevant to the issues in this proceeding, then Level 3 also should have calculated and disclosed the cost savings it has obtained from the portions of the initial transition that reduced the charges that Level 3 paid. *See id.*

42. AT&T denies the allegations of paragraph 42, for the reasons stated in its Legal Analysis, Parts I and II.

43. AT&T denies the allegations of paragraph 43, for the reasons stated in its Legal Analysis, Parts I and II.

44. AT&T denies the allegations of paragraph 44, for the reasons stated in its Legal Analysis, Parts I and II.



45. AT&T admits, as a general matter, that portions of paragraph 45 describe parts of AT&T's Opposition to Level 3's Petition to Suspend and its Opposition to CenturyLink's Petition to Suspend. AT&T denies the remaining allegations in paragraph 45, for the reasons stated in AT&T's Legal Analysis, Background and Part I.

46. AT&T denies the allegations of paragraph 46, for the reasons stated in its Legal Analysis, Parts I and II.

47. AT&T admits the second sentence of paragraph 47. AT&T denies the remaining allegations of paragraph 47, for the reasons stated in AT&T's Legal Analysis, Parts I and II.

48. AT&T denies the allegations of paragraph 48, for the reasons stated in its Legal Analysis, Parts I and II.

49. AT&T agrees that the Commission stated that its reforms would not be "revenue neutral," but that fact does not mean that Rule 51.907(g) must be given the absurd construction advanced by Level 3. *See* AT&T Legal Analysis, Parts I–II. The initial transition, though not "revenue neutral" for carriers or customers, was intended to "strike the right balance," and is not, as Level 3 contends, always intended to favor Level 3. *See id.* AT&T denies the remaining allegations in paragraph 49, for the reasons stated in its Legal Analysis, Parts I and II.

50. AT&T denies the allegations of paragraph 50, for the reasons stated in its Legal Analysis, Parts I and II.

51. AT&T denies the allegations of paragraph 51. *See* AT&T Legal Analysis, Parts I–II. The decisions cited by Level 3 (which date from 1990 and 2001) are inapposite on their face to the proper interpretation of Rule 51.907(g). *See id.* at Part I.

52. AT&T denies the allegations of paragraph 52, for the reasons stated in its Legal Analysis, Parts I and II.

53. AT&T admits the first sentence of paragraph 53, and denies the second sentence, for the reasons stated in its Legal Analysis, Parts I and II.

54. AT&T admits the first sentence of paragraph 54, and denies the remaining allegations in paragraph 54, for the reasons stated in its Legal Analysis, Parts I and II.

55. AT&T admits the first sentence of paragraph 55, and denies the remaining allegations in paragraph 55, for the reasons stated in its Legal Analysis, Parts I and II.

56. AT&T admits that it, and other price cap LEC carriers, followed informal guidance from the Commission's Staff—indeed, the guidance of the Staff was described by Level 3's merger partner, CenturyLink, and are not “vague.” *See* AT&T Legal Analysis, Background and Part I. AT&T denies the remaining allegations in paragraph 56. *See id.*

57. AT&T agrees that informal Staff guidance is not binding on the Commission, but AT&T denies the remaining allegations in Paragraph 57. For the reasons stated in AT&T's Legal Analysis, Parts I and II, the Staff's informal guidance is compelled by the text of Rule 51.907 and the context in which the rule was promulgated.

58. AT&T reincorporates its responses to paragraphs 1 to 57 of this Answer.

59. Admitted.

60. AT&T admits the first sentence of paragraph 60. AT&T admits the second and third sentences of paragraph 60 as a general matter, but denies that those legal principles can be applied in this case, for the reasons stated in AT&T's Legal Analysis, Parts I and II.

61. AT&T denies the allegations in paragraph 61, for the reasons stated in AT&T's Legal Analysis, Parts I and II.

62. AT&T denies the allegations in paragraph 62, for the reasons stated in AT&T's Legal Analysis, Parts I and II.

63. AT&T denies the allegations in paragraph 63, for the reasons stated in AT&T's Legal Analysis, Part II.

64. AT&T denies the allegations in paragraph 64, for the reasons stated in AT&T's Legal Analysis, Part II.

65. AT&T reincorporates its responses to paragraphs 1 to 64 of this Answer.

66. Admitted.

67. Admitted.

68. AT&T denies the allegations in paragraph 68, for the reasons stated in AT&T's Legal Analysis, Part II.

69. AT&T denies the allegations in paragraph 69, for the reasons stated in AT&T's Legal Analysis, Part II.

70. AT&T denies the allegations in paragraph 69, for the reasons stated in AT&T's Legal Analysis, Part II.

71. AT&T denies the allegations in paragraph 69, for the reasons stated in AT&T's Legal Analysis, Parts I and II.

#### **CERTIFICATION OF SETTLEMENT EFFORTS**

Pursuant to 47 C.F.R. § 1.724(h), AT&T states that it, in good faith, discussed or attempted to discuss, the possibility of settlement with the complainant prior to the filing of the formal complaint. As indicated in the Complaint, Level 3 wrote to AT&T on August 3, 2017, and asked whether AT&T would be willing to engage in a discussion with Level 3 on the issues regarding Rule 51.907(g). AT&T responded by stating that it was “always willing to engage with Level 3 regarding issues of mutual concern, including this one.” *See* Compl., Ex. 2. AT&T asked Level 3 to contact AT&T if Level 3 wanted to begin such discussions. *Id.* Instead, Level 3 sent

AT&T a letter indicating that Level 3 would file a formal complaint.

Respectfully submitted,

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Dated: October 10, 2017

*Counsel for Defendants*

## **CERTIFICATE OF SERVICE**

I hereby certify that on October 10, 2017, I caused a copy of the foregoing Answer to To  
Numbered Paragraphs Of Formal Complaint Of Level 3 Communications, LLC, as well as  
AT&T's Brief in Support of Answer, to be served as indicated below to the following:

---

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