

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

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
Establishing Just and Reasonable Rates for	)	WC Docket No. 07-135
Local Exchange Carriers	)	
	)	
Developing a Unified Intercarrier	)	CC Docket No. 01-92
Compensation Regime	)	

**COMMENTS OF COMCAST CORPORATION**

Comcast Corporation (“Comcast”) hereby submits these comments in response to the Public Notice issued by the Wireline Competition Bureau (“Bureau”) that asks parties to refresh the record regarding 8YY access charge reform.<sup>1</sup> In particular, the Bureau seeks comment on whether the Federal Communications Commission (“Commission”) “should adopt a distinct resolution for 8YY originating traffic and how such a resolution would be implemented.”<sup>2</sup> As set forth below, the Commission should not address the treatment of originating 8YY traffic in isolation. Instead, the Commission should consider and resolve *all* of the intercarrier compensation (“ICC”) issues that have remained unresolved since the 2011 *Transformation Order*.<sup>3</sup>

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<sup>1</sup> *Parties Asked to Refresh the Record Regarding 8YY Access Charge Reform*, WC Docket Nos. 10-90 and 07-135, CC Docket No. 01-92, Public Notice, DA 17-631 (rel. June 29, 2017).

<sup>2</sup> *Id.*

<sup>3</sup> *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (“*Transformation Order*”).

## **I. THE COMMISSION SHOULD COMPLETE ITS COMPREHENSIVE INTERCARRIER COMPENSATION REFORM**

Rather than limit its review to the treatment of originating 8YY traffic, the Commission should address all of the ICC rate elements for which a transition to bill-and-keep has not been established, “including originating switched access, dedicated transport, tandem switching and tandem transport in some circumstances, and other charges.”<sup>4</sup> Notably, the Commission indicated almost six years ago that it intended to “reach the end state for all rate elements as soon as practicable.”<sup>5</sup>

The relationship between 8YY charges and other originating access charges is already well-established in the record. For example, HyperCube argued that the “origination of ‘8YY’ traffic should continue to be treated in the same manner as origination of any other type of traffic for access charge purposes.”<sup>6</sup> Similarly, Windstream noted that the Commission “should establish the same framework for reform of 8YY traffic as for originating access generally.”<sup>7</sup> These arguments reflect the fact that originating 8YY traffic uses the same transport and switching facilities and processes as other originating calls. Accordingly, it would make little sense to act on 8YY traffic apart from other originating access charges, as doing so could create circumstances in which identical functions are subject to very different ICC regimes.

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<sup>4</sup> *Id.* ¶ 1297.

<sup>5</sup> *Id.*

<sup>6</sup> Comments of HyperCube Telecom, LLC, WC Docket No. 10-90, at 15 n.38 (Feb. 24, 2012) (“HyperCube Comments”).

<sup>7</sup> Comments of Windstream Communications, Inc., WC Docket No. 10-90, at 4 (Feb. 24, 2012); *see also* Reply Comments of Windstream Communications, Inc., WC Docket No. 10-90, at 11 (Mar. 30, 2012).

Moreover, a broad review of all of the unresolved ICC issues is necessary to ensure that the Commission removes any remaining incentives to engage in arbitrage schemes.<sup>8</sup> Given the interrelated nature of ICC rate elements, the failure to date to address a significant subset of such rate elements has fostered the continuation of “pumping” schemes, just as the Commission and parties in the record predicted.<sup>9</sup> NCTA correctly has pointed out that by completing “its ICC reforms, the Commission can more effectively eliminate the remaining economic incentives to participate in all ongoing arbitrage schemes” than it could by resolving individual rate elements seriatim.<sup>10</sup> In addition, as the Commission itself has noted, resolving the treatment of all rate elements would encourage the “deployment of IP networks and IP-to-IP interconnection.”<sup>11</sup>

In short, it would be an inefficient and wasteful use of both Commission and commenter resources to address closely related originating access charge issues separately, rather than in a single, comprehensive decision, as originally, and sensibly, contemplated by the Commission. Instead, the Commission should finally make good on its commitment to resolve all of the outstanding ICC issues and complete its reform of the legacy compensation system.

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<sup>8</sup> See *Transformation Order* ¶ 1325.

<sup>9</sup> *Id.* ¶ 1297 (noting that failure to take action on all rate elements “could perpetuate inefficiencies . . . and maintain opportunities for arbitrage”); see also *id.* ¶ 1307 (outlining parties’ concerns that the continued ability to charge for transport and tandem services has served as a disincentive for efficient interconnection and perpetuated arbitrage).

<sup>10</sup> Comments of NCTA – The Internet & Television Association, WC Docket No. 16-363, at 4 (Dec. 2, 2016); see also O1 Communications, Inc.’s Opposition to Petition for AT&T Services, Inc. for Forbearance Under 47 U.S.C. § 160(c), WC Docket No. 16-363, at 5 (Dec. 2, 2016) (“Rather than act in piecemeal fashion and resolve a small subset of the numerous legal and factual issues in this proceeding in the context of one market participant’s priority list, the Commission should address these issues in the far reaching rulemaking aimed to consider the issues in the context of overall intercarrier compensation reform.”).

<sup>11</sup> *Transformation Order* ¶ 1297 (citing its agreement with commenters who “warn that failure to take action promptly on these elements could . . . delay the deployment of IP networks and IP-to-IP interconnection”).

## **II. ANY TRANSITION OF 8YY AND OTHER ACCESS RATE ELEMENTS TO BILL-AND-KEEP SHOULD BE CARRIED OUT GRADUALLY**

The Commission should phase out the elimination of charges for 8YY and other access rate elements over a multi-year period. The Commission previously has emphasized that the use of a measured transition to implement ICC reforms serves the Commission’s goal of “minimiz[ing] disruption to consumers and service providers by giving parties time, certainty, and stability as they adjust to . . . a new compensation regime.”<sup>12</sup>

A gradual transition to bill-and-keep, similar to the transition implemented for terminating access, would be particularly sensible with respect to 8YY traffic because providers of originating 8YY access service may conclude that they need to raise end-user rates to offset the loss of 8YY access payments. As a result, Comcast long has supported an extended transition for 8YY originating access charges in order to “prevent consumers from immediately being asked to assume a significant financial burden.”<sup>13</sup> “Flash cutting” to bill-and-keep would risk consumer “rate shock,” which can be avoided by an appropriate transition.

## **III. CONCLUSION**

For the foregoing reasons, the Commission should (1) promptly refresh the record to resolve the appropriate treatment of *all* ICC rate elements that have not been transitioned to bill-

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<sup>12</sup> *Id.* ¶ 798; *see also id.* ¶ 801; *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up*, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, 26 FCC Rcd 4554, ¶ 12 (2011) (indicating the Commission’s intent to “avoid sudden changes or ‘flash cuts’ in [its] policies, acknowledging the benefits of measured transitions that enable stakeholders to adapt to changing circumstances and minimize disruption”).

<sup>13</sup> Comments of Comcast Corporation, WC Docket No. 10-90, at 6 (Feb. 24, 2012).

and-keep; and (2) ensure that any transition of 8YY and other originating access traffic to bill-and-keep is carried out gradually to minimize consumer disruption.

Respectfully submitted,

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