

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
Developing an Unified Intercarrier Compensation Regime)	CC Docket No. 01-92
)	

**REPLY COMMENTS OF THE NEBRASKA RURAL INDEPENDENT COMPANIES IN
RESPONSE TO SEPTEMBER 26, 2017 PUBLIC NOTICE**

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SUMMARY

The Nebraska Rural Independent Companies (“NRIC”) hereby file their Reply Comments in response to other commenting parties’ positions raised in response to the September 8, 2017 and September 26, 2017 Public Notices regarding requests by the Federal Communications Commission (“FCC”) for comments. As indicated in these Reply Comments, NRIC respectfully requests that the FCC take action in response to its request to refresh the record regarding certain Intercarrier Compensation (“ICC”) issues in the manner recommended by the NRIC Comments filed herein and by these Reply Comments.

The FCC should adopt NRIC’s five Non-Access ICC Principles submitted in the NRIC Comments, and in the event that the FCC determines there is a need to address originating access at this time, any such action:

- (1) Should avoid usurping state commission authority;
- (2) Should directly address claims of arbitrage (*i.e.*, forms of access stimulation) that appear to be central to any current need for FCC action;
- (3) Should avoid cost shifting;
- (4) Should avoid flash cuts;
- (5) Should establish the impacts on rural rate-of-return local exchange carriers of migrating to bill and keep for interstate originating access (or any other interstate originating access framework that the FCC may consider) and;
- (6) Should engage in necessary fact-finding to determine whether the FCC’s predictive judgement regarding the presumed benefits of bill and keep have, *in fact*, proven to be accurate and otherwise have been realized by consumers.

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**REPLY COMMENTS OF THE NEBRASKA RURAL INDEPENDENT COMPANIES IN
RESPONSE TO SEPTEMBER 26, 2017 PUBLIC NOTICE**

The Nebraska Rural Independent Companies ("NRIC"),¹ hereby provide these Reply Comments in response to the other parties' comments² filed in response to the September 26, 2017 Public Notice (the "*September Network Routing Public Notice*") issued by the Federal Communications Commission ("the "Commission" or the "FCC").³ For the reasons stated

¹ The NRIC companies submitting these Reply Comments are: Arlington Telephone Company, Blair Telephone Company, Clarks Telecommunications Co., Consolidated Telephone Company, Consolidated Telco, Inc., Consolidated Telecom, Inc., The Curtis Telephone Company, Eastern Nebraska Telephone Company, Great Plains Communications, Inc., Hamilton Telephone Company, Hartington Telecommunications Co., Inc., Hershey Cooperative Telephone Company, Inc., K & M Telephone Company, Inc., The Nebraska Central Telephone Company, Northeast Nebraska Telephone Company, Rock County Telephone Company and Three River Telco.

² In addition to the Comments filed by NRIC, comments were also filed by the following entities: AT&T, Services, Inc. ("AT&T"); CenturyLink, Inc. ("CTL"); General Communications, Inc.; HD Tandem ("HDT"); ITTA – The Voice of American's Broadband Providers ("ITTA"); NCTA – The Internet & Television Association ("NCTA"); NTCA – The Rural Broadband Association and WTA – Advocates for Rural Broadband ("NTCA"); Peerless Network, Inc., *et al.* ("Peerless"); South Dakota Network, LLC; Sprint Corporation ("Sprint"); T-Mobile USA, Inc. ("T-Mobile"); Verizon (on behalf of the regulated wholly-owned subsidiaries of Verizon Communications, Inc. ("Verizon"); and the Voice on the Net Coalition ("VON Coalition"). Parties' comments are referenced by their respective name followed by "Comments."

³ See *Public Notice*, WC Docket No. 10-90 *et. al.*, DA 17-933, released September 26, 2017 (the "*September Network Routing Public Notice*"); see also *Public Notice*, WC Docket No. 10-90 *et. al.*, DA 17-863, released September 8, 2017. November 20, 2017 was subsequently established for the filing of reply comments. See generally *In the Matter of Connect America Fund et al.*, Order, WC Docket No. 10-90, *et al.*, DA 17-1106, released November 9, 2017.

herein, NRIC respectfully requests that the Commission take action in response to the *September Network Routing Public Notice* in the manner recommended in the NRIC Comments and these Reply Comments.⁴

NRIC focuses these Reply Comments on the proper framework for addressing interstate originating access *if* such action is determined by the FCC to be necessary at this time.⁵ In the event that the FCC is in any way inclined to take action to transition originating exchange access, by way of example, to some form of bill and keep in a manner similar to that used for various terminating end office rate elements,⁶ NRIC respectfully requests that the Commission:

- (1) Avoid the usurpation of state commission authority over originating intrastate switched access;
- (2) Directly address claims of arbitrage (*i.e.*, forms of access stimulation) that appear to be central to any current need for FCC action;
- (3) Avoid cost shifting;

⁴ To the extent a commenting party's positions are contrary to those positions demonstrated by NRIC, such party's positions should be rejected for the reasons stated by NRIC.

⁵ Some commenters have blended positions regarding a 2016 AT&T forbearance petition and follow-up ex parte by the Ad Hoc Telecommunications Users Committee regarding 8YY exchange access with the general issue of the intercarrier treatment of originating access. *See* AT&T Comments at pp. 27-29; Verizon Comments at pp. 3, 5, 10-11; *see also* *See Public Notice*, WC Docket Nos. 10-90 *et al.*, DA 17-631, released June 29 2017 (the "*June 2017 8YY Public Notice*"). However, on November 16, 2017, AT&T moved to withdraw its 8YY petition for forbearance. *See* Motion to Withdraw Petition for Forbearance, WC Docket No. 16-363, filed November 16, 2017. To the extent applicable, NRIC incorporates its Comments and Reply Comments in response to the *June 2017 8YY Public Notice* herein and, while demonstrating why the FCC should reject the contentions made by Ad Hoc as well as otherwise denying the AT&T petition for forbearance in its entirety, NRIC would not oppose consideration of 8YY exchange access in the necessary factual analysis and public policy considerations outlined herein.

⁶ *See, e.g., In the Matter of Connect America Fund, et al., Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 10-90 *et al.*, 26 FCC Rcd 17663 (2011), *aff'd* In Re: FCC 11-161, 753 F.3d 1015 (10th Cir. 2014), *pet. for cert. denied* ("2011 USF/ICC Transformation Order"), at ¶¶ 847, 850-853; *see also* 47 C.F.R. §§ 51.909 and 51.917.

- (4) Avoid any flash cuts;
- (5) Establishing the impacts upon rural rate-of-return local exchange carriers (“RLECs”) of migrating to bill and keep for interstate originating access (or any other framework that the FCC may consider); and
- (6) Engage in the necessary fact-finding to determine whether its predictive judgement regarding the benefits of bill and keep have, *in fact*, been proven and have otherwise been realized by consumers.

I. Any Commission Action Regarding Originating Access Should Preserve State Commission Authority and Should Address Arbitrage Issues that are at the Heart of Why FCC Action May Be Necessary Now.

NRIC notes that, with respect to state commission authority, the record fails to demonstrate any factual or public policy basis to suggest that FCC preemption of state commission authority over intrastate originating exchange access is warranted. In the absence of any demonstration of conflict with federal law, no justification exists for preempting state commission authority.⁷ Thus, the FCC should avoid any preemption of state commission authority over originating exchange access in the event that the FCC elects to address interstate originating access.

⁷ See *Arizona v. United States*, 567 U.S. 387, 399–400 (2012) (Preemption of state laws requires a conflict with federal law, including where “compliance with both federal and state regulations is a physical impossibility” (*quoting Florida Lime & Avocado Growers, Inc. v. Paul*, 373 U.S. 132, 142–143 (1963)), and those instances where the challenged state law “stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress” (*quoting Hines v. Davidowitz*, 312 U.S. 52, 67 (1941)); see also *Crosby v. National Foreign Trade Council*, 530 U.S. 363, 373 (2000) (“What is a sufficient obstacle is a matter of judgment, to be informed by examining the federal statute as a whole and identifying its purpose and intended effects”). Likewise, when analyzing preemption, the Supreme Court made clear that “the historic police powers of the States’ are not superseded ‘unless that was the clear and manifest purpose of Congress.’” *Arizona*, 567 U.S. at 400 (*quoting Rice v. Santa Fe Elevator Corp.*, 331 U.S. 218, 230 (1947)).

The FCC should focus on the underlying concern that appears to be the basis for parties' requests for FCC action now – arbitrage.⁸ The FCC has addressed arbitrage in the form of access stimulation,⁹ and NRIC knows of no reason why additional FCC-sponsored solutions addressing arbitrage cannot also be established. Such action would, in turn, focus regulatory action on the underlying concerns of parties contending there is urgency for addressing originating access.¹⁰

II. Any Commission Action Regarding Originating Access Must Avoid Cost Shifting.

There should be no serious question that the Commission needs to avoid decisions that result in cost-shifting of network costs that run afoul of the statutory requirements found, for example, in Section 47 U.S.C. § 251, as well as current intercarrier compensation (“ICC”) principles used by the industry for exchange access traffic. Nonetheless, the practical consequences arising from certain parties' contentions run afoul of this rock-solid principle.

Whether it be in the context of Internet Protocol (“IP”) interconnection and transport,¹¹ the immediate (or almost immediate) transition to bill and keep for originating access,¹² or the ramifications of parties' views of where the “network edge” should be established and which carrier bears the responsibility of transport to deliver traffic to the network edge,¹³ the practical

⁸ See AT&T Comments at pp. 4-6, 12-14, 22-23; HDT Comments at pp. 4, 6; Verizon Comments at pp. 1, 6-10.

⁹ See *USF/ICC Transformation Order* at ¶¶ 662-701; see also 47 C.F.R. § 61.3(bbb).

¹⁰ Such action addressing the arbitrage raised in the record would also advance the policy that the FCC previously stated that “the access stimulation rules we adopt today are part of our comprehensive intercarrier compensation reform. That reform will, as the transition unfolds, address remaining incentives to engage in access stimulation.” *USF/ICC Transformation Order* at ¶ 672.

¹¹ See AT&T Comments at pp. 6, 25-26.

¹² See Sprint Comments at 5.

¹³ See AT&T Comments at pp. 5-6; NTCA Comments at 6; Peerless Comments at p. 9; Sprint Comments at pp. 2-3; T-Mobile Comments at pp. 10-12, 14, 15-16.

ramifications of these types of contentions are that such parties are attempting to have the Commission sanction the shifting of costs to other carriers, and to do so in manner that is wholly inconsistent with the framework of Section 251 of the Communications Act of 1934, as amended.

For example, no party claiming a need for the distinct treatment of IP to IP interconnection and traffic exchange has rationally addressed the fact that the Commission has already found that operative definitions triggering Section 251 rights and obligations are technologically neutral¹⁴ and thus constitute the proper framework for analysis of IP interconnection.¹⁵ Likewise, no party has demonstrated a sustainable basis as to: (1) why a change in transport technology (*i.e.*, from Time Division Multiplexing to IP) somehow should dramatically alter the methods by which traffic is exchanged and the financial rights and responsibilities in place today pursuant to the principles under Section 251 and industry exchange access principles and practices; or (2) how the market power of some of the largest telecommunications entities can be addressed in a way that does not suffocate the commitment of RLECs (like the NRIC members) to serve higher cost rural markets.¹⁶ These stated concerns are, in NRIC's views, the logical outgrowth of some of the party's positions and otherwise provide additional reasons as to why the FCC must confirm NRIC's five Non-Access ICC principles,¹⁷ as well as avoid creating a new ICC concept associated with the "network

¹⁴ NRIC Comments at pp. 7-8, and n. 17.

¹⁵ *Accord* NTCA Comments at pp. 22-23.

¹⁶ These same points apply to the mischief that would arise based on the concept of "network edges." Even where some form of cost recovery for the higher cost to serve rural markets is mentioned in the IP world (*see* T-Mobile Comments at pp. 17-18), one is rationally left guessing as to what those standards would be and how they would be applied.

¹⁷ *See* NRIC Comments at pp. 8-16. NRIC notes that, because the concept of a single Point of Interconnection ("POI") per Local Access and Transport Area ("LATA") cannot rationally be shown to be an industry standard (*see id.* at pp. 14-15), T-Mobile's discussion of this concept can and should be rejected. *See* T-Mobile Comments at pp. 12-13. With that said, other commenting parties recognize the need to ensure no transport obligations beyond the RLEC's network (*see*

edge.”¹⁸ Accordingly, should the Commission take action regarding originating access at this time, the framework it proposes should avoid creating new cost onsets established under current industry practices and guidelines associated with the use of current meet points between carriers’ network for the delivery and receipt of exchange access traffic.¹⁹

In this regard and to avoid any doubt, NRIC hereby clarifies that, with respect to NRIC’s reference to the utilization of the “meet point” concept in the access environment in lieu of the need to introduce the concept of a “network edge,” no change in the existing intercarrier payment responsibility by an exchange access customer would be envisioned. Thus, an exchange access customer would pay the transport as provided for under current structures to, for example, the carriers involved in a jointly provided exchange access arrangement based on each carrier’s respective portion of network it operates (*e.g.*, for an RLEC subtending a tandem, the transport from the meet point to the end office (or remote or functional equivalent)). To be sure, no party should be able to use another carrier’s network free of charge.²⁰

ITTA Comments at p. 5) and the need to reject the notion of a single POI per LATA (*see* CTL Comments at p. 10), concepts consistent with NRIC’s five non-access ICC principles.

¹⁸ *See* NRIC Comments at pp. 7-8.

¹⁹ *See id.* at 8 (Using meet points for exchange access services rather than introducing the unnecessary term “network edge” into the ICC lexicon).

²⁰ *See id.* at p. 2. Although stated in the context of tandem use, CTL articulates the same general principle that “that no network should be utilized unilaterally for free.” CTL Comments at 7.

III. Any Action by the Commission Regarding Originating Access Must Avoid Flash Cuts and, if Bill and Keep is the End Goal, Must be Based on Necessary Fact-Finding to Determine Carrier Impacts and Whether the FCC's Predictive Judgements Regarding the Benefits of Bill and Keep have, *in Fact*, been Proven to be Accurate and Otherwise have been Realized by Consumers.

One of the hallmarks of the FCC's action regarding its ICC terminating framework was the avoidance of flash cuts in implementing such framework.²¹ Particularly for RLECs serving higher cost to serve rural areas of America, avoidance of any flash cuts is essential in order to avoid curtailment of revenues used by RLECs for the deployment and operation of their rural-centric networks.

Likewise, any action regarding originating access must be based on facts. NTCA has already described the effort undertaken in 2011 by the Commission to determine the potential impact on RLECs of moving to bill and keep for terminating exchange access.²² It would be illogical and suspect public policy to avoid such fact gathering and fact-finding regarding the carrier impacts of any FCC action addressing interstate originating access.

Further, such fact-finding must also consider whether the FCC's predictive judgements upon which the current use of bill and keep were based have in fact been proven to be accurate.²³ Appendix A to these Reply Comments contains examples of such predictive judgements from the *USF/ICC Transformation Order*.²⁴

²¹ See, e.g., *2011 USF/ICC Transformation Order* at ¶ 802; accord HDT Comments at p. 3; NTCA Comments at p. 3.

²² See NTCA Comments at 12-19 and Comments of Windstream et al, WC Docket No. 10-90 *et al.*, filed July 31, 2017 at 5-10.

²³ Accord NTCA Comments at pp. 2, 5, 12-14.

²⁴ Appendix I to the *USF/ICC Transformation Order* contained the FCC Staff's view of the benefits that were expected as a result of the transition of terminating access to bill and keep. See *USF/ICC Transformation Order*, Appendix I at ¶¶ 10-15; see also NRIC Comments at 6, n.15.

Absent such fact-finding, no rational basis can exist for extending bill and keep beyond that already established in the *USF/ICC Transformation Order*. FCC inaction regarding this necessary fact-finding also would negate its prior admonition of its Staff's failure to engage in the timely review of any such predictive judgements.²⁵ Likewise, the failure to investigate carrier impacts and the FCC's 2011 predictive judgements would run counter to Chairman Pai's enunciation of the need for fact-based decision making.²⁶ Further, NRIC respectfully submits that it would be wholly irrational to rely upon unproven predictive judgements from 2011 to justify bill and keep in an effort to support a framework for the transition of originating *interstate* exchange access to some form of bill and keep.²⁷ So too, not having a reasoned fact-based understanding of carrier impacts of any new interstate originating access ICC framework would equally be irrational.

The need for the Commission to commit to such fact is not misplaced. NRIC notes that parties contending that the FCC should transition originating exchange access to bill and keep – which would obviously be the beneficiaries of any further Commission-sponsored corporate

²⁵ See NRIC Comments at 6, n. 15 citing *In the Matter of AT&T Application for Review; Sandwich Isles Communications, Inc. Petition for Declaratory Ruling, Memorandum, Opinion and Order*, WC Docket No. 09-133, FCC 16-166, released December 5, 2016 at ¶ 1 and ¶ 17.

²⁶ See Remarks of FCC Chairman Ajit Pai at the Hudson Institute, *The Importance of Economic Analysis at the FCC* at 4 (April 5, 2017); (Effectively contending that FCC decisions should “be based on “well-informed, economically sound policy” “[g]uided by economists and data experts, using data collected by the FCC and from other sources”); see also NTCA Comments at 12.

²⁷ Although made in the context of necessary Universal Service Fund (“USF”) budget issues, the same concepts apply to the intercarrier treatment of interstate originating access and the predictive judgements underlying bill and keep frameworks established in the *USF/ICC Transformation Order* due to use of USF dollars for the necessary recovery of lost revenues for RLECs arising from the phase in of terminating bill and keep. Consequently, NRIC reiterates its view that “[i]n the absence of these predicate facts and mechanism, NRIC respectfully submits that it is premature to opine how long any transition would need to be. See, e.g., *2011 ICC Transformation FNPRM* at ¶ 1308.” NRIC Comments at 6, n.14.

windfalls associated with bill and keep²⁸ -- erroneously *presume* that the Commission's predicted consumer benefits have, *in fact*, been realized.²⁹ So too, in affirming the FCC's federal Universal Service Fund budget established in the *USF/ICC Transformation Order* was, *at that time* sufficient, the Tenth Circuit Court of Appeals recognized that a subsequent review of that conclusion would also be necessary. "In sum, the FCC determined that budgetary 'sufficiency' for price cap and rate-of-return carriers could be achieved through a combination of measures, including, but not limited to: . . . (4) conducting a budgetary review by the end of six years."³⁰

Accordingly, NRIC respectfully submits that the fact gathering referenced herein is necessary for determining the policies and structures that should be applicable to the provision of originating exchange access. To the extent the record suggests that such fact gathering is unnecessary, those suggestions should be rejected out of hand for the reasons stated herein.

IV. Conclusion.

For the reasons stated herein, NRIC respectfully requests that the Commission take action in response to the *September Network Routing Public Notice* in the manner recommended in the NRIC Comments and in these Reply Comments. In doing so, the FCC should adopt NRIC's five Non-Access ICC principles, and, in the event that the FCC determines there is a current need to address originating access, any such action (1) should avoid usurping state commission authority, (2) should address directly claims of arbitrage (*i.e.*, forms of access stimulation) that appear to be central to any possible need the need for current FCC action, (3) should avoid cost shifting, (4) should avoid flash cuts, (5) should establish the impacts upon RLECs of migrating to bill and

²⁸ See AT&T Comments at pp. 4-5; Sprint Comments at p. 5; Verizon Comments at 1.

²⁹ See T-Mobile Comments at p. 1; VON Coalition Comments at p. 1.

³⁰ *In re FCC 11-161*, 753 F.3d at 1060.

keep for interstate originating access (or any other interstate originating access framework that the FCC may consider) and (6) should be based on the necessary fact-finding to determine whether the FCC's predictive judgement regarding the benefits of bill and keep have, *in fact*, been proven to be accurate and otherwise have been realized by consumers.

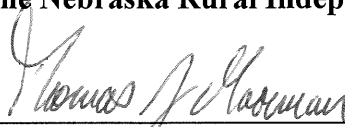
Dated: November 20, 2017

Respectfully submitted,

Arlington Telephone Company, The Blair Telephone Company, Clarks Telecommunications Co., Consolidated Telephone Company, Consolidated Telco, Inc., Consolidated Telecom, Inc., The Curtis Telephone Company, Eastern Nebraska Telephone Company, Great Plains Communications, Inc., Hamilton Telephone Company, Hartington Telecommunications Co., Inc., Hershey Cooperative Telephone Co., K. & M. Telephone Company, Inc., The Nebraska Central Telephone Company, Northeast Nebraska Telephone Company, Rock County Telephone Company and Three River Telco

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Appendix A

Examples of Quotations Taken from the *USF/ICC Transformation Order*¹ Regarding the FCC Predictive Judgements Associated with Anticipated Benefits to be Derived from Bill and Keep for Terminating Traffic

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In rural communities throughout the country our reforms will expand broadband and mobility significantly, providing access to critical employment, public safety, educational, and health care opportunities to millions of Americans for the first time.²

...

We expect that today's ICC actions will have similar pro-consumer, pro-innovation results, providing over \$1.5 billion annually in benefits for wireless and all long-distance customers. These benefits may take many forms, including cost savings, more robust wireless service, and more innovative IP-based communications offerings. Given these effects, we project that the average consumer benefits of our reforms outweigh any costs by at least 3 to 1 -- and of course, by much more for the million of consumers that will get broadband for the first time.³

...

A bill-and-keep methodology will ensure that consumers pay only for services that they choose and receive, eliminating the existing opaque implicit subsidy system under which consumers pay to support other carriers' network costs. This subsidy system shields subsidy recipients and their customers from price signals associated with network deployment choices.⁴

...

A bill-and-keep methodology also imposes fewer regulatory burdens and reduces arbitrage and competitive distortions inherent in the current system, eliminating carriers' ability to shift network costs to competitors and their customers.⁵

¹ *In the Matter of Connect America Fund, et al., Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 10-90 *et al.*, 26 FCC Rcd 17663 (2011), *aff'd* In Re: FCC 11-161, 753 F.3d 1015 (10th Cir. 2014), *pet. for cert. denied* ("2011 USF/ICC Transformation Order").

² *USF/ICC Transformation Order* at ¶ 1.

³ *Id.*

⁴ *Id.* at ¶ 738.

⁵ *Id.*

Appendix A

Examples of Quotations Taken from the *USF/ICC Transformation Order* Regarding the FCC Predictive Judgements Associated with Anticipated Benefits to be Derived from Bill and Keep for Terminating Traffic (Cont'd)

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...

Consumer Benefits of Bill-and-Keep. Economic theory suggests that carriers will reduce consumers' effective price of calling, through reduced charges and/or improved service quality. We predict that reduced quality-adjusted prices will lead to substantial savings on calls made, and to increased calling. Economic theory suggests that quality-adjusted prices will be reduced regardless of the extent of competition in any given market, but will be reduced most where competition is strongest. These price reductions will be most significant among carriers who, by and large, incur but do not collect termination charges, notably CMRS and long-distance carriers.⁶

...

The potential for benefits to wireless customers is particularly important, as today there are approximately 300 million wireless devices, compared to approximately 117 million fixed lines, in the United States. Lower termination charges for wireless carriers could allow lower prepaid calling charges and larger bundles of free calls for the same monthly price. For example, carriers presently offer free "in-network" wireless calls at least in part because they do not have to pay to terminate calls on their own network. Lower termination charges could also enable more investment in wireless networks, resulting in higher quality service—e.g., fewer dropped calls and higher quality calls—as well as accelerated deployment of 4G service. Similarly, IXC's, calling card providers, and VoIP providers will be able to offer cheaper long-distance rates and unlimited minutes at a lower price.⁷

...

Moreover, as carriers face intercarrier compensation charges that more accurately reflect the incremental cost of making a call, consumers will see at least three mutually reinforcing types of benefits.⁸

...

⁶ *Id.* at ¶ 748 (footnotes omitted).

⁷ *Id.* (footnotes omitted).

⁸ *Id.* at ¶ 749.

Appendix A

Examples of Quotations Taken from the *USF/ICC Transformation Order* Regarding the FCC Predictive Judgements Associated with Anticipated Benefits to be Derived from Bill and Keep for Terminating Traffic (Cont'd)

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...

First, carriers operations will become more efficient as they are able to better allocate resources for delivering and marketing existing communications services. Specifically, as described below, bill-and-keep will over time eliminate wasteful arbitrage schemes and other behaviors designed to take advantage of or avoid above-cost interconnection rates, as well as reducing ongoing call monitoring, intercarrier billing disputes, and contract enforcement efforts.⁹

...

Second, carrier decisions to invest in, develop, and market communications services will increasingly be based on efficient price signals.¹⁰

...

Third, and perhaps most importantly, we expect carriers will engage in substantial innovation to attract and retain consumers. New services that are presently offered on a limited basis will be expanded, and innovative services and complementary products will be developed. For example, with the substantial elimination of termination charges under a bill-and-keep methodology, a wide range of IP-calling services are likely to be developed and extended, a process that may ultimately result in the sale of broadband services that incorporate voice at a zero or nominal charge. All these changes will bring substantial benefits to consumers.¹¹

⁹ *Id.*

¹⁰ *Id.* (footnote omitted).

¹¹ *Id.* at ¶ 750 (footnote omitted).