

Before the  
FEDERAL COMMUNICATIONS COMMISSION

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

REPLY COMMENTS OF JAMES C HULCE

Dated November 20, 2017

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I, James C Hulce, respectfully file these reply comments in response to the Federal Communications Commission's ("FCC" or "Commission") public notice requesting interested parties refresh the record regarding Inter-carrier Compensation Reform.<sup>1</sup> I urge the Commission to complete the full transition to bill-and-keep and finish the reform of the problematic inter-carrier compensation system.

After years of debate and a substantial record, the Commission found in the *ICC Reform Order*<sup>2</sup>, that bill-and-keep offered substantial benefits and concluded that a system of bill-and-keep "will eliminate competitive distortions between wireline and wireless services; and best promotes our overall goals of modernizing our rules and facilitating the transition to IP." The Commission set into motion a monumental and overdue transition of the inter-carrier compensation to bill-and-keep, which is now nearing completion.

While the *ICC Reform Order* determined that bill-and-keep is the "end state for all inter-carrier compensation traffic," the transition plan for some rate elements was left undefined and initially focused only on terminating access. Uncertainty left by gaps in the *ICC Reform Order* has led to conflict<sup>3</sup> and arbitrage. The FCC must finish the bill-and-keep transition it started in 2011 by moving all inter-carrier compensation traffic, including tandem switching, transport, and access, to bill-and-keep in order to fully realize the benefits recognized in the *ICC Reform Order*.

In a continuation of earlier inter-carrier compensation reform efforts, The Commission should take further steps to modernize regulation of the telephone network, better reflecting the network that exists today and the network that will exist in the future. In particular, voice traffic is

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<sup>1</sup> Public Notice, "Wireline Competition Bureau Announces the Comment Cycle for Refreshing the Record On Inter-carrier Compensation Reform Related to the Network Edge, Tandem Switching and Transport, and Transit," DA 17-933 (rel. September 26, 2017).

<sup>2</sup> Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011), ("ICC Reform Order").

<sup>3</sup> Level 3 vs. AT&T, Docket 17-227

rapidly moving from TDM to IP technology<sup>4</sup>. As stated in Sprint's comments<sup>5</sup>, IP traffic is generally exchanged on a regional basis, instead of the local basis which exists in legacy TDM networks. However, as a relic of the rapidly fading TDM history of the PSTN, our country is still divided into more than ten thousand rate centers (sometimes called exchanges), where every carrier must establish an interconnection if they want to serve local customers and/or number. This system limits the service providers that consumers have available, especially in rural areas. In an era of regional IP-based interconnection, eliminating rate centers entirely or merging them into LATAs would establish a much more reasonable point of interconnection. Many other benefits would be realized by rate center elimination, including widened telephone number portability, reduction in telephone network complexity and administration costs, and area code conservation. Based on the principles in the *ICC Reform Order*, the Commission has the regulatory authority and should move expeditiously to conduct further modernization of our nation's telephone network.

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<sup>4</sup> Comments of Sprint Corporation on October 26, 2017 in WC 10-90 and CC 01-92 page 2

<sup>5</sup> Comments of Sprint Corporation on October 26, 2017 in WC 10-90 and CC 01-92 generally