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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of

Implementation of Local Competition)	CC Docket No. 96-98
Provisions of the Telecommunications)	
Act of 1996)	
)	
Inter-Carrier Compensation)	CC Docket No. 99-68
For ISP-Bound Traffic)	

**Declaratory Ruling in CC Docket No. 96-98 and Notice of Proposed Rulemaking in
CC Docket No. 99-68**

Comments of

- Keep America Connected
- Federation of Hispanic Organizations of the Baltimore Metropolitan Area, Inc.
- Latin American Women and Supporters
- League of United Latin American Citizens
- Massachusetts Assistive Technology Partnership
- National Association of Commissions for Women
- National Association of Development Organizations
- National Hispanic Council on Aging
- New York Institute of Technology
- Resources for Independent Living
- Telecommunications Advocacy Project
- The Child Health Foundation
- The National Trust for the Development of African American Men
- United Homeowners Association
- United Seniors Health Cooperative

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I. INTRODUCTION

The undersigned organizations welcome the opportunity to respond to the Commission's Notice of Proposed Rulemaking (NPRM) concerning inter-carrier compensation for ISP bound traffic, commonly referred to as reciprocal compensation.

Commenters agree with Commissioner Ness's statement that "reciprocal compensation may substantially affect the nature and extent of local telephone competition, which is the principal objective of the Telecommunications Act of 1996."¹ Commissioner Ness also stated "Switched network telephone calls to Internet service providers are inherently interstate..."²

Many of the Commenters herein, had previously filed letters with the Commission stating that the reciprocal compensation payment system resulted in payments by incumbent local exchange carriers in the amount of hundreds of millions of dollars each year. These erroneous payments have discouraged the development of local telephone competition and have deprived the network of resources necessary for the deployment of advanced telecommunications services. The Commenters are heartened by the Commission's Declaratory Ruling which stated "we conclude that ISP-bound traffic is jurisdictionally mixed and **appears to be largely interstate**"³ (emphasis added). However, Commenters believe the Commission has muddied the waters with its failure to clearly declare that prior reciprocal compensation payments were based upon an erroneous assumption that the calls were intrastate in nature and that no further reciprocal

¹ Separate Statement of Commissioner Susan Ness, Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 (CC Docket No. 96-98); and Inter-carrier Compensation for ISP-Bound Traffic (CC Docket No. 99-68).

² Ibid.

³ Federal Communications Commission Declaratory Ruling in CC Docket No. 96-98 and Notice of Proposed Rulemaking in CC Docket No. 99-68, I. Introduction, page 2.

compensation payments are warranted. The matters to be addressed in this NPRM are crucial to achieving the profoundly important goals of local telephone competition and the deployment of advanced services, the primary goals of the Act.

Commenters represent a broad range of interests and organizations. We are brought together on this filing because of our common view that the ultimate decisions made by the Commission in reference to the treatment of ISP-bound traffic and reciprocal compensation directly and dramatically affects our constituencies. Commenters commend the Commission on its efforts to address this important but complex issue. We encourage the Commission to review this issue with respect to the effect the payments have had upon local telephone competition, the deployment of advanced services, and the consumer benefits delayed or denied due to resources that were mistakenly allocated to reciprocal compensation payments.

II. STATEMENT OF INTERESTS

Keep America Connected (KAC) is an organization comprised of groups whose demonstrated goals involve promoting a variety of telecommunications issues. The primary goal of KAC is that regardless of income, race, disability, age, ethnicity or geographical location, and affordable access to the use of the modern telecommunications infrastructure and services should be available. This goal is best achieved through the rapid development of a fully competitive marketplace that ensures that consumers across the nation will have access to more services at lower prices.

Federation of Hispanic Organizations of the Baltimore Metropolitan Area, Inc., is a non-profit organization comprised of Baltimore area Hispanic non-profit organizations which works to promote cultural, educational and socio-economic interests

in the Hispanic community, including issues pertaining to community based technology networks.

Latin American Women and Supporters works to improve and promote information to Latin American women and their families through education. This organization supports efforts to ensure that Latin American women have access to new telecommunications technologies and services for education, jobs, and economic development opportunities.

League of United Latin American Citizens (LULAC) has approximately 115,000 members throughout the United States and Puerto Rico, LULAC is the largest and oldest Hispanic Organization in the United States. LULAC advances the economic condition, educational attainment, political influence, health and civil rights of Hispanic Americans through community-based programs operating at more than 600 LULAC councils nationwide. The organization involves and serves all Hispanic nationality groups.

The purpose of the **Massachusetts Assistive Technology Partnership (MATP)** is to increase access to assistive technology for people of all ages and all disabilities through a variety of consumer-responsive, systems-change activities. The MATP provides information, referral, training, technical assistance, and advocacy and works to improve laws and policies providing access to assistive technology. The Partnership is funded through the National Institute of Disability and Rehabilitation Research, U.S. Department of Education and is administered by the Massachusetts Commission for the Deaf and Hard of Hearing.

National Association of Commissions for Women (NACW) represents local commissions established to promote the interests of women in cultural, social, and economic fields. NACW supports policies and programs that empower women to make informed choices about all aspects of their lives. NACW has been active in the debate on telecommunications reform, supporting legislative and regulatory initiatives to encourage competition, thereby creating new options and services for women as consumers and in their businesses.

National Association of Development Organizations (NADO) is a public interest group founded in 1967 to promote community and economic development in America's small metropolitan and rural areas. NADO is a leading advocate for a regional approach to community and economic development. The association's primary goal is to assure all rural citizens have employment opportunities, public services, and a quality of life comparable to other Americans. NADO's members are regional development organizations whose staff provides professional assistance to local governments, businesses, and nonprofit organizations. Regional development organizations help identify local needs and priorities, and are catalysts for strategic planning in rural communities. The functions of regional organizations vary depending on the needs of local citizens and may include: small business financing, infrastructure and housing development, job training, environmental protection, and services for the poor and seniors. Each region is governed by a policy board of elected officials, business leaders, and citizen representatives.

National Hispanic Council on Aging is a membership organization that promotes the well being of Hispanic elderly. Members represent fields of administration, planning, direct services, research and education.

New York Institute of Technology is a fully accredited, nonsectarian and nonprofit institution of higher learning that provides career education, undergraduate and graduate, for men and women of all ages and from all walks of life in a variety of formats. Programs lead to associate, bachelor's and master's degrees, and to the Doctor of Osteopathy. Courses range from art and architecture to science, engineering and medicine. As of today, there are over 10,000 students in the NYIT community studying in over 80 separate majors, options and specializations, 12 Masters Degree programs and the only College of Osteopathic Medicine in the state of New York. New York Institute of Technology maintains campuses in Long Island and Manhattan.

Resources for Independent Living operates more than 12 Independent Living Centers in New Jersey and several hundred across America including one in Dublin, Ireland. The centers provide the four core services for people with disabilities in Burlington County, New Jersey, including Information & Referral, Independent Living Skills, Peer Support, Individual and Systems Advocacy.

Telecommunications Advocacy Project's purpose is to create affordable gateways for minority participation in the telecommunications marketplace. This organization focuses on legislation, procurement opportunities, and educates rulemakers about the need to include minority-owned businesses in building the information highway.

The Child Health Foundation was established in 1985 as a non-profit, public charity to prevent and treat life-threatening communicable diseases of infants and children in the United States and abroad. Its mission is "to save the greatest number of children's lives at the lowest possible cost." It accomplishes this through its unique network of health professionals and organizations committed to improving health policies and practices. It operates as an independent agent of change, seeking and promoting more effective, easily delivered and less-expensive methods to prevent illness and death of children. It focuses on prevention and treatment of dehydration from diarrheal diseases, which debilitate and kill millions of infants and children worldwide every year.

The National Trust for the Development of African American Men is a national, non-profit organization based in the Washington, D.C. area that addresses the development, needs and challenges of African-Americans, especially males, in the areas of health, leadership, training, economic development, education, and crime prevention from an African American view of the world. The Trust operates programs throughout the Mid-Atlantic region with a particular emphasis on technology training and making computers and on-line services accessible in low income and underserved communities.

United Homeowners Association (UHA) is a national, nonprofit, membership based organization that represents the interests of homeowners in Washington, D.C. UHA has an active communications advocacy program on behalf of its members. UHA has promoted the interests of homeowners in telecommunications to Congress, before the FCC and in the courts.

United Seniors Health Cooperative (USHC) is a charitable 501(c)(3) organization serving older people in the National Capital Area. USHC supports efforts to ensure that

older people have access to advanced telecommunications applications to meet their health care and other needs.

III. COMMENTS

Commenters reiterate that the goals for the Act are to enhance local competition and to encourage the deployment of advanced telecommunications services to all Americans. We believe that the competitive local exchange carriers (CLECs) have exploited the reciprocal compensation payment system by collecting payments for each minute that an ISP's customer is online. Reciprocal compensation was designed to compensate competing local telephone companies for terminating traffic on their respective networks. The ratio of traffic handed-off by the ILECs to the CLECs for ISP-bound traffic is grossly disproportionate in favor of the CLECs. This has led to the payments of hundreds of millions of dollars by ILECs to CLECs under the reciprocal compensation system. The disparity of the reciprocal composition windfall payments to CLECs for ISP bound traffic was not the intent of the Act or this payment system.

Commenters assert that ISP-bound traffic is interstate if not international in nature. A typical user of the Internet may access Web sites from across the nation to sites in several different foreign countries. The previous position that such calls were intrastate in nature was misguided and led to the disparity in reciprocal compensation payments to the detriment of the telecommunications consumer.

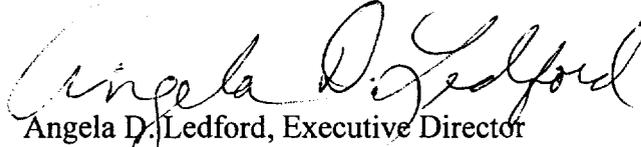
Commenters urge the Commission to affirmatively declare ISP-bound traffic as "interstate" and to forgo the requirement of further reciprocal compensation payments for such traffic. The monies paid for reciprocal compensation represent revenues that are not going into new product development, infrastructure investments, deployment of advanced

services in rural and inner city areas, new telecommunications services and products for persons with disabilities, and other benefits to the telecommunications consumer.

The Commission must view the NPRM process as a means of ensuring that the goals of the Telecommunications Act of 1996 are met. The drain of revenues due to the reciprocal compensation payments made by ILECs undermines competition in residential, inner city and rural markets and discourages investments in advanced telecommunications services.

The actions of the Commission, in reference to this NPRM process, will have a significant impact upon the Act's great promise of ensuring that all Americans have an opportunity to harvest the myriad of benefits of the telecommunications revolution. Commenters urge the Commission to maintain as its primary purpose through this NPRM that the Act's vision is to provide telecommunications competition and services that benefit all consumers throughout this nation.

Respectfully submitted by,



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