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Qwest.

Ex Parte

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

November 16,2001

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW, Room TW-A325
Washington, DC 20554

Re: Developing a Unified Intercarrier Compensation Regime – CC Docket No. 01-92

Dear Ms. Salas:

On November 16,2001, Craig Brown and I met, via conference call, with Gregory Vadas, Joseph Levin and Stacy Jordan of the Wireless Telecommunications Bureau and Steven Morris of the Common Carrier Bureau to discuss the complexities of interconnection between wireless service providers (WSP) and other carriers. In summary, Qwest argued that the quick adoption of universal bill-and-keep for all types of carrier interconnection would solve most of the interconnection issues. The material in the attachment was discussed during the call.

In accordance with Section 1.1206(b)(2) of the FCC's Rules, an original and two copies of this letter are being filed with your office for inclusion in the public record.

Acknowledgment and date of receipt of this submission are requested. A duplicate of this letter is provided for this purpose. Please call if you have any questions.

Sincerely

John W. Kure

cc: Gregory Vadas, Joseph Levin, Stacy Jordan, Steven Morris

Attachment

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WSP Interconnection Issues

Two major issues

- Developing business relationships between WSPs and the many small ILECs, CLECs, IXCs and other WSPs
- Conflicting definitions of local

Solution

- **Bill-and-keep**

Business Relationships

- It is very complex for a WSP to develop the capability to negotiate agreements with the myriad of carriers in the USA
  - In many cases neither the WSP nor the other carrier is large enough to support this activity

- Under the current regime, there may be a market niche developing for some party to step in and develop the business relations, do the billing and collection and distribute the revenues – a global clearing house. In some cases, a large ILEC may choose to play this role.

- However the FCC should not mandate that this niche be filled by the large ILECs
  - Large ILECs face the danger of not being able to pass the charges from the terminating carrier to the originating carrier
  - Large ILECs should not have to develop the business systems, including personnel to support this business
  - Nor should ILECs be forced to recover the costs of these business systems in their charges for terminating traffic
  - While the large ILECs will typically transit the traffic between the various carriers they cannot be held accountable nor substitute for the direct business relationship between WSPs and the other carriers

- For handling transiting traffic, the large ILECs should be allowed to charge the originating carrier

- Moving to a new regime, universal bill-and-keep, will eliminate many, if not all, of the problems associated with reciprocal compensation for local and access charges for long distance
  - Carriers will be responsible for what happens within their networks
  - Carriers will no longer charge other carriers for terminating traffic
  - Local carriers will no longer charge access for originating long distance traffic
  - While carriers will still have to interconnect the need for complicated business agreements is eliminated

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MTA vs. LCA

- The FCC has decreed that calls between LECs and WSPs within the MTA are local

- On the surface this sounds simple except for the fact that MTAs are generally very large, encompassing multiple wireline LEC local call areas (LCAs), and sometimes multiple LATAs and even states

- For an interLATA, intraMTA call and for most end users, the call will have be handed off to the end user's presubscribed IXC with access charges applicable on both ends of the call

- Similarly, given intraLATA long distance competition, an IXC other than the end user's LEC may be the presubscribed long distance carrier. This means an intraLATA, intraMTA call may go to an IXC with the IXC expecting to pay access charges on both ends of the call

- The FCC's current ruling causes confusion by allowing an end user to be charged long distance rates for a call that is intraLATA, intraMTA, while the FCC's rules appear to require the LEC and the WSP to exchange reciprocal compensation, rather than access charges

- No wonder the small ILECs and others are confused as to what intercarrier compensation scheme applies

- Bill-and-keep will eliminate much of the confusion by eliminating the underlying problem
    - The various carriers' definition of local calling areas will have no bearing on intercarrier charges which will, for the most part, cease to exist

Summary

The FCC should not do anything to force the large ILECs into the business relationship void between the WSPs and the other carriers

To greatly minimize these problems the FCC should quickly move to bill-and-keep – even before the transition plans (e.g., CALLS, ISP reciprocal compensation) have run their course

Large ILECs should be able to charge the originating carrier for transiting traffic in either regime, CPNP or bill-and-keep