

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

In the Matter of)	
Developing a Unified Intercarrier Compensation)	CC Docket No. 01-92
Regime)	DA 02-1740
)	
Sprint Corp. Petition for Declaratory Ruling)	
Regarding the Routing and Rating of Traffic)	
by ILECs)	

**NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION
INITIAL COMMENTS**

The National Telecommunications Cooperative Association (NTCA)¹ hereby files its initial comments in the above-captioned proceeding.² NTCA urges the Federal Communications Commission (Commission or FCC) to deny Sprint’s petition and to address the “unidentified tandem traffic problem.”

The Sprint petition has ramifications far beyond BellSouth’s rating and routing of Sprint’s NXX codes. As the Commission has already acknowledged, the petition raises several questions concerning intercarrier compensation including local reciprocal compensation, interstate access charges, and inter-company settlements issues. The solutions to these issues

¹ NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents more than 550 rural rate-of-return regulated telecommunications providers. All of its members are full service incumbent local exchange carriers (ILECs), and many of its members provide wireless, cable, Internet, satellite and long distance services to their communities. Each member is a “rural telephone company” as defined in the Communications Act of 1934, as amended (Act). And all of NTCA’s members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

² *In the Matter of Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *In the Matter of Sprint Corp. Petition for Declaratory Ruling Regarding the Routing and Rating of Traffic by ILECs*, CC Docket No. 01-92, DA 01-1740, Public Notice (rel. July 18, 2002).

and their impacts on rural ILECs should be considered thoroughly prior to any ruling on the Sprint petition.

I INTRODUCTION

On May 9, 2002, Sprint, on behalf of its wireless division, Sprint PCS, filed a petition for declaratory ruling specifically requesting the Commission to require BellSouth to program its LATA tandem switches with certain Sprint NXXs associated with the rate centers of independent ILECs. Sprint also seeks to require BellSouth to program these NXXs associated with BellSouth tandems with rating and routing points that are different (e.g., routing points with Sprint PCS' mobile switching centers (MSCs) and the rating points with independent ILEC rate centers).

In response, BellSouth indicates that Sprint's request results in virtual designated service outside a BellSouth exchange in violation of its Florida General Subscriber Service Tariff. BellSouth further indicates that the effect of Sprint's NXX designations is traffic routed to Sprint PCS' customers over BellSouth's network for termination, excluding the independent ILEC from the opportunity to route the calls over its network and receive proper compensation for transport of the traffic. BellSouth has also filed a petition for a generic proceeding with the Florida Public Service Commission to investigate whether Sprint's requests violates its tariff.³ According to BellSouth its petition was filed with the Florida Commission because it has jurisdiction to interpret BellSouth's intrastate tariff and has jurisdiction over interconnection and local intercarrier compensation issues between ILECs and Commercial Mobile Radio Service (CMRS

³ *Petition for Investigation of Wireless Carriers' Request for BellSouth to Provide Telecommunications service Outside BellSouth's Exchange*, Docket No. 020868-TL (August 6, 2002).

or wireless providers).⁴

On July 18, 2002, the Commission released a Public Notice seeking comment on Sprint's petition. In the Public Notice, the Commission recognized that Sprint's petition directly impacts several issues concerning intercarrier compensation currently under consideration in CC Docket No. 01-92, *Developing a Unified Intercarrier Compensation Regime (Intercarrier Compensation Proceeding)*. As a result, the Commission directed all interested parties to file their comments concerning Sprint's petition in Docket No. 01-92.

II. THE COMMISSION SHOULD DENY SPRINT'S PETITION AND DEFER RELATED ISSUES TO THE RULEMAKING PROCEEDING ON INTERCARRIER COMPENSATION

Given that the Commission has requested that all comments concerning the Sprint petition be incorporated in the *Intercarrier Compensation Proceeding*, it should take this opportunity to conduct a comprehensive review of all recent compensation issues in that proceeding. In the interim, it should deny Sprint's petition since the Florida Public Service Commission is being asked to conduct a generic proceeding that will address the issues in Sprint's request.

The Sprint petition and BellSouth response have raised only a few of the issues that may result in inaccurate intercarrier compensation for calls to wireless customers within ILEC service areas. These include circumstances where allowing CMRS providers to rate and route NXXs as proposed may result in: (1) preventing Regional Bell Holding Companies (RBOCs) and independent ILECs from receiving just and reasonable as well as accurate compensation for

⁴ Section 252(b)(5) of the Act provides carriers with the duty to establish reciprocal compensation arrangements for the transport and termination of telecommunications traffic. Section 252(d)(2)(A)(i) provides the state commissions with authority to determine the just and reasonableness of reciprocal compensation arrangements

CMRS use of their networks; (2) inaccurate settlements for joint arrangements for transport between RBOCs or other tandem providers and independent ILECs and other carriers; and (3) allowing CMRS providers to dictate the terms of interconnection and unilaterally determine the points of interconnection (POI).

In addition to these important issues, another pressing intercarrier compensation issue is confronting the rural ILEC industry. Currently, rural ILECs are not being paid intercarrier compensation for wireless traffic that actually terminates on rural ILEC networks. The issue is rooted in the fact that vast majority of originating wireless call traffic that terminates on rural ILEC networks passes through an RBOC or Qwest tandem and then terminates on a rural ILEC network. The problem is that when the wireless traffic reaches the rural ILEC network it is unidentified. The rural ILEC does not know which wireless carrier to bill for terminating access or reciprocal compensation for the unidentified wireless traffic. This is known as the “unidentified tandem traffic problem.” As a result, wireless carriers are getting away without paying any intercarrier compensation to the rural ILECs for these unidentified wireless calls and thus are able to gain an unfair competitive advantage in the local exchange market. In essence, wireless carriers are hiding behind RBOC and Qwest tandems to avoid paying Commission approved intercarrier compensation to rural ILECs.

This practice has been escalating rapidly over the past several months. It is one problem that the Commission can address as part of its comprehensive review of intercarrier compensation issues. Direct connections between wireless carriers and rural ILECs would solve the unidentified tandem traffic problem and allow for accurate compensation for wireless calls

for the recovery of costs associated with the transport and termination of calls that originate on the network facilities

completed on rural ILEC networks and vice versa. The Commission is considering what rules to adopt on POI in the rulemaking. In the interim, neither CMRS providers nor other interconnecting carriers have the right to evade existing intercarrier compensation rules by employing virtual NXXs.

NTCA has also determined that in at least 20 states some of its members have been unable to negotiate or renegotiate a reciprocal compensation agreement with nationwide and/or regional wireless carriers: Iowa, Texas, New Mexico, Minnesota, Nebraska, North Carolina, North Dakota, Georgia, Tennessee, Wisconsin, Missouri, Mississippi, Oklahoma, Ohio, Illinois, Montana, Kansas, Indiana, South Carolina, and Oregon. Many rural ILECs are not being compensated for wireless traffic terminating on their networks. Large wireless carriers are in no hurry to reach agreements with these rural ILECs because they know that in most instances the ratio of call traffic between the wireless carrier and rural LEC is 70%-80% terminating on the rural ILEC network. Consequently, wireless carriers have every incentive to stall negotiations on reciprocal compensation with rural ILECs as long as humanly possible so as to avoid being net payers under the Commission's rules. The Commission should establish an industry obligation that all traffic flowing into and between networks, regardless of the type of traffic, must be properly identified so that all carriers handling the traffic can properly bill and receive accurate intercarrier compensation.⁵

of another carrier.

5 The Commission has the ability to take part in establishing a traffic-identification standard between carriers under section 256 of the Act. This section provides the Commission with "oversight of coordinated network planning by telecommunications carriers and other providers of telecommunications service for the effective and efficient interconnection of public telecommunications networks." This section also provides the Commission with authority to participate in the development of industry standards for public network connectivity.

III. CONCLUSION

Based on the above reasons, the Commission should deny Sprint's petition and address the "unidentified tandem traffic problem" in the rulemaking in this docket.

Respectfully submitted,

NATIONAL TELECOMMUNICATIONS
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August 8, 2002

CERTIFICATE OF SERVICE

I, Gail C. Malloy, certify that a copy of the foregoing Comments of the National Telecommunications Cooperative Association in CC Docket No. 01-92, DA 02-1740, was served on this 8th day of August 2002 by first-class, U.S. Mail, postage prepaid, to the following persons.

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