

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

In the Matter of

Developing a Unified Intercarrier Compensation Regime	§ § § § §	CC Docket No. 01-92
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**COMMENTS OF
TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.**

Texas Statewide Telephone Cooperative, Inc. (TSTCI) hereby files these comments in the above-captioned proceeding. TSTCI is an association representing 35 small Texas incumbent local exchange companies (ILECs), including 19 telephone cooperatives and 16 commercial companies (please see Attachment I). All TSTCI member companies are regulated by the Texas Public Utility Commission (PUC).

TSTCI wishes to inform the Commission that the issues raised in the Sprint Petition for Declaratory Ruling and BellSouth's Response represent significant policy issues for the small, rural ILECs as well. Issues relating to the interconnection and compensation of wireless traffic are ongoing issues in Texas as well as other states.¹ There are two ongoing Texas PUC proceedings related to the issues raised in Sprint's Petition.² While neither TSTCI nor its member companies are parties to these proceedings, given the significant effect on small ILEC compensation of the network arrangements proposed by Sprint and other wireless carriers, TSTCI is monitoring these Texas proceedings as well as other state and FCC proceedings very closely.

Over the last few years, several small ILECs in Texas have faced situations where wireless companies requested use of the virtual NXX (VNXX) network arrangement in the small ILEC's service area to route their traffic. In other cases, small ILECs have been approached by CLECs wanting to "interconnect" through the use of VNXX in the small ILEC's exchanges. In these situations, the small ILECs were and remain concerned that the wireless companies and CLECs were attempting to use a VNXX network arrangement to route traffic without appropriately compensating the small ILECs for transport, termination and switching functions. Moreover, the small ILECs were concerned that the wireless companies were attempting to use extended local

¹ The term "wireless" includes paging throughout these comments.

² SOAH Docket No. 473-02-2503, P.U.C. Docket No. 25673 - *Complaint, Request for Expedited Ruling, Request for Interim Ruling, and Request for Emergency Action of ASAP Paging, Inc. and San Marcos Internet, Inc. Against CenturyTel of San Marcos, Inc.* and Docket No. 25907 - *Application of Southwestern Bell Telephone, L.P. d/b/a Southwestern Bell Telephone Company To Revise Cellular Mobile Telephone Interconnection Tariff.*

calling arrangements or shared toll facilities to offer the small ILEC customers local calling to NXXs that would qualify as toll traffic by industry rate center standards. Of particular concern to the small ILECs were situations where the wireless company or CLEC was attempting to use a VNXX arrangement to terminate Internet traffic without the use of dedicated facilities and without compensating the ILEC. These situations continue to be a concern to small Texas ILECs.

In the case of one TSTCI member company, a wireless company used the VNXX network arrangement for Internet traffic, and this situation resulted in the small company having to incur significant expenses in the form of additional trunking facilities without receiving any offsetting compensation from the wireless company. In general, TSTCI is very concerned about the potential for carriers to use a virtual NXX network arrangement to avoid compensating the ILEC, while at the same time creating costs for the ILEC for additional facilities to handle the increased traffic.

While TSTCI is not taking a position at this time on whether these issues need to be resolved in the state or federal jurisdiction, TSTCI would like to respectfully point out that member companies have encountered situations where wireless companies used FCC Orders, particularly *TSR Wireless, L.L.C. et al. v. U.S. West Communications, et al.* (FCC 00-194), to justify their requested network arrangements.

The small Texas ILECs have raised these issues and concerns with Texas PUC Staff. While, to our knowledge, the Texas PUC has not yet resolved these issues, these issues are currently being considered in two ongoing proceedings. TSTCI wishes to inform the Commission that small Texas ILECs have been faced with routing and compensation issues similar to the issues raised in the Sprint Petition. The regulatory policy issues raised in the Sprint Petition are not only issues for the large ILECs; these issues represent a significant and ongoing problem for the small Texas ILECs as well.

Respectfully submitted,

TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.
3721 Executive Center Drive, Suite 200
Austin, Texas 78731

A handwritten signature in cursive script that reads "Cammie Hughes".

Cammie Hughes
Member Services Director

TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.

Brazos Telecommunications, Inc.
Brazos Telephone Coop., Inc.
Cameron Telephone Company
Cap Rock Telephone Coop., Inc.
Central Texas Telephone Coop., Inc.
Coleman County Telephone Coop., Inc.
Colorado Valley Telephone Coop., Inc.
Comanche County Telephone Company, Inc.
Community Telephone Company, Inc.
Cumby Telephone Coop., Inc.
Dell Telephone Coop., Inc.
E.N.M.R. Plateau Communications, Inc.
Eastex Telephone Coop., Inc.
Electra Telephone Company
Etex Telephone Coop., Inc.
Five Area Telephone Coop., Inc.
Ganado Telephone Company, Inc.
La Ward Telephone Exchange, Inc.
Lake Livingston Telephone Company
Lipan Telephone Company
Livingston Telephone Company
Mid-Plains Rural Telephone Coop., Inc.
Nortex Communications, Inc.
North Texas Telephone Company
Panhandle Telephone Coop., Inc.
Peoples Telephone Coop., Inc.
Riviera Telephone Company, Inc.
Santa Rosa Telephone Coop., Inc.
South Plains Telephone Coop., Inc.
Tatum Telephone Company
Taylor Telephone Coop., Inc.
Wes-Tex Telephone Coop., Inc.
West Plains Telecommunications, Inc.
West Texas Rural Tel. Coop., Inc.
XIT Rural Telephone Coop., Inc.