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December 16, 2002

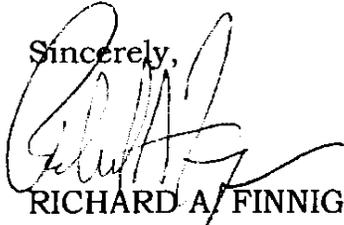
**VIA FEDERAL EXPRESS**

Commission's Secretary  
Office of the Secretary  
Federal Communications Commission  
9300 E Hampton Dr  
Capitol Heights, MD 20743

Re: WC Docket No. 02-361; Comments

Dear Sir/Madam:

Enclosed are the original and four copies of the Comments of the Washington Independent Telephone Association, Washington Exchange Carrier Association, Oregon Telecommunications Association, Oregon Exchange Carrier Association, Colorado Telecommunications Association and Montana Telecommunications Association.

Sincerely,  
  
RICHARD A. FINNIGAN

RAF/km  
Enclosures

cc: Qualex International  
Chief, Pricing Policy Division  
Chief, Competition Policy Division  
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BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

In the Matter of )  
Petition for Declaratory )  
Ruling that AT&T's Phone- )  
to-Phone IP Telephony ) WC Docket No. 02-361  
Services Are Exempt from )  
Access Charges )

COMMENTS OF THE  
WASHINGTON INDEPENDENT TELEPHONE ASSOCIATION,  
WASHINGTON EXCHANGE CARRIER ASSOCIATION,  
OREGON TELECOMMUNICATIONS ASSOCIATION,  
OREGON EXCHANGE CARRIER ASSOCIATION,  
COLORADO TELECOMMUNICATIONS ASSOCIATION  
AND MONTANA TELECOMMUNICATIONS ASSOCIATION

The Washington Independent Telephone Association ("WITA"), Washington Exchange Carrier Association, ("WECA"), Oregon Telecommunications Association ("OTA"), Oregon Exchange Carrier Association ("OECA"), Colorado Telecommunications Association ("CTA") and Montana Telecommunications Association ("MTA") hereby respectfully request that the Commission deny AT&T Corp.'s ("AT&T") Petition to the Commission for a declaratory ruling that the "phone-to-phone" IP telephony services that AT&T offers over the Internet are exempt from access charges ("AT&T Petition") and affirm that phone-to-phone IP telephony services are subject to originating and terminating access charges.

#### BACKGROUND

WITA is a non-profit association which represents the interests of telecommunications carriers providing local telecommunications service within the State of Washington. Its members are companies that are classified as rural telephone companies under the Communications Act of 1934 as amended by the Telecommunications Act of 1996 (the "Act"). WECA administers certain access pools in which the rural telephone companies in Washington participate.<sup>1</sup> OTA is the

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<sup>1</sup> CLECs serving high cost areas also participate in the WECA pooling arrangement.

association representing the regulatory and industry concerns of telecommunications companies operating in Oregon. Its members are primarily, although not exclusively, rural telephone companies. OECA is the administrator of certain access pools in which rural telephone companies in Oregon participate. CTA is a non-profit trade association representing the regulatory and industry interests of telecommunications companies, primarily rural companies, operating in Colorado. MTA is an association of rural telephone companies operating in the State of Montana. Collectively these entities will be referred to in these Comments as the "Joint Commenters."

#### INTRODUCTION TO COMMENTS

Through the AT&T Petition, AT&T is seeking to bypass access charges. What AT&T is asking the Commission to do is to issue a ruling which would favor a particular means of transmission for an interexchange call.

It is important to remember that at the bottom of it all, what AT&T is talking about is simply a specific means of transmission. In the past, and today, interexchange calls are transmitted through any number of transmission paths. Interexchange calls may be transmitted over copper technology, or over fiber technology, or using satellite or microwave technologies. In the AT&T Petition, AT&T is

asking that an interexchange call that uses Internet protocol ("IP"), primarily packet switching, be given a position different from the same type of communication transmitted over other means.<sup>2</sup> There is no viable public policy reason why such IP telephony traffic should be given a favored status over an interexchange call that does not use packet switching and goes over fiber optic cable or copper cable or is transmitted via satellite or microwave.

#### COMMENTS

1. AT&T's position that IP telephony is a "nascent" technology in need of protection is misplaced.

AT&T describes its IP telephony services as "nascent." However, AT&T is mistaken. Much of the Internet backbone described by AT&T is simply existing fiber optic cable. IP telephony is simply a means of transmitting the originating interexchange call to its point of destination.

An interexchange call that routes from one exchange to a second exchange begins when the calling party takes the telephone off-hook. The calling party dials the appropriate digits which conform to the number of the called party issued under the North American Numbering Plan. That information is then transmitted Over

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Of course, IP telephony travels over fiber and, in some cases, copper facilities.

<sup>3</sup> See, e.g., AT&T Petition, p. 1, 2 and 25, 26.

the customer's drop to the distribution facilities of the local telephone company, where it is carried by the local telephone company to that company's switch. Then, based upon identification of the customer's pre-subscribed carrier, the call is routed to the appropriate carrier's facilities. Traditionally, that transmission path would either be through a dedicated facility purchased through special access or over a common trunk to which switched access charges apply. The interexchange carrier is responsible for transmission of the call from the point of interconnection with the local company which serves the calling party to the call's destination exchange. The interexchange carrier may carry the call through transmission by microwave or over copper or fiber cable or by satellite. The call is transmitted to the local exchange in which the called party resides and is delivered to the local telephone company serving the called party at the point of interconnection between the local company and the interexchange company. When the traffic is delivered to the meet-point with the terminating local exchange company, the traffic is then routed through that company's switch, out over its distribution plant, through the called party's drop and to the called party's telephone. The interexchange carrier thus uses transmission facilities of

both the originating local exchange company and the terminating local exchange company to originate and terminate the call.

This is no different than the transmission path using IP telephony. In phone-to-phone IP telephony, again, the call is initiated by the calling party taking the telephone off-hook and generating the signals associated with the called party's number under the North American Numbering Plan. That call transits the customer's drop to the local telephone company's distribution facilities, where it is carried to the local telephone company's switch. The local telephone company recognizes that call as being routed to a particular carrier over some sort of transmission facility, either copper or fiber, to the point at which the interexchange carrier, here using IP telephony, receives the call and assumes the responsibility for transmitting that call to the local exchange carrier on the terminating end of the call.

AT&T's assertion that transmission facilities on the terminating end between the interexchange carrier and the local exchange company may be in the form of a business line, such as a T-1 or PRI, does not change the facts. As the call exits the gateway facility in IP telephony it uses the terminating local exchange facilities for transmission

to the local exchange company's switch and then finishes by routing over that local company's distribution facilities to the called party's drop and telephone. IP telephony is absolutely no different in the use of the originating and terminating local exchange company's facilities than any other interexchange call. The interexchange carrier using IP technology is still relying on the originating and terminating companies' switches, distribution facilities and transmission facilities to be sure the call is connected between the calling and called parties. This is not new. It is not nascent technology.

What AT&T is asking the Commission to do, is to "encourage" investment in additional infrastructure<sup>4</sup> for interexchange calling without the necessity of having to pay the originating' and terminating local exchange company's access charges for use of these companies' facilities.

When telecommunications companies began investing in fiber optics for the transmission of interexchange calls, the interexchange companies had to make a substantial investment in not only the fiber itself, but also for the

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AT&T Petition at p. 5, p. 17-78.

AT&T states it pays originating access for "one-stage" dialing IP telephony. See discussion, *infra*, on two-stage dialing avoiding both originating and terminating access.

optronics to put on the fiber. What is different about having to invest in the "gateway facilities" described by AT&T,<sup>6</sup> than having to invest in the optronics for the deployment of fiber for interexchange calling? The answer is that there is no difference. Any transmission medium for interexchange calling requires investment. Phone-to-phone IP telephony should not enjoy an unfair advantage over other forms of transmission.

2. The use of voice over IP services is already having an effect on rural telephone companies.

AT&T argues that there has been a "slow, but steady growth, in phone-to-phone and other VoIP services." AT&T points to such firms as Net-2-Phone, Genuity and Level 3 as providing such services. AT&T argues that these services amount to only one to five percent of the interexchange traffic.' However, experience by OECA and WECA suggests otherwise.

In reviewing access traffic volumes over the last several years, OECA and WECA have observed a gradual decrease in the total number of access minutes beginning in 1998 and extending through 2001. However, in 2002 there

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<sup>6</sup> AT&T Petition at p. 17-18.

AT&T Petition at p. 17.

AT&T Petition at p. 27. AT&T relies on two studies by Probe Research, Jnc. In trying to obtain copies of those reports, the Joint Commenters learned that the reports are only available upon payment of a \$6,000 fee and are not otherwise publicly available.

has been a very substantial drop in access minutes. See Figures 1 and 2.<sup>9</sup>

Figure 1

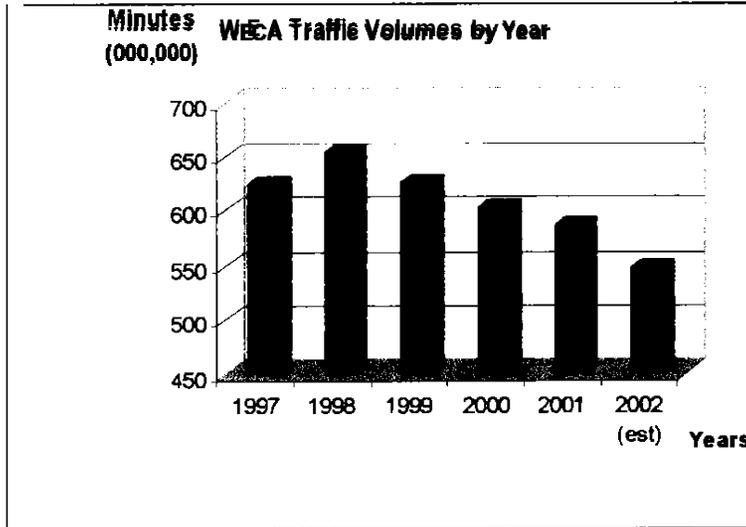
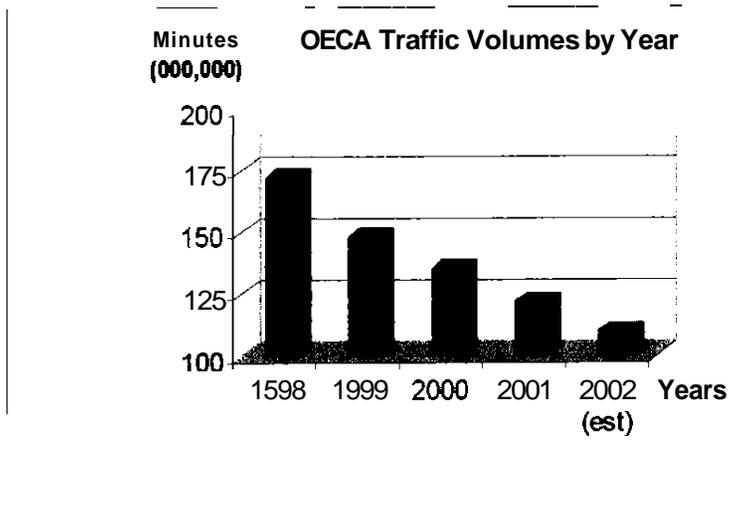


Figure 2



<sup>9</sup> The estimated numbers for 2002 are based on nine months of actual data annualized for the year.

This translates into a drop in access revenue to rural carriers. See Figures 3 and 4.<sup>10</sup>

Figure 3

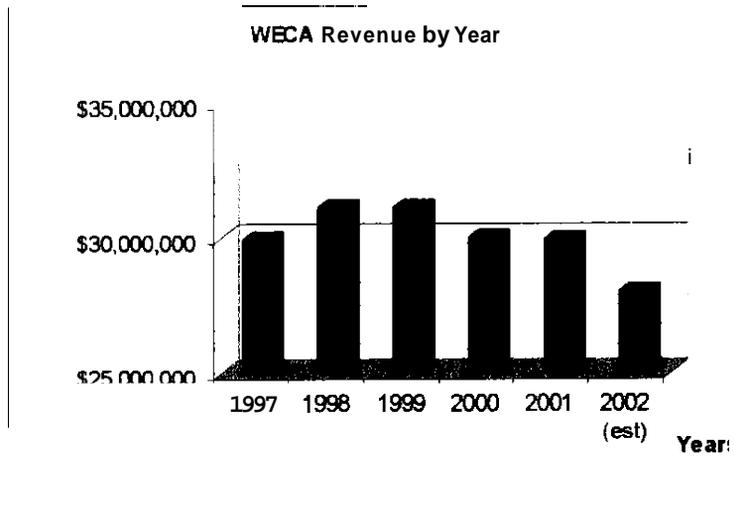
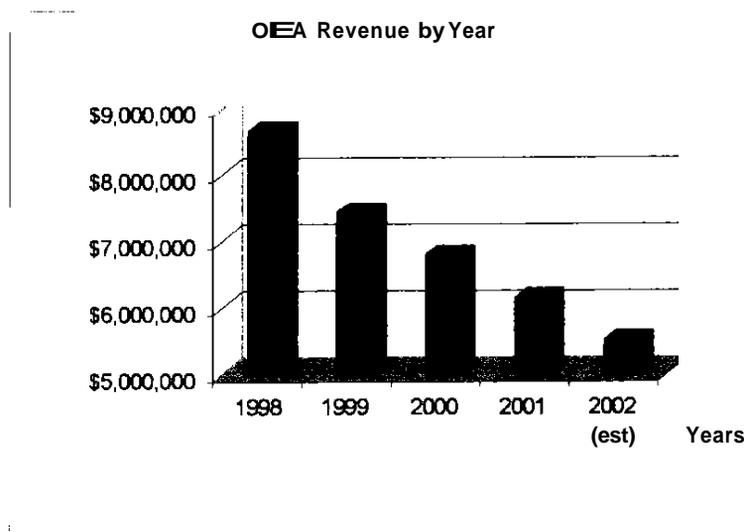


Figure 4



<sup>10</sup> As with Traffic Volumes, the estimated revenue figures for 2002 are based on nine months of actual data.

At the same time, OECA and WECA have observed the increasing availability of interexchange calling from carriers using voice over IP as a means of transmission. For example, a firm called LocalDial has done substantial advertising in at least the Seattle and Portland markets and appears to have a rapid growth in its market share.<sup>11</sup> LocalDial is bypassing access charges.<sup>12</sup> While some of the drop in access minutes observed by OECA and WECA can be attributed to increased wireless traffic, the growth in wireless traffic cannot account for the very sudden drop in access minutes experienced in 2002. Given the substantial increase in IP telephony activity, it must be inferred that at least a portion of the decline in minutes and revenues experienced by OECA and WECA's rural company members is attributable to IP telephony.

AT&T's efforts to minimize the impact of IP telephony is also suspect in light of recent developments in other markets. A recent Wall Street Journal article points out that there have been huge gains in market share in some overseas markets by Internet providers offering voice over

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Copies of LocalDial's advertising is attached as Attachment 1. Information concerning LocalDial can be found at [www.888localdial.com](http://www.888localdial.com).

It appears that LocalDial expands its market presence through virtual NXX services offered by a competitive local exchange carrier.

IP telephony. As reported in the Wall Street Journal, there have been recent technology changes that make IP telephony attractive:

But during the past two years, technology has allowed broadband providers to cheaply adapt their high-speed data conduits for phone conversations. Customers plug their existing phone set into a special adapter on their broadband cable and dial. No computer is needed, and the quality is indistinguishable from a call made using a regular phone line.<sup>13</sup>

The Wall Street Journal article reports that one IP telephony provider in Japan has tripled its subscribers since April to more than 1.2 million subscribers. The service is averaging 10,000 new subscribers a day.

The Wall Street Journal reports that in Korea one IP telephony provider has boosted its phone services by more than fifty-three percent to 650,000 subscribers. In Hong Kong, an IP provider has amassed 50,000 voice subscribers since April.<sup>14</sup>

3. The New York Public Service Commission Order provides a strong framework for review of AT&T's Petition.

AT&T refers to the Order of the New York Public Service Commission holding that interexchange calling using IP telephony is subject to access charges.<sup>15</sup> The New York

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<sup>13</sup> Wall Street Journal, December 5, 2002, at B3, Columns 1-4.

<sup>14</sup> Ibid.

<sup>15</sup> Complaint of Frontier Telephone of Rochester Against US DataNet Corporation Concerning Alleged Refusal to Pay Intrastate Carrier Access Charges, Case No. 01-C-1119 (N.Y. Pub. Serv. Comm'n, May 31, 2002) ("New York Order"). Cited in AT&T Petition at p. 22.

Order provides a strong framework for review of AT&T's Petition.

The New York Commission looked at the way in which a telephone call travels over the local networks and the interexchange carrier's network from the calling party to the called party. The New York Commission compared how an IP telephony call is handled with how a more traditional call is handled without packet switching. Based on the facts before it, the New York Commission found:

(1) that the carrier was holding itself out as providing voice telephony service, just as AT&T admits here;

(2) that the transmission of the voice telephony by the carrier "does not provide enhanced functionality to its [the carriers] customers, such as storing, processing or retrieving information," just as with AT&T in this case;

(3) that the carriers' customers are not required to use CPE different from the CPE used to place ordinary calls on the public switched telephone network, just as with AT&T in this case;

(4) that the carriers' customers placed calls to telephone numbers assigned in accordance with the North American Numbering Plan, just as with AT&T's service in this case;

(5) that use of Internet protocol is only incident to the carriers' own private network and does not result in any network protocol conversions to the end user, just as with AT&T's proposed IP telephony transmission: and

(6) that the IP telephony "uses same circuit-switched access as obtained by IXCs and imposes the same burdens on the local exchange as do IXCs."<sup>16</sup>

This is a straightforward, functional approach to the analysis of IP telephony. It demonstrates that IP telephony is no different than any other interexchange calling method.

4. AT&T's traffic is interexchange traffic under the Act.

In 47 U.S.C. §153, Congress has defined "telecommunications service" as "the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used." 47 U.S.C. §153(51) (emphasis added). In turn, the term "telecommunications" is defined as "the transmission, between or among points specified by the user, of

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<sup>16</sup> New York Order at 8. The Commission also made a finding that a substantial portion of the carriers' traffic used no IP conversion at all and was handled by normal transmission patterns. Obviously, that is also the case with AT&T. However, that fact does not appear dispositive of the issue. Even if all of the traffic used IP as the transmission medium, it is still just a transmission path and does not move the traffic to a new category.

information of the user's choosing, without change in the form or content of the information as sent and received." " This contrasts with the definition of information service relied on by AT&T. An information service is "the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service."<sup>18</sup>

In the past, this Commission has considered these definitions and has found that certain protocol processing services that result in no net protocol conversion to the end user are deemed telecommunications services.<sup>19</sup> The Commission stated: "The protocol processing that takes place incident to phone-to-phone IP telephony does not affect the service's classification, under the Commission's current approach, because it results in no protocol conversation to the end user."<sup>20</sup>

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<sup>18</sup> 47 U.S.C. §153(48).  
<sup>19</sup> 47 U.S.C. §153(41).

<sup>20</sup> In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, FCC 98-67 (Released April 10, 1998) at 850.

<sup>1</sup> Ibid at ¶52.

This Commission defined phone-to-phone IP telephony as a service which meets the following conditions: (1) it holds itself out as providing voice telephony or facsimile transmission service; (2) it does not require the customer to use CPE different from that CPE necessary to place an ordinary touch-tone call (or facsimile transmission) over the public switched telephone network; (3) it allows the customer to call telephone numbers assigned in accordance with the North American Numbering Plan, and associated international agreements; and (4) it transmits customer information without net change in form or content.<sup>21</sup> The Commission also concluded that an entity offering a simple, transparent transmission path, without the capability of providing enhanced functionality, offers telecommunications.<sup>22</sup>

The Commission described its approach as follows:

This functional approach is consistent with Congress' direction that the classification of a provider should not depend upon the type of facilities used. A telecommunications service is a telecommunications service regardless of whether it is provided using wireline, wireless, cable, satellite, or some other infrastructure. Its classification depends rather on the nature of the service being offered to customers. Stated another way, if the user can receive nothing more than pure transmission, the service is a telecommunications service. If the user can receive enhanced functionality, such as manipulation of

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<sup>1</sup> Ibid at ¶88  
Ibid at ¶39

information and interaction with stored data, the service is an information service.

(Footnotes omitted.)<sup>23</sup>

This functional approach is exactly what the Joint Commenters advocate. If the service provides voice telecommunications between two parties on an interexchange basis, it is interexchange traffic subject to access charges no matter what transmission path is used. It is not an information service as advocated by AT&T.

5. AT&T should not be allowed to use IP protocol to avoid terminating access.

AT&T states that the call that is made over IP telephony through AT&T's network is through one-stage dialing: calls are routed over Feature Group D access lines reaching AT&T's local IP gateway by dialing one plus the called number. AT&T points out that under such a scenario originating access charges are paid." However, AT&T goes on to argue that the calls are terminated over local business lines, implying that access charges should not be paid. However, AT&T's use of the local network on the terminating end is no different than its use of the local network on the originating end. There is still a transmission path between AT&T's point of presence (the

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Ibid at ¶59.

<sup>4</sup> AT&T Petition at p. 18-19.

local IP gateway) and the terminating company's switch, just as there is on the originating end. The fact that it is a PRI trunk instead of a Feature Group D trunk makes no difference. The call is still delivered to the local company over a transmission pathway. The call is still switched by the local company. The call is still routed over the local company's distribution plant to the customer drop and telephone.

The use of the network is the same on the terminating end as on the originating end. Originating access is paid for AT&T's IP telephony services. Terminating access should also be paid.

Further, there are instances of IP telephony being offered through the two-stage dialing process. In this process, the customer first calls a number to reach the service provider, and then at a prompt enters the number of the party they desire to call. Under this two-stage process, originating access is not paid. Such a service is being offered in areas of Washington and Oregon areas by LocalDial, for one.

Whether IP telephony is a one-stage dialing process or a two-stage dialing process, it is still interexchange calling. It still uses the local network for transport,

switching and call termination. Access charges should still apply.

#### CONCLUSION

Based upon the foregoing, the Joint Commenters respectfully request that the FCC deny AT&T's Petition for a Declaratory Ruling that phone-to-phone IP telephony services are exempt from access charges and affirm that phone-to-phone IP telephony services are subject to originating and terminating access charges.

Respectfully submitted this 16th day of December, 2002.



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Richard A. Finnigan  
As Attorney for The Washington  
Independent Telephone Association,  
Washington Exchange Carrier  
Association, Oregon  
Telecommunications Association,  
Oregon Exchange Carrier  
Association, Colorado  
Telecommunications Association and  
Montana Telecommunications  
Association

# **ATTACHMENT 1**

# LocalDial

- [Welcome to LocalDial](#)
- [Free Trial Evaluation](#)
- [Service Areas](#)
- [Customer Testimonials](#)
- [Common Questions](#)
- [Billing and Subscriptions](#)
- [How to Use](#)
- [Customer Service](#)
- [Account Login](#)

## Unlimited US Calling

# \$15 as low as per month

at the semi-annual rate of \$90 for 6 months

\* Anywhere in the 48 Continental United States (does not include Alaska or Hawaii)

### Welcome to LocalDial

Welcome to LocalDial, where you can find unlimited long distance calling for a low flat rate. With LocalDial you can talk as long as you want, anytime you want, anywhere in the 48 continental United States.

#### Free Trial Evaluation

New customers yet two tree weeks of service  
 Enter your **phone** number to begin registration



#### LocalDial is Easy

- LocalDial is an easy-to-use, supplemental phone service for domestic long distance calling.
- LocalDial uses the latest Internet technology to slash the costs of local toll-culling, so you can just pay a low flat rate
- There are no installation fees, hidden costs or extra charges.
- You don't need to make any changes to your current phone service, and any calls made using LocalDial will not show up on your regular phone bill.

#### Free Month for Referrals

Now you can help others save money while keeping in touch with friends and family, and earn a free month of LocalDial service. LocalDial's paid customers receive one month of free service for each referral who becomes a paying customer.

Refer them to LocalDial, and they can get unlimited domestic long distance calling for as **low** as \$15 per month. New customers can try LocalDial for two weeks free of charge with no obligation to subscribe. Just make sure they give us your phone number when they call to sign up.

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# LocalDial

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## Customer Testimonials

"With all my relatives, as well as many friends, located a long distance phone call away. I use your service constantly. I love the referral program and appreciate the huge savings. Great job, LocalDial."

Linda Parker - **Orem, UT**

"Thank you for this wonderful service. This is the first time in my life that I have ever made long distance phone calls and not had to be concerned about how long I am talking!!! What an incredible service. Thanks so much."

Anthony Plumer - **Portland, OR**

### What Do You Think?

What do you think about LocalDial? We welcome all comments, questions, and suggestions. If you would like your testimonial on the LocalDial website, please email

to [3838localdial@com](mailto:3838localdial@com).



"This service is really great. My ex-wife moved to Georgia with my children, so I have to keep in touch. I call almost every day with no worries about long distance charges. Thank you for your continued service. You're GREAT!!!!"

John R. Hilotin - **Seattle, WA**

"LocalDial is great! I have used it for over a year now. It got even better when I started using it for nationwide service. My phone bills were in the \$800 to \$900 range because where I live everywhere except Everett is long distance. Now I can call my aunt in California, my best friend in Arizona, and my cousin in Kansas. I have told everyone about it and prove it with my \$45.00 phone bills. Keep up the great job!"

Buffie Demuth - **Sultan, WA**

"You offer a fabulous service. I hope your prices stay low and you never go out of business. Thanks. hunchrs!!!!"

Jeanie Van **Zytveld** - **Mount Vernon, WA**

"I love LocalDial. I have a daughter in Oklahoma, two daughters and a son in Portland, and a grandson in Arizona. So it has saved me a lot. Thanks!"

Margaret Nelson - **Marysville, WA**

"I have to share with you how pleased I am with LocalDial! I kept waiting for "the catch" and have used your service going on two months now. I will end up saving thousands of dollars over the next year in long distance. I have also found that programming the access number into my speed dial eliminates any inconveniences I thought I would encounter using your service. Thank you for providing an honest and forthright service. I truly recommend this service to any of my family and friends in your service area."

Christy Curtis - **Kirkland, WA**

"Thank you LocalDial you have kept me from having an average \$250-\$400 phone bill monthly. Now my bill is an average \$69 a month. I pass your email address along to everyone I know."

Jennifer **Eitelberg** - **Marysville, WA**

"We have been on LocalDial for the past three plus years and have found it to be the best savings on domestic long distance ever. Thank you to LocalDial and everyone at the office of LocalDial."

Jim and **Lori Leavitt** - **Yelm, WA**

"When I first heard of LocalDial, I thought it had to be a scam. Was I ever wrong! This is the best thing since hot cakes! I'm surprised

everyone isn't using this service. I guess they need us to "HOLLER" about it to get the word out, and when we do, we get a free month -- what a deal!! Thank you so much. My daughter lives 30 minutes away, and it used to cost me \$100-180 a month, now \$15 when I pay 6 months in advance! You guys are the BEST!"

**Shirleyann Beckwith - Kent, WA**

"LocalDial is a lifesaver! It is truly wonderful to get a great value in this day and age. I refer everyone I can think of to this great service. Not only do they benefit, but so do I by getting a free month! Thanks so much LocalDial!"

**Nicole Smith - Granite Falls, WA**

"I knew there had to be a honor way and when my girlfriend told me about it I was soooooo excited. I'm able to call my aunt and sister in Mt. Vernon whenever I want. I can also call my girlfriend who lives 30 minutes from me and was long distance before. Now we can chat away without wondering if I'm running up a bill. I tell everyone about it! It's great! Love this service."

**Tory Bennett - Enumclaw, WA**

"My hairdresser told me about LocalDial just about a year ago and I can't thank her enough! My sister-in-law and her 2 kids moved back to the area at about the same time I signed up for your service. They live in Lake Stevens and I am in Kirkland -- only 25 miles apart but long distance. I can call anytime without worrying that I will have a large long distance phone bill. The semi-annual plan is the best!"

**Linda Garms - Kirkland, WA**

"You guys are awesome and we LOVE our LocalDial. My teenager hasn't bankrupted me with a phone bill because of your service. Thanks!"

**Janetta Sundberg - Port Orchard, WA**

"LocalDial's service has been a great blessing to me. My family is in three different area codes and it's so nice to be able to keep in touch without worrying about the cost. Also, every time I've talked with one of your reps on the phone, they have been very pleasant and helpful."

**Judy Groner - Tacoma, WA**

"Fantastic savings, unbelievable savings on our local long distance bill. Both of us are originally from the Seattle area, and moved to Tahuya, Washington 12 years ago. Most of our family and friends are still within the calling area -- especially now with the new expansion areas. Thanks, Local Dial."

**Margie & Walt Benson, Jr. - Tahuya, WA**

"My phone bill went down from \$125 a month with LocalDial. I LOVE the service and tell everyone about it. You guys are truly awesome stuff!!!!!!!!!!!!!!!!!!!!!! Thank you so much!!!!!!!!!!"

**Jonney Miller - Issaquah, WA**

"I cannot believe the savings I have with LocalDial. This is the best-kept secret around. I am saving \$100 a month. Everyone who makes a lot of local long distance calls should definitely get this. The customer service is awesome!!!"

**Cindy Blackwell - Puyallup, WA**

"I am a dog breeder and have to correspond with many people. Prior to this service, my bills were \$500-\$600. LocalDial is a lifeline! It's just wonderful!"

**Deanna Niesen - Port Orchard, WA**

"You are the first local long distance company that has really worked! The customer service department is always helpful."

**Lisa Charboneau - Vancouver, WA**

"Now I can talk to my family whenever I want, for as long as I want. LocalDial is great!"

**Karen Burgess - Vancouver, WA**

"My kids live in Olympia, so LocalDial sure comes in handy. I was having phone bills in excess of \$100! LocalDial has made the difference."

**Ford Hyatt - Bothell, WA**

"It's the kind of service I've been looking for for years now. It's a great service. I highly recommend LocalDial."

**Patty Bull - Bonney Lake, WA**

"It's saved me a lot of money and it's really convenient. LocalDial is a great service."

**Tim Schmitt - Vancouver, WA**

"My phone bill) >averaging \$220-\$300 on a monthly basis. Now, using LocalDial, my most current month's bill was \$43. I am thrilled with the service."

**Brian York - Snohomish, WA**

"I love LocalDial! Although my mother is only one hour away, it is long distance. My Dad passed away and I call her a couple of

times every day. It helps us keep in touch. LocalDial is a lifesaver!"

**Kari Setzer - Marysville, WA**

"Thanks for responding so quickly to voice mail messages! It's nice to have a company that really calls you back."

**Dawnie Adams - Federal Way, WA**

"It is so neat that you can hook up to the service and make changes to your service and have it working within fifteen minutes."

**Carol Cady - Marysville, WA**

"During a traumatic time for my family, LocalDial saved me and helped keep the family ties. I knew I could talk to my family members as long as I needed. LocalDial is a great service!"

**Deanna Niesen - Port Orchard, WA**

"LocalDial kicks butt. It's the king as far as I am concerned. No other services even compare."

**Robert Thornton - Vancouver, WA**

"We are very thankful for this service -- my teenagers love it!"

**Alan Trombeta - Vancouver, WA**

Customer Name	Service	Phone	Address	City	State	Zip
Alan Trombeta	LocalDial	206-425-1234	1234 5th Ave	Vancouver	WA	98661

# LocalDial

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## Billing and Subscriptions

<p><b>Subscription Options</b> Choose from these pre-paid rates</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;"><b>Monthly</b></td> <td style="text-align: right; padding: 2px;"><b>\$20.00</b></td> </tr> <tr> <td style="padding: 2px;"><b>Quarterly (3 months)</b></td> <td style="text-align: right; padding: 2px;"><b>\$55.00</b></td> </tr> <tr> <td style="padding: 2px;"><b>Semi-Annual (6 months)</b></td> <td style="text-align: right; padding: 2px;"><b>\$90.00</b></td> </tr> </table>	<b>Monthly</b>	<b>\$20.00</b>	<b>Quarterly (3 months)</b>	<b>\$55.00</b>	<b>Semi-Annual (6 months)</b>	<b>\$90.00</b>		<p><b>Mailing Address</b></p> <p>LocalDial 2701 NW Vaughn St Suite 425 Portland, OR 97210</p>
<b>Monthly</b>	<b>\$20.00</b>							
<b>Quarterly (3 months)</b>	<b>\$55.00</b>							
<b>Semi-Annual (6 months)</b>	<b>\$90.00</b>							

### Billing and Subscriptions

- With LocalDial, you pay just a flat rate to make unlimited calls anywhere in the continental 48 states, so there are no per-minute charges. You can call anytime, make as many calls as you want, and talk for as long as you like.
  - All subscriptions must be pre-paid by **check**, money order, or debit or credit card. We accept Visa, MasterCard, and Discover.
  - Please make checks payable to LocalDial.
- Monthly subscriptions may be made using an automatic recurring monthly payment method such as a **recurring** charge to a credit card, or an electronic bill pay from your banking institution. Monthly payments will **continue automatically until** canceled by the subscriber. Notice must be given two weeks prior to **billing** to cancel automatic recurring billing.
  - There is no monthly invoicing. If you choose the quarterly or semi-annual **subscriptions**, you will receive an invoice three weeks prior to the expiration date.
- If you pay with a debit or credit card, your payment record will appear on your **bank** statement. It is not possible to pay online at this time.

### Free Month for Referrals

Don't forget to tell others about LocalDial's unlimited calling service. With our Referral program, you will receive one free month **added** to your paid subscription for each new paying customer who gives your phone number as a reference. If you are still in your free evaluation period, you will receive your free month when we receive your payment. Once we process your referral credit, we will **send** a postcard to notify you of your new service expiration date.

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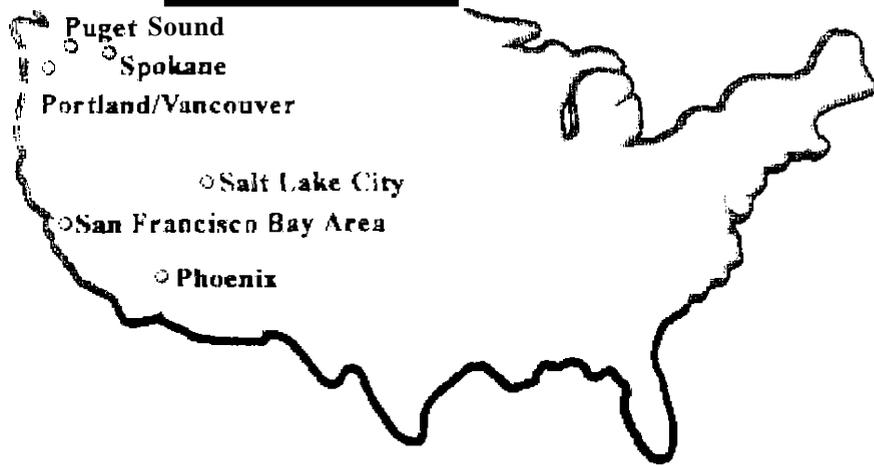
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## Service Areas

### Check Phone Number

Enter your phone number below to see if Service is available in your area



LocalDial is currently available in the Puget Sound, Spokane, Portland/Vancouver, San Francisco Bay, Salt Lake City and Phoenix areas.

You must live in one of these areas to use LocalDial.

Don't forget -- if you are currently a LocalDial customer, you can refer people in any of these areas and get a free month of service.

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CERTIFICATE OF SERVICE

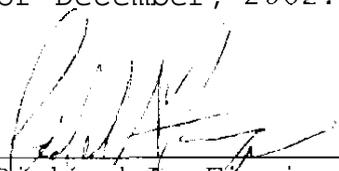
I hereby certify that the Comments of the Washington Independent Telephone Association, Washington Exchange Carrier Association, Oregon Telecommunications Association, Oregon Exchange Carrier Association, Colorado Telecommunications Association and Montana Telecommunications Association, in WC Docket No. 02-361 has been sent by U.S. Mail, postage prepaid, to the following:

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DATED this 16th day of December, 2002.

  
Richard A. Finnigan  
As Attorney for The Washington  
Independent Telephone Association,  
Washington Exchange Carrier  
Association, Oregon Telecommunications  
Association, Oregon Exchange Carrier  
Association, Colorado  
Telecommunications Association and  
Montana Telecommunications Association