



Ex Parte
Re: AT&T IP Telephony Petition

January 27, 2004



>> Claims of Uncertainty Unfounded in BST Region

- AT&T acknowledges that the service described in its petition is a telecommunications service.
 - BellSouth issued a Customer Letter/Announcement to all IXCs and CLECs on September 2, 1998 making clear that access services and charges applied to interexchange IP Telephony.
 - Since the 1998 timeframe, BellSouth has had language in its interconnection agreements clearly stating that the jurisdiction of a call and applicable compensation is determined by the end points of the call, *regardless of transport protocol* used.
- BellSouth pays access charges on interexchange calls utilizing IP terminating on the PSTN to another carrier.

>> Claims of Uncertainty Unfounded in BST Region

- The BellSouth Standard Interconnection Agreement, signed by the majority of CLECs, requires the payment of access:
 - *Additionally, any Public Switched Telephone Network interexchange telecommunications traffic, regardless of transport protocol method, where the originating and terminating points, end-to-end points, are in different LATAs, or are in the same LATA and the Parties' Switched Access services are used for the origination or termination of the call, shall be considered Switched Access Traffic.*

>> AT&T vs. Vonage

- These two requests are not similar, and do not have to be treated the same way

AT&T	Vonage
<ul style="list-style-type: none"> •Utilizes dial tone •Does not market this service. Consumers are completely unaware that the call is traversing AT&T's IP network 	<ul style="list-style-type: none"> •Utilizes high-speed dedicated broadband connection to the Internet •Markets this service as an enhanced offering. Consumers choose to purchase it for additional features and functionalities.
<ul style="list-style-type: none"> •Traditional phone – uses no special equipment 	<ul style="list-style-type: none"> •Specialized CPE usually in the form of a Multimedia Terminal adaptor (MTA) which performs digital to audio and audio to digital conversions. •A conventional telephone will not work with the Vonage service.
<ul style="list-style-type: none"> •Leaves originating premises in analog format and routes using telephone numbers 	<ul style="list-style-type: none"> •Leaves originating premises in packet format

>> AT&T vs. Vonage (Cont.)

- These two requests are not similar, and do not have to be treated the same way

AT&T	Vonage
<ul style="list-style-type: none">• Concedes that described service is a telecommunications service	<ul style="list-style-type: none">• Asks whether service is an information service or telecommunications service
<ul style="list-style-type: none">• Asking what rules apply today	<ul style="list-style-type: none">• Asking for preemption
<ul style="list-style-type: none">• No net protocol change	<ul style="list-style-type: none">• Net protocol change when terminated to PSTN
<ul style="list-style-type: none">• Injury from AT&T's petition growing rapidly	<ul style="list-style-type: none">• Petition is moot

>> Conclusion

- This is not VoIP. This is a traditional phone call using IP in the middle as an attempt to avoid access charges
 - AT&T's service is not an application riding over Broadband
 - AT&T's service doesn't allow any functionalities that are the hallmark of VoIP
- Service provided is telecommunications which is, and always has been, subject to access charges
- If granted, all carriers (including ILECs) will be incented to insert an IP switch into every call to avoid terminating access
 - Adds no value to the service offered to the end user
 - Greatly affects ICOs, CLECs, and ILECs