

CMRS NPA/NXX ARRANGEMENTS  
WITH THIRD PARTY ILEC RATE CENTERS

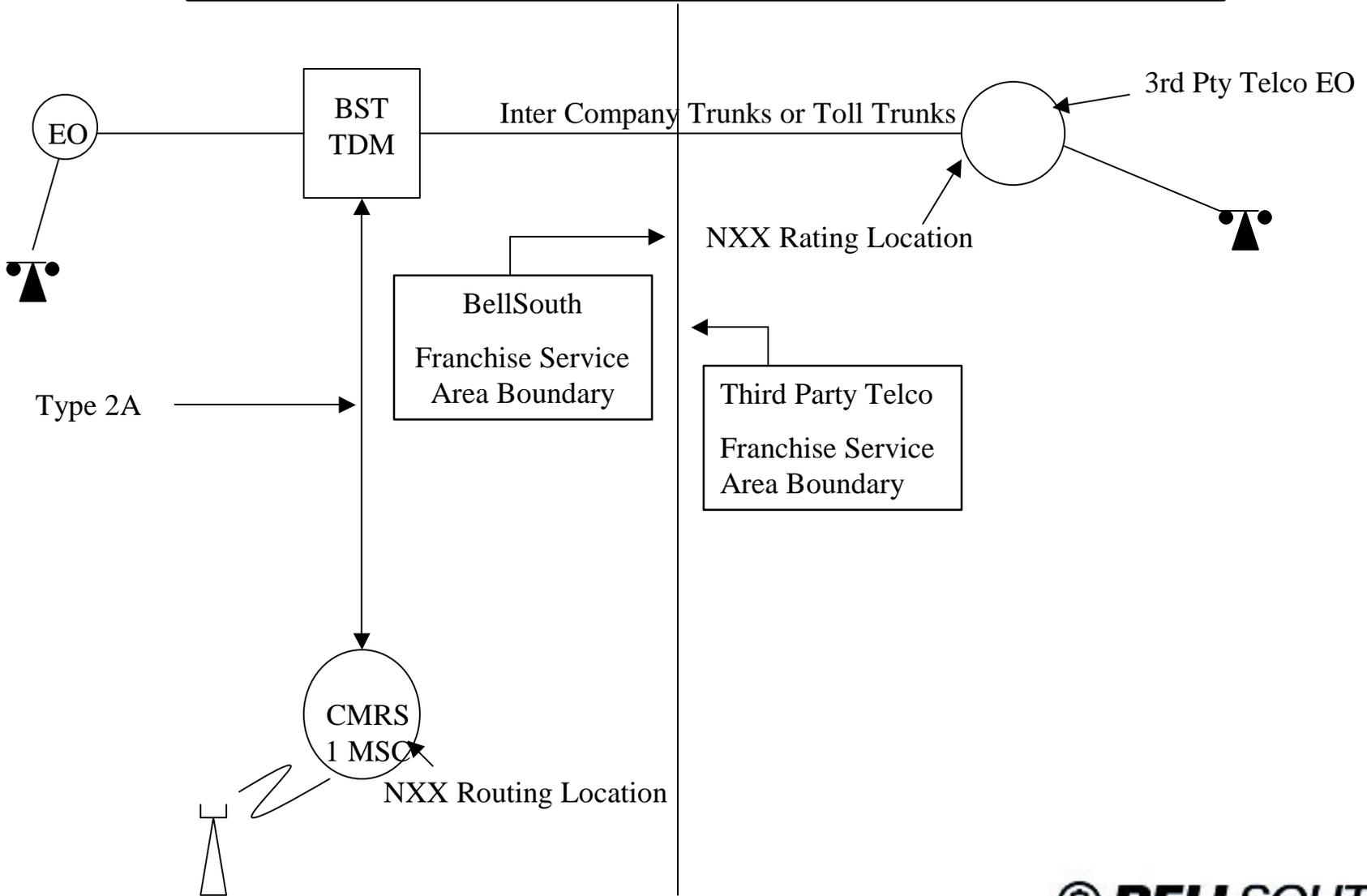
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TRANSIT TRAFFIC

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CLEC VIRTUAL NXX TRAFFIC

January 11, 2005



# NXX With 3<sup>rd</sup> Party Rate Center & Routing To BST Interconnection





## Sprint PCS Issue

Sprint's Petition: Seeks a ruling requiring BellSouth's acceptance of requests from CMRS carriers to load numbers ROUTED to the BellSouth Tandem but RATED in the rate center of an Independent ILEC ("ICO").

- CMRS providers want the RATING point to be in the ICO rate center so that calls between ICO end-users and CMRS end-users will be LOCAL. Despite the CMRS providers' desire to establish a local presence in ICO territory, the CMRS providers generally do not interconnect directly with the ICO, but use BellSouth's tandem as a routing point to exchange traffic with ICOs. This arrangement necessitates the use of BellSouth's transit services, which BellSouth has voluntarily agreed to provide to CLECs and CMRS providers.

## >> Sprint PCS Issue – Transit Traffic

- BellSouth has no legal obligation under Section 251 to provide transit service.
  - ✍ See, Virginia Arbitration Order, paras. 115-118, explaining that the FCC has never found a section 251 obligation to provide a transit service.
- BellSouth has agreed to provide transit service to CLECs and CMRS providers based upon assumptions that BellSouth will be compensated at a just and reasonable rate for the use of its network and that BellSouth will not incur any costs or charges imposed by the terminating carriers.



## Sprint PCS Issue– Transit Traffic

- CLECs' and CMRS providers' failure to establish contractual arrangements for termination of their originated transit traffic ignores the obligations of Section 251 requiring carriers - *including ICOs* - to negotiate in good faith terms of interconnection. A carrier's use of BellSouth's transit services does not relieve originating and terminating carriers of the obligation to enter into agreements to compensate each other for the exchange of traffic.
  - CMRS carriers are seeking to offer competitive local service in areas where they obtain numbers. See T-Mobile filing before PA PUC, as quoted in 1/4/05 ComDaily: "T-Mobile obtains NXX codes only in areas where it has facilities (e.g., cell sites) ...consistent with all FCC rules, it obtains and uses numbering resources only in areas with it provides services to customers."
- See, [Answer Indiana, FCC 02-220 \(July 23, 2002\)](#), finding that it is "clear" that terminating carrier may seek reimbursement from the originating carrier, but not the intermediary ILEC.
- When providing transit services, BellSouth passes to terminating carriers industry standard call detail information, or where industry standard call detail information is not available, BellSouth passes summary information sufficient to allow the terminating carrier to bill originating carrier.

## >> Rural ICO Issues – Transit Traffic

ICOs prefer to assess terminating access charges to the ILEC rather than reciprocal compensation to the originating carrier.

ICOs have no incentive to negotiate agreements with CMRS providers and CLECs who will not be required to pay access rates for termination of local traffic.

ICOs are refusing to implement wireless local number portability, claiming that no connection exists over which the ICO can route calls to ported numbers to the appropriate CMRS provider.



## Relief Requested

Regardless of whether or not the FCC finds that carriers may assign rating points in a different ILEC territory from the routing points, the FCC must address the transit issues that currently exist.

The FCC should find that where a carrier has agreed to perform a transit function, the originating carrier utilizing that transit service should compensate the transit provider at a just and reasonable rate for the use of the transiting network.

The FCC should find that where an originating carrier utilizes indirect interconnection through a transit provider, the originating carrier is responsible for compensation to the terminating carrier at a negotiated rate or at an interim default rate established by the FCC.



## CLEC Virtual NXX Issue

- The FCC has consistently held that the jurisdiction of a call is determined by the originating and terminating, end-to-end points of a call.
- The FCC most recently affirmed this longstanding precedent in the Vonage order, while recognizing difficulty of applying test to VOIP:
  - “In applying Section 2 to specific services and facilities, the Commission has traditionally applied its so-called ‘end-to-end analysis’ based on the physical end points of the communication.” (para. 17).
  - “...the Commission has historically applied the *geographic* ‘end-to-end’ analysis to distinguish interstate from intrastate communication.” (para. 24).
- Assessment of access charges on Virtual NXX call is consistent with the manner in which other calls of this nature are treated.

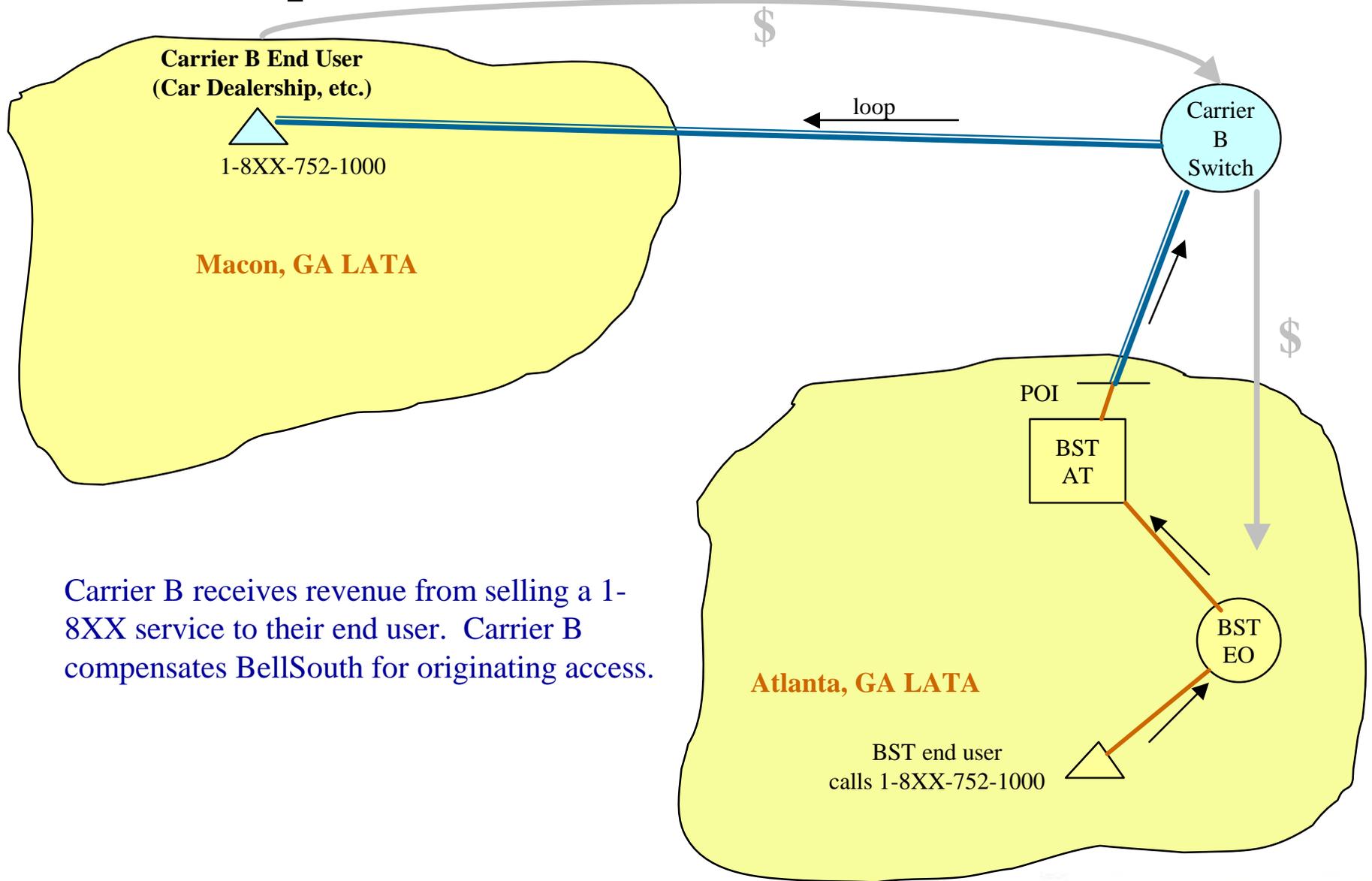


## CLEC Virtual NXX Issue

- BellSouth has consistently held that intercarrier compensation is based on the geographic end points of a call
  - BellSouth's own FX service
  - AT&T's IP-in-the-Middle petition
  - AT&T Prepaid Calling Card petition
  - Thriftycall Petition
  - VoIP
  - Wireless traffic (BellSouth pushed for industry adoption of GIP issue)
  - ISP-bound traffic
- BellSouth does not bill reciprocal compensation on calls from other carriers to a BellSouth FX subscriber
  - BellSouth developed and operates a database containing FX numbers, which is used to prevent billing of reciprocal compensation



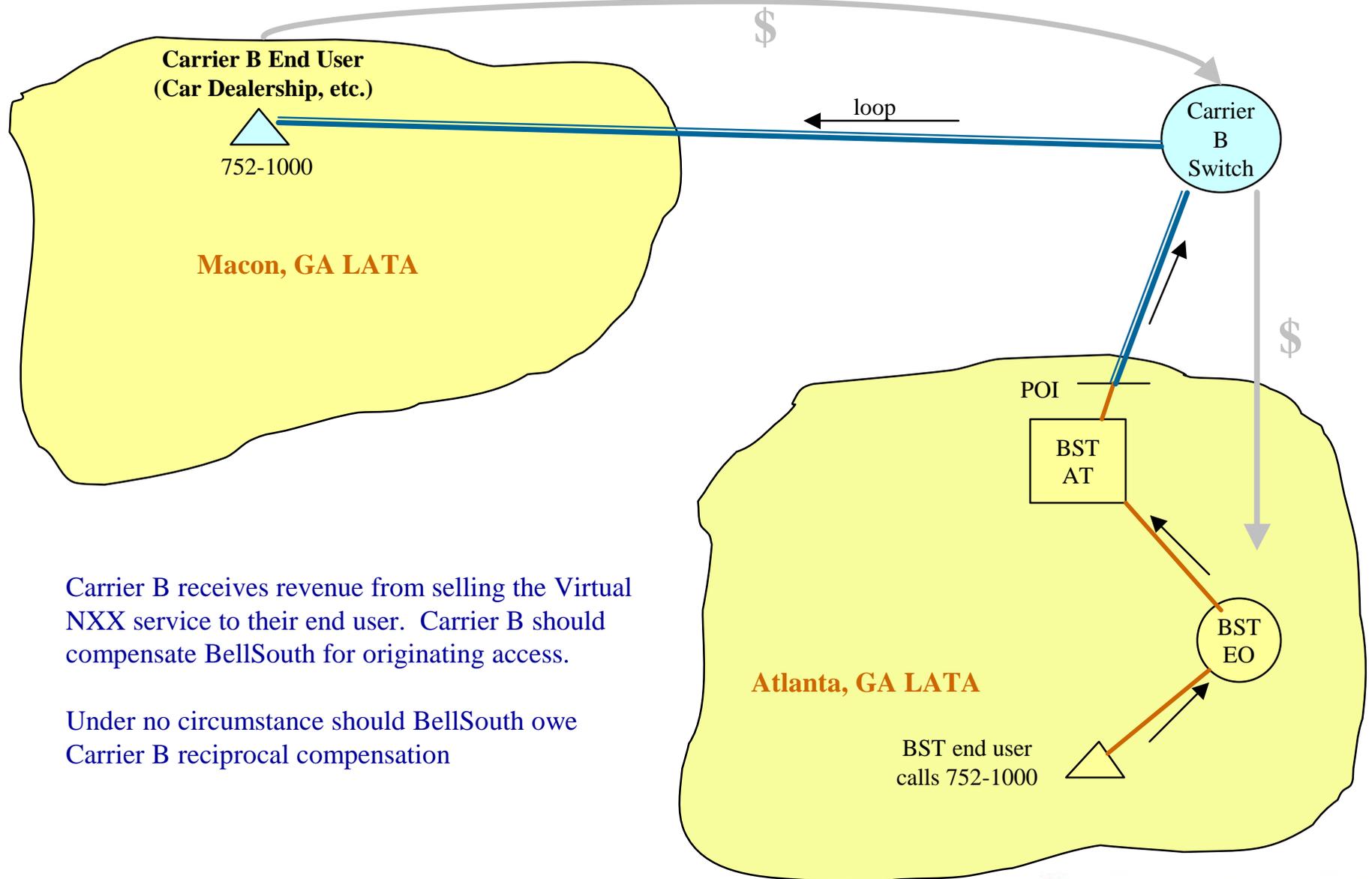
## Example of a 1-8XX toll call



Carrier B receives revenue from selling a 1-8XX service to their end user. Carrier B compensates BellSouth for originating access.



## Virtual NXX should follow the same rules



Carrier B receives revenue from selling the Virtual NXX service to their end user. Carrier B should compensate BellSouth for originating access.

Under no circumstance should BellSouth owe Carrier B reciprocal compensation