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

In the Matter of	)	
Developing a Unified Intercarrier	)	
Compensation Regime	)	CC Docket No. 01-92

Comments of Mid America Computer Corporation

I. Introduction

Mid America Computer Corporation ("MACC") hereby submits comments in the above captioned proceeding. The Federal Communications Commission ("FCC"), in its Further Notice of Proposed Rulemaking ("FNPRM") FCC 05-33, adopted February 10, 2005, and released March 3, 2005, asked interested parties to comment on intercarrier compensation reform proposals submitted to the FCC by various industry groups. MACC is a billing solutions company located in Blair, Nebraska, that provides a variety of billing services, including intercarrier compensation billing, to its customers, many of whom are rural local exchange carriers. As such, the current proceeding could potentially have a profound effect on MACC.

MACC supports the FCC goal of modifying existing rules with a more unified approach to intercarrier compensation, and agrees that any new intercarrier compensation plan must promote economic efficiency, avoid carrier and consumer confusion and maintain affordable end-user rates for rural consumers. Further, significant changes to intercarrier compensation, requiring modifications to or replacements of billing systems, must be made over a sufficient implementation period due to the cost and complexity involved in developing and modifying such systems.

II. Any New Intercarrier Compensation Plan Must Eliminate Arbitrage

The current intercarrier compensation regimes include various rules, regulations and agreements that invite arbitrage. One result of arbitrage is a phenomenon known as "phantom" traffic. Phantom traffic occurs when there is insufficient billing information on the call record e.g., calling party number, charged number and jurisdictional information. Such parameters can be manipulated and even deleted in the call transmission process. As a billing service company, MACC frequently sees instances where jurisdictional markers are incorrect when compared to the call detail. MACC is able to make this comparison because, after it received indications from clients that records were routinely being mismarked, it developed a special Jurisdictional Indicator Validation Edit process. MACC also sees a significant amount of wireless terminating traffic that cannot be billed because there is no interconnection agreement between the wireless company and the terminating carrier. Any new intercarrier compensation system must be uniformly applied to all telecommunications providers, remove incentives for "gaming" the compensation system and include consequences for entities caught abusing the system.

III. Any New Intercarrier Compensation Plan Must Not Increase Complexity

The current intercarrier compensation mechanisms involve a degree of complexity that invite confusion, misunderstanding and the aforementioned arbitrage. Any new mechanism must be relatively easy to understand and must incent carriers to participate in the joint provision of telecommunications service within the framework of the new system. Replacing the current mechanisms with a plan that is equally or more complex than the current regimes will not be beneficial. It is imperative that the new system allow telecommunications providers to make business decisions based on a clear understanding and acceptance of the intercarrier compensation plan.

In reading the descriptions of the intercarrier compensation plans submitted by various industry groups, MACC believes that many of them must be considered extremely complex. For example, the Intercarrier Compensation Forum (ICF) proposal is very complex with its exceptions, varying rules, regulations and rates.

IV. Any New Intercarrier Compensation Plan Must Encourage Use of Telecommunications Networks

In addition to having an intercarrier compensation plan that allows carriers to make business decisions with a clear understanding of the plan, the plan must also encourage telecommunications providers to make use of existing telecommunications networks and encourage continued investment in these networks. Further, any new plan should encourage investment in new technologies. Continued investment in existing networks and new technologies must be driven by sound business decisions, and the need to provide telecommunications services to consumers, not by the desire to avoid intercarrier compensation charges and payments. The new plan must address the ability to accomplish this in rural areas where high costs pose challenges that do not exist in more populated urban areas. Finally, if investment in telecommunications infrastructure is to be encouraged by any new intercarrier compensation plan, the plan should include the providers of services that currentlyclaim to be outside the purview of current rules and regulations governing telecommunications providers.

V. The Current System Should Not Be Changed Completely

Reform is not synonymous with repudiation and MACC believes that the current intercarrier compensation mechanism involving the levying and paying of access charges should not be completely eliminated. Restructuring access to eliminate regulatory arbitrage makes sense. The ICF proposal to introduce access rate elements that are so minute that they would generate less revenue than the cost to bill them does not make sense.

MACC also supports continuing a three-source cost recovery regime consisting of access charges, end-user charges and some form of universal service funding, but stresses that rural end user rates must remain comparable to end user rates in urban areas. By retaining some of the existing structure, the industry avoids forcing carriers to make enormous investments in new billing systems, the cost of which will invariably be passed on to end users.

VI. Any New Intercarrier Compensation Plan Must Involve a Transition Period

Any new intercarrier compensation plan will require providers to adjust their business plans and will involve costs in order to implement. The transition period should be long enough to allow time for implementing changes and for reasonable cost recovery. Costs incurred in transitioning to the new plan will ultimately be borne by end users.

VII. Conclusion

MACC supports the FCC's effort to reform the current intercarrier mechanisms and develop a unified and comprehensive intercarrier compensation system. MACC urges the FCC to take care in establishing such a system to assure that the new plan eliminates arbitrage, rejects extreme complexity, retains the sound elements of the existing access system, leverages the embedded investment in current intercarrier compensation support systems and allows for a transition period.

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Respectfully submitted,

Mid America Computer Corporation
("MACC")

By: ______________________

Paul M. Schudel, No. 13723
James A. Overcash, No. 18627
WOODS & AITKEN LLP
301 South 13th Street, Suite 500
Lincoln, Nebraska 68508
(402) 437-8500
(402) 437-8558 Facsimile