TRANSIT TRAFFIC AND PHANTOM TRAFFIC ISSUES

August 2, 2005

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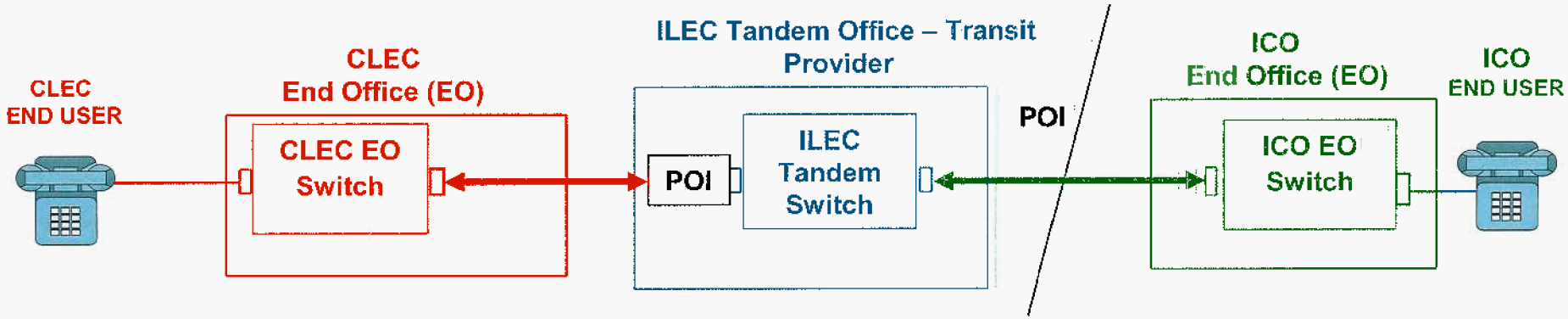
Transit Traffic



Transit Traffic is traffic that is originated by one party, switched and/or transported by an intermediate provider and terminated to a third party. In the scenario above, when the facilities-based CLEC purchases BellSouth's transit service, the CLEC receives the following:

- Transport (if any) to carry its Transit Traffic to another carrier.
- Tandem Switching utilized to pass the traffic to the terminating party.
- Records identifying the originating CLEC so that the terminating carrier may bill the originating CLEC the appropriate charges.

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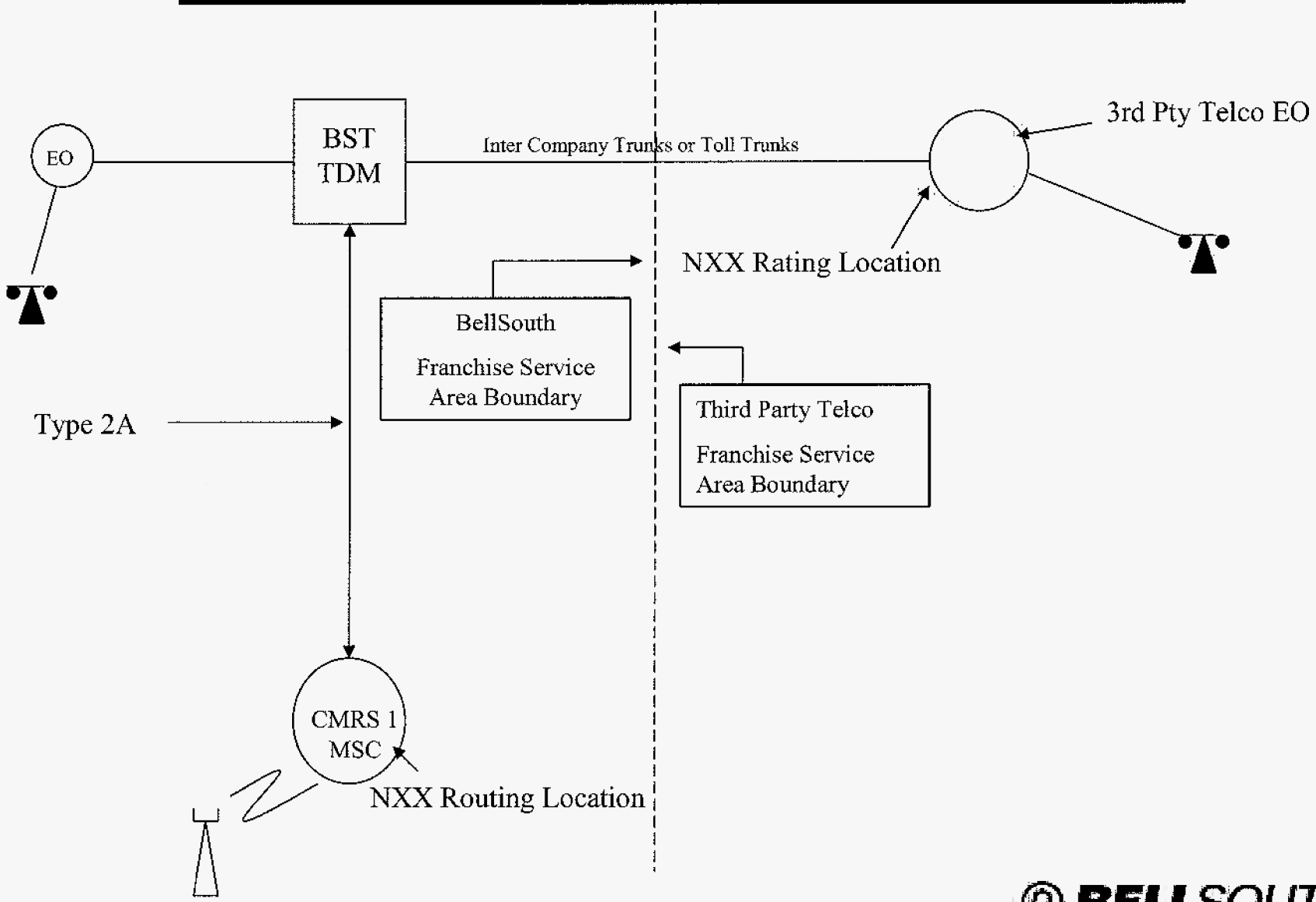
NXX With 3rd Party Rate Center & Routing To BST Interconnection



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Transit Traffic Recommendations

- BellSouth has no legal obligation under Section 251 to provide transit service.
  - See Virginia Arbitration Order, ¶¶ 115-118, explaining that the FCC has never found a Section 251 obligation to provide a transit service.
  - See footnote 1640 of the Triennial Review Remand Order, which states in part, "To date, the Commission's rules have not required incumbent LECs to provide transiting. . . . The Commission plans to address transiting in its pending *Intercarrier Compensation* rulemaking proceeding."
- 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.
- The FCC should find that where carriers interconnect indirectly pursuant to Section 251(a) of the Act, the originating and terminating carriers are still responsible for establishing reciprocal compensation rates, terms and conditions pursuant to Section 251(b)(5), which applies to all LECs.

Phantom Traffic Issues

Problem	Interim Solution	Long Term Solution
1. Missing jurisdictional information from Calling Party.	Use factors and audits for billing, and signaling records as verification.	Move to the unified rates as proposed by BellSouth in the Intercarrier Compensation FNPRM.
2. Jurisdictional information gets translated in a transit situation.	Use factors and audits for billing, and signaling records as verification.	Move to the unified rates as proposed by BellSouth in the Intercarrier Compensation FNPRM.
3. Identification of originating carrier is missing.	Route traffic properly. (Where direct interconnection exists, it should be utilized.)	Route traffic properly. (Where direct interconnection exists, it should be utilized.)

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>> Some Proposed Solutions Are Not Viable

- Blocking traffic
  - Real-time call-by-call blocking is not achievable.
- For traffic not labeled, bill the highest applicable rate to the carrier delivering the traffic to the terminating carrier (i.e., the transit provider)
  - Creates perverse incentive whereby terminating carriers would have no incentive to negotiate with originating carriers.
  - Imposes compensation obligations on the transit provider that neither originates nor terminates the traffic, making the transit provider an indemnitor.