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September 27, 2005

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: *Notice of ex parte presentation: CC Docket No. 01-92*

Dear Ms. Dortch:

This is to advise you that, on September 27, 2005, Charon Phillips and John Clampitt of Verizon Wireless and the undersigned on behalf of Verizon Wireless, met with Scott Bergmann, legal advisor to Commissioner Jonathan Adelstein. The purpose of the meeting was to discuss "phantom traffic" issues in the Commission's above-referenced inter-carrier compensation docket as they relate to wireless carriers.

What is phantom traffic. We first discussed the need to be clear about what constitutes "phantom traffic" and what does not. In the present calling-party's-network-pays ("CPNP") regime, phantom traffic is traffic for which a terminating carrier cannot properly bill reciprocal compensation or access charges because it cannot identify: (1) the originating carrier, or (2) the jurisdiction of the call. Phantom traffic is *not* traffic about which parties disagree about the correct interpretation of the Commission's rules.[1]

In most instances, allegations of phantom traffic involving wireless carriers come from rural incumbent local exchange carriers ("RLECs") that are interconnected indirectly with wireless carriers. RLECs typically receive traffic via a tandem switch operated by a third carrier, such as a Bell Operating Company ("BOC") or other regional tandem provider. All of the major tandem providers, including all of the BOCs, provide terminating carriers with traffic reports identifying the carriers that originate the traffic.

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[1] One way to eliminate disputes over the Commission's rules regarding the exchange of traffic is to grant the Sprint Petition. *See* Sprint Petition for Declaratory Ruling, Obligation of Incumbent LECs to Load Numbering Resources Lawfully Acquired and to Honor Routing and Rating Points Designated by Interconnecting Carriers, CC Docket No. 01-92 (filed July 18, 2002) ("Sprint Petition").

Role of SS7 signaling information. We discussed the limitations of SS7 signaling information in providing the identity of the originating carrier or the jurisdiction of traffic. The parameters in the SS7 signaling information were designed to facilitate call routing and not to provide the information necessary for inter-carrier compensation.[2]

We also stated that SS7 data is not useful for the purpose of identifying the jurisdiction of traffic exchanged between LECs and wireless carriers. We explained that one SS7 parameter, the Jurisdiction Information Parameter ("JIP"), may be useful in determining the identity of the originating carrier, but is not useful for determining the jurisdiction of traffic. The industry standard calls for the JIP to identify the originating switch. Wireless carriers, however, often use regional switches serving large geographic regions (often encompassing multiple MSAs). The CPN will be associated with a particular ILEC rate center, but will not identify the location of a wireless subscriber that is roaming. We noted that the carrier identification code ("CIC") does not provide sufficient data to identify the originating carrier because CIC field is populated for traffic bound for an interexchange carrier ("IXC"), but the IXC does not generally pass the CIC on to the terminating carrier given that the purpose of the CIC is to ensure that the call was conveyed to the IXC. This is consistent with the industry standard.

It is Verizon Wireless' understanding that tandem providers identify originating carriers based on SS7 data or the operating company number ("OCN") associated with the trunk group upon which traffic is delivered. In Verizon Wireless' experience, regional tandem providers' traffic reports accurately and reliably identify originating carriers' usage in most instances. Problems arise, however, when rural ILECs attempt to second-guess tandem traffic reports and generate their own billing statements for carriers with whom they are indirectly interconnected.

Identifying the jurisdiction of traffic. Verizon Wireless explained that its interconnection agreements with LECs base the jurisdiction of traffic on agreed-upon factors rather than actual measurement. This is because, as the Commission has acknowledged, the mobile nature of wireless service makes it difficult if not impossible to determine the jurisdiction of traffic in real time.[3] It is possible to conduct traffic studies after the fact, but such studies are burdensome, and for this reason are not conducted on a frequent basis.

RLECs can rely upon the factors included in their interconnection agreements with wireless carriers to determine the jurisdiction of traffic. The Commission recently clarified that

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[2] Industry standards determine how carriers populate signaling streams. Industry standards for SS7 parameters are set out in LSSGR: Switching System Generic Requirements for Call Control Using the Integrated Services Digital Network User Part (ISDNUP), Telcordia Technologies Generic Requirements GR-317-CORE, Issue 5 (Dec. 2001) ("Telcordia GR-317-CORE").

[3] Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, *First Report and Order*, 11 FCC Rcd 15499, 16017-18, ¶ 1044 (1996), subsequent history omitted.

RLECs may force wireless carriers to negotiate and, if necessary, arbitrate interconnection agreements; thus, any RLEC that wishes to exchange traffic with a CMRS carrier pursuant to an agreement unequivocally can do so.[4] The *T-Mobile Order* was adopted only seven months ago, and the Commission should provide carriers time to avail themselves of the decision.

Solutions. In the meeting, Verizon Wireless proposed the following potential solutions to decrease the likelihood that carriers experience phantom traffic:

- The FCC could adopt a rule requiring all carriers utilizing SS7 signaling to populate and pass SS7 parameters as required by the industry standard.

- The FCC could require LECs connected indirectly with other carriers to rely on traffic reports provided by the tandem operator.

- The FCC should resolve long-pending disputes about the rating and routing of traffic.[5]

Other potential solutions that have been discussed in the record would create more problems than they would solve and should be rejected. For example, the Commission should not permit carriers to block incoming traffic that they identify as "phantom." Similarly, allowing carriers to impose unilaterally the highest potentially applicable terminating rate on any traffic they identify as "phantom" would merely exacerbate existing disputes regarding compensation, and would create incentives to inflate the extent of the problem to maximize compensation. The Commission cannot mandate direct interconnection between carriers that exchange traffic, because the Act specifically contemplates indirect interconnection.[6]

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[4] *Developing a Unified Intercarrier Compensation Regime; T-Mobile et al. Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs*, CC Docket No. 01-92, Declaratory Ruling and Report and Order, 20 FCC Rcd 4855 (2005), *reconsideration and appeal pending ("T-Mobile Order").*

[5] *See supra* note 1.

[6] 47 U.S.C. § 251(a)(1).

Pursuant to the Commission's ex parte rules, this letter is being filed electronically in the above-referenced docket. Please direct any questions regarding this filing to the undersigned.

Sincerely,

WILKINSON BARKER KNAUER, LLP

By: /s/
L. Charles Keller

cc (by email): Scott Bergmann