



May 3, 2006

EX PARTE PRESENTATION

The Honorable Kevin Martin
Chairman
Federal Communications Commission
445 12th Street, SW, Room 8 B201
Washington, DC 20554

The Honorable Michael Copps
Commissioner
Federal Communications Commission
445 12th Street, SW, Room 8 A302
Washington, DC 20554

The Honorable Deborah Taylor Tate
Commissioner
Federal Communications Commission
445 12th Street, SW, Room 8 A204
Washington, DC 20554

The Honorable Jonathan Adelstein
Commissioner
Federal Communications Commission
445 12th Street, SW, Room 8 C302
Washington, DC 20554

Re: SBC Petition for Declaratory Ruling That UniPoint Enhanced Services, Inc. d/b/a PointOne and Other Wholesale Transmission Providers Are Liable for Access Charges, WC Docket No. 05-276; Grande Communications' Petition For Declaratory Ruling Regarding Intercarrier Compensation For IP-Originated Calls, WC Docket No. 05-283

Dear Chairman Martin, Commissioner Copps, Commissioner Adelstein, and Commissioner Tate:

I am writing on behalf of the United States Telecom Association (USTelecom) and the 211 small and mid-size carrier USTelecom members listed on the attachment to this letter to urge the Commission to grant the petitions from AT&T, Inc.,¹ and Frontier in WC Docket No. 05-276, and to deny the petition filed by VarTec in that docket, as expeditiously as possible because these petitions all involve non-payment of access charges on traffic for which the Commission has already ruled that access charges are appropriate rates. USTelecom and its members also urge the Commission to deny the petition filed by Grande Communications in WC Docket No. 05-283. Although the Grande petition involves IP-originated traffic instead of the IP-in-the-middle traffic at issue in Docket No. 05-276, it also seeks Commission blessing for an unlawful access charge avoidance scheme, in this case, one whereby carriers would profit by depriving other carriers of their lawful compensation for terminating voice calls.

Commission action is urgently needed because access avoidance schemes are frustrating comprehensive intercarrier compensation reform and threatening local exchange carriers' (LECs) ability to maintain existing networks as they invest in broadband deployment, particularly in rural areas. In fact, the conduct at issue in these two dockets is taking investment funds away from the LECs building the broadband networks on which VoIP and other Internet services ride and giving it to companies that are merely seeking to arbitrage regulatory asymmetries rather

¹ AT&T Inc. was formed when SBC Communications Inc. closed its acquisition of AT&T Corp. Accordingly, AT&T takes the place of SBC Communications as petitioner in WC Docket No. 05-276.

than deploy better networks. This will, in turn, frustrate the Commission's and President Bush's goals to expand broadband services throughout the country.

USTelecom specifically asks the Commission to:

- (1) Grant, as soon as possible, AT&T's petition in WC Docket No. 05-276 for a Commission ruling that will allow AT&T to recover access charge revenue to which it is due under explicit Commission precedent on calls that originate and terminate on the PSTN but traverse an IP-based network at some intermediate part of the call flow;
- (2) Grant, also as soon as possible, Frontier's petition in WC Docket No. 05-276 seeking payment for the Feature Group-A call services it is providing for the origination of interLATA voice communications;
- (3) Deny VarTec's petition in WC Docket No. 05-276 seeking Commission assistance in its effort to escape liability for knowingly routing voice communications access traffic through third-party providers that refuse to pay for the terminating access services on that traffic; and
- (4) Deny Grande's petition in WC Docket No. 05-283 seeking Commission blessing for a proposed call laundering scheme that would re-label traffic to, in effect, unlawfully obtain and resell terminating access services at reciprocal compensation rates.

All of these petitions involve willful schemes to use USTelecom members' networks and services without compensation. Such conduct shows an utter disregard for Commission orders, which is deeply troubling to USTelecom. Our members face nonpayment and underpayment for terminating access services they are obliged to provide (generally at regulated rates), and they are not obtaining relief through litigation (which would be costly and time-consuming in any event). There can be no justification for such lawlessness, which threatens the very foundation of market-based competition and, consequently, stands in the way of the Commission's broadband and telecommunications policies. The Commission must act quickly, therefore, to grant the petitions of AT&T and Frontier, and to deny the petitions of VarTec and Grande. Such action is necessary to prevent further disrespect for its rulings and to preserve the spirit of good faith commercial dealing in our industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Walter B. McCormick, Jr.", written in a cursive style.

Walter B. McCormick, Jr.

See attached list of USTelecom small and mid-size carrier member signatories

USTELECOM SMALL AND MID-SIZE CARRIER MEMBERS

SIGNING THE MAY 3, 2006

LETTER TO THE CHAIRMAN AND COMMISSIONERS OF THE FEDERAL COMMUNICATIONS COMMISSION

1. Alaska Communications Systems Inc.
2. All West Communications
3. Alltel Corp.
4. Amherst Telephone Company
5. Andrew Telephone Co.
6. Armstrong Telephone
7. Beggs Telephone Co.
8. Ben Lomand Telephone Cooperative
9. Benton Ridge Telephone Co.
10. Big Bend Telephone Co. Inc.
11. Blackfoot Telephone Coop. Inc.
12. Blue Earth Valley Telephone
13. Bruce Telephone Co. Inc.
14. Bush-Tell, Inc.
15. Butler-Bremer Communications
16. Cambridge Telephone Company
17. Cameron Telephone Company
18. Canby Telephone Association
19. Carnegie Telephone Co
20. Casey Mutual Telephone Co.
21. Cass Telephone Co.
22. CC Communications
23. Center Junction Telephone Co. Inc.
24. Central Oklahoma Telephone Co.
25. CenturyTel, Inc.
26. Champaign Telephone Co.
27. Chapin Telephone Co.
28. Cherokee Telephone Co.
29. Chesnee Telephone Company, Inc
30. Chester Telephone Co.
31. Chickasaw Telephone Co.
32. Chugwater Telephone Co.
33. Cimarron Telephone Company
34. Citizens Telephone Co.
35. Citizens Telephone Co. of Kecksburg
36. Citizens Telephone Corp
37. Clarksville Mutual Telephone
38. Clear Lake Independence Telephone Company
39. Clear Lake Telephone Company
40. Colo Telephone Company
41. Commonwealth Telephone Enterprises
42. Communications 1 Network, Inc
43. Comporium Communications
44. ComSouth Telecommunications, Inc.
45. Consolidated Communications
46. Coon Creek Telephone
47. Cooperative Telephone Co.
48. Cooperative Telephone Exchange
49. Cross Telephone Company
50. Crown Point Telephone Corporation
51. Crystal Communications, Inc
52. CT Communications
53. Cunningham Telephone & Cable
54. Curtis Telephone Co..
55. D&E Communications
56. Darien Telephone Company
57. Delcambre Telephone Co.
58. Delhi Telephone Company
59. Dixon Telephone Co.
60. Doylestown Telephone Co.
61. Dunbarton Telephone Company
62. Dunkerton Telephone Coop
63. Duo County Telephone Cooperative
64. Easton Telephone Company
65. Eckles Telephone Company
66. Elizabeth Telephone Company
67. Ellington Telephone Company
68. Empire Telephone Corporation
69. EpicTouch Company
70. Farmers Cooperative Telephone Company
71. Farmers Mutual Telephone Cooperative of Shellsburg
72. Farmers Telephone Co.
73. Farmers Telephone Company, Inc.
74. Fidelity Telephone Company
75. Filer Mutual Telephone Co.
76. Foresthill Telephone Co

77. Fort Jennings Telephone Company
78. Geneseo Telephone Company
79. Glandorf Telephone Co., Inc.
80. Global Valley Networks
81. Grafton Telephone Company
82. Grande River Communications
83. Granite State Telephone Inc.
84. GTA (TeleGuam)
85. Guadalupe Valley Telephone Cooperative, Inc
86. H&B Communications, Inc.
87. Hamilton Telephone Co
88. Harrisonville Telephone Company
89. Hawaiian Telcom
90. Heartland Telecommunications Company of Iowa, Inc.
91. Henry County Telephone Company
92. Hickory Telephone Company
93. HickoryTech Corporation
94. Hinton Telephone Company
95. Home Telephone Co. Inc. (IL)
96. Home Telephone Co. Inc. (SC)
97. Horizon Chillicothe Telephone
98. Hot Springs Telephone Co.
99. Hutchinson Telephone Company
100. Huxley Communications Cooperative
101. Innovative Communications
102. InterBel Telephone Cooperative
103. Iowa Telecom
104. Jefferson Telephone Company
105. Kalida Telephone Co.
106. Kalona Cooperative Telephone Co.
107. Kaplan Telephone Company, Inc
108. Kerman Telephone Company
109. Keytone-Arthur Telephone Company
110. Kinsman Mutual Telephone Co.
111. KM Telecom
112. LaHarpe Telephone Co., Inc.
113. Lakedale Communications
114. Lakefield Telephone Co.
115. Leaf River Telephone
116. Lemonweir Valley Telephone Company
117. Le-Ru Telephone Co.
118. Lexcom Telephone Company
119. Lincolnville Telephone Company
120. Lockhart Telephone
121. Lynch Interactive Corp.
122. Madison River Communications
123. Manawa Telephone Company,
124. Mankato Citizens Telephone Company
125. Manti Telephone Company
126. MGW Telephone Co.
127. Mid-Communications Inc.
128. Millington Telephone Co.
129. Minnesota Lake Telephone Company
130. Monroe Telephone Co.
131. Montrose Mutual Telephone Co., Inc.
132. Moultrie Independent Telephone Company
133. New Hope Telephone Cooperative
134. New Ulm Telecom, Inc.
135. Newport Telephone Co.
136. Nortex Communications Co.
137. North Dakota Telephone Co.
138. North Penn Telephone Company
139. North Pittsburgh Telephone Company
140. North State Communications
141. Northeast Florida Telephone Company
142. Northern Arkansas Telephone Co.
143. Noxapater Telephone Company.
144. Ogden Telephone Company
145. Oneida County Rural Telephone
146. Palmetto Rural Telephone Cooperative, Inc.
147. Park Region Mutual Telephone
148. Pattersonville Telephone Co.
149. Paul Bunyan Telephone Cooperative
150. PBT Telecom
151. Peace Valley Telephone Co. Inc.
152. Pennsylvania Telephone Co.
153. Piedmont Rural Telephone Cooperative, Inc.
154. Pigeon Telephone Company
155. Pine Belt Telephone Co. Inc.
156. Pine Island Telephone Co.
157. Pine Drive Telephone Co.
158. Pine Telephone System

159. Pinnacles Telephone Co.
160. Pioneer Communications
161. Pioneer Telephone Cooperative, Inc.,
162. Polar Communications
163. Ponderosa Telephone
164. Pottawatomie Telephone Company
165. Preston Telephone Company
166. Puerto Rico Telephone Authority
167. Reynolds Telephone Company
168. Rico Telephone Co.
169. Ridgeway Telephone
170. Rochester Telephone Co. Inc.
171. Rothsay Telephone Co.
172. Sandhill Telephone Cooperative, Inc
173. Shell Rock Telephone Company
174. Shenandoah Telephone Company
175. Silver Star Communications
176. Siskiyou Telephone
177. Smart City Telecom
178. Smithville Telephone Company, Inc.
179. South Central Utah Tel. Assn.
180. South Slope Cooperative Telephone
Company
181. Southern Montana Telephone Co.
182. Southwest Arkansas Telephone
cooperative
183. Spring Grove Communications
184. Springport Telephone Company
185. State Telephone
186. Surewest Communications
187. Sycamore Telephone Company
188. The Nova Telephone Co.
189. The Rainier Group
190. Tidewater Telecom
191. Toledo Telephone Co., Inc
192. Tonica Telephone Co
193. Truvista Telephone Co.
194. Twin Valley Telephone, Inc.
195. Union Telephone Co. (NH)
196. Union Telephone Co. (WIH)
197. Union Telephone Co. (WY)
198. Union Springs Telephone Co., Inc.
199. United Farmers Telephone Co.
200. Valley Telephone Cooperative Inc.
201. Valor Communications Group
202. Van Horne Co-op Telephone Co.
203. Ventura Telephone Company
204. Vernon Telephone Cooperative
205. Villisca Farmers Telephone Co.
206. Volcano Telephone Company
207. Waitsfield – Champlain Valley
Telephone Co., Inc.
208. Waldron Telephone Co.
209. Webster Calhoun Coop. Tel. Assn.
210. Western Telephone Company
211. Willard Telephone Company