June 14, 2006

Electronic Filing

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
12th Street Lobby, TW-A325
Washington, DC 20554

Re: **Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; SBC Petition for Declaratory Ruling, WC Docket No. 05-276; Grande Communications' Petition for Declaratory Ruling, WC Docket No. 05-283**

Dear Ms. Dortch:

CTIA – The Wireless Association® ("CTIA") responds to recent requests for immediate decisions on various access charge issues.[1] The focus of these requests highlights the administrative and economic inefficiencies of the existing intercarrier compensation regime. Instead of pursuing piecemeal changes, CTIA urges the Commission to address these requests as part of the holistic approach that CTIA and other parties advocate for intercarrier compensation and universal service reform.

USTelecom, for example, requests that the Commission grant the petitions of AT&T, Inc. and Frontier Telephone in WC Docket No. 05-276 "as soon as possible" in order to confirm their right to access revenue for the origination and/or termination on the PSTN of interexchange calls in two situations, 1) calls that traverse an IP-based network at some point in the call flow -- so-called "IP-in-the-middle" calls -- and 2) Feature Group-A services provided for the origination of interLATA voice calls. USTelecom also requests that the Commission deny VarTec Telecom, Inc.'s petition in WC Docket No. 05-276 and Grande Communications, Inc.'s petition in WC Docket No. 05-283, which, according to USTelecom, would allow those firms to avoid paying access charges that would otherwise be due by improperly routing or relabeling traffic.[2]

[1] *See, e.g.*, Letter from Walter B. McCormick, Jr., USTelecom, to the Hon. Kevin Martin, Chairman, FCC, WC Docket Nos. 05-276 and 05-283 (May 3, 2006) ("USTA Letter"), attached to: (a) letter from Jeffrey S. Lanning, Associate General Counsel, USTelecom, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 05-276 and 05-283 (May 4, 2006); and (b) letter from Jeffrey S. Lanning, Associate General Counsel, USTelecom, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 05-276 and 05-283 (May 24, 2006).

[2] *Id.* at 2.

Without exception, these issues are artifacts of the current dysfunctional, discriminatory, and inefficient intercarrier compensation regime, which rewards avoidance and arbitrage behavior by imposing different charges and requirements, based on obsolete distinctions, on the same origination and termination functions. Instead of seeking to extend these obsolete distinctions to new services, adoption of CTIA's Mutually Efficient Traffic Exchange ("METE") proposal or similar meaningful reforms in the *Intercarrier Compensation* proceeding would resolve these problems and other ongoing intercarrier compensation disputes in a manner that better serves customers and the public interest.

Under the METE Proposal, it would not matter where a call originated, which technology was used to deliver it, or how it was routed. Carriers would recover all of their internal network costs from their end user customers (or through universal service), rather than by imposing charges on each other at "toll booths" interposed at network interconnection points. Even in the absence of a bill-and-keep compensation system, unified intercarrier compensation rates would eliminate those distortions by removing incentives to reclassify interconnected calls. Rather than merely tinkering with the obsolete distinctions that prop up the current unsustainable regime, it would be vastly more efficient and effective to do away with them entirely through meaningful reform.

It would be especially discriminatory and shortsighted to address wireline carrier requests separate from and ahead of broader reform without also addressing wireless carrier concerns. As CTIA explained in its Comments and Reply Comments in the *Intercarrier Compensation* proceeding, if meaningful reform is not pursued, the Commission should uphold a wireless carrier's right to indirect interconnection and dialing parity by granting Sprint Corporation's routing and rating petition ("Sprint Petition").[3] Moreover, if the Commission does not adopt the METE Proposal or a similar bill-and-keep proposal, it should maintain the intraMTA rule and ensure that wireless carriers have the same opportunity to recover access and other termination charges that wireline carriers are afforded.[4] To that end, the Commission should complete the *CMRS Access Charge* proceeding and adopt a rule requiring interexchange carriers to pay access charges to CMRS providers for the origination or termination of long-distance traffic.[5]

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[3] *See* Comments of CTIA – The Wireless Association™ at 29-31, *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92 (May 23, 2005) (discussing 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 (May 9, 2002) ("Sprint Petition")); Reply Comments of CTIA – The Wireless Association™ at 29-31, *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92 (July 20, 2005).

[4] *Id.* at 46-52.

[5] *See Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers, Equal Access and Interconnection Obligations Pertaining to Commercial Mobile Radio Service Providers*, Notice of Proposed Rulemaking, 11 FCC Rcd 5020, 5074-76 (1996). The

Finally, the FCC should reject certain rationales USTelecom advances in support of its piecemeal resolution of intercarrier compensation issues. Specifically, USTelecom argues that LECs need inflated revenues from intercarrier compensation as investment funds for building broadband networks.[6] Of course, intercarrier compensation is not intended to subsidize any carriers' broadband build out. Rather, it is intended to compensate for the incremental cost of exchanging traffic with other carriers. In fact, Congress directed the Commission to eliminate such implicit subsidies. The Commission should concentrate its efforts on comprehensive reform that eliminates rather than expands the implicit subsidies of the current system.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. Please do not hesitate to contact the undersigned with any questions.

Sincerely,

/s/ Paul Garnett

Paul Garnett

cc: Michelle Carey
Scott Bergmann
Ian Dillner
Dana Shaffer
Tom Navin
Julie Veach
Marcus Maher
Jennifer McKee
Donald Stockdale
Tamara Preiss
Steve Morris
Randy Clarke
Jay Atkinson
Christopher Barnekov
Joseph Levin
Catherine Seidel
David Furth

Commission recently noted that the *CMRS Access Charge NPRM* is still open. *See Developing a Unified Intercarrier Compensation Regime; T-Mobile et al. Petition for Declaratory Ruling Regarding Incumbent LEC Wireless Termination Tariffs*, Declaratory Ruling and Report and Order, CC Docket No. 01-92, FCC 05-42, ¶ 2 (Feb. 24, 2005).

[6] *See* USTA Letter at 1-2.