

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of:)	
)	
Petition of Neutral Tandem, Inc.)	
for Interconnection with Verizon)	WC Docket No. 06-159
Wireless, Inc. Pursuant to Sections)	
201(a) and 332(c)(1)(B) of the)	
Communications Act of 1934, as Amended)	
_____)	

COMMENTS OF MCLEODUSA TELECOMMUNICATIONS SERVICES, INC.

McLeodUSA Telecommunications Services, Inc. (“McLeodUSA”) respectfully submits these comments in support of the Petition¹ filed by Neutral Tandem, Inc. (“Neutral Tandem”) seeking interconnection with Verizon Wireless, Inc. (“Verizon” or “Verizon Wireless”) under Section 201(A) and 332(c)(1)(B) of the Communications Act of 1934, as amended (“the Act”).

I. THE REQUESTED INTERCONNECTION WOULD SERVE THE PUBLIC INTEREST

Neutral Tandem offers an alternative means for carriers and other telecommunications service providers to interconnect and exchange traffic outside the existing monopoly-like network of transit and tandem-switched access services owned by Incumbent Local Exchange Carriers (“ILECs”). However, Neutral Tandem’s services promote more than market competition. The availability of an alternative, competitive tandem service also increases the network’s overall efficiency, redundancy and reliability, which in turn speeds up disaster recovery efforts and bolsters homeland security.

¹ *Petition of Neutral Tandem, Inc. for Interconnection with Verizon Wireless, Inc. Pursuant to Sections 201(a) and 332(c) of the Communications Act of 1934, as Amended*, WC Docket No. 06-159 (filed August 9, 2006) (“*Petition*”).

Neutral Tandem's Petition for interconnection would result in significant benefits to consumers and the public that the Commission has previously recognized as serving the public interest. The Commission determined that network connectivity is a compelling public interest under Sections 201(a) and 332(c)(1)(b) of the Act.² The Commission also encourages interconnection amongst carriers in order to promote competition, which is clearly recognized to be in the public interest.³ The Commission's longstanding policy in favor of interconnection is illustrated by its willingness to require carriers to interconnect under 201(a) and to sanction those carriers who fail to honor interconnection requests under 201(a).⁴ If approved, Neutral Tandem's physical interconnection and direct trunk routes to Verizon Wireless have the potential to increase both network connectivity and competition in the industry, while simultaneously improving the redundancy and overall security of the network.

The requested interconnection would create efficiency benefits for competitive local service providers that would ultimately translate to consumer savings.⁵ As the only independent tandem service provider in the country, Neutral Tandem offers competitive providers the uniquely valuable ability to circumvent existing ILEC transit and tandem-switched access services. By offering a competitive alternative, Neutral Tandem allows carriers to avoid the

² *People's Tel. Cooperative v. Southwestern Bell Tel. Co., et al.*, 62 FCC 2d 113, 116-117 (1976).

³ *Bell System Tariff Offerings of Local Distribution Facilities for Use by Other Common Carriers, et al.*, 46 FCC 2d 413, 426 (1974); *Petition of American Telephone and Telegraph Co.*, 67 FCC 2d 1455, 1475 (1978); *Telerent Leasing Corp. Petition for Declaratory Ruling*, 45 FCC 2d 204, 207 (1974), *citing Use of the Carterphone Device in Message Toll Telephone Services*, 13 FCC 2d 420 (1968), *recon. denied*, 14 FCC 2d 571 (1968).

⁴ *See Policies Governing the Ownership and Operation of Domestic Satellite Earth Stations in the Bush Communities of Alaska*, 81 FCC 2d 304, 316 (1980); *see also Hawaiian Telephone Company Petition for Interconnection*, 78 FCC 2d 1062, 1065 (1980).

⁵ *Petition* at 2-3.

bottleneck created by ILECs' domination of the industry, resulting in benefits such as reduced costs, increased operational efficiency, and lower levels of ILEC "tandem exhaust."

Granting Neutral Tandem's petition would also secure systemic improvements to the network that will benefit the public. Allowing Neutral Tandem to directly interconnect with Verizon will increase network redundancy and reliability, areas the Commission has recently focused on as being necessary to promote disaster recovery. For example, the Commission's independent panel established to evaluate the impact of Hurricane Katrina on telecommunications infrastructure recently released a report citing a lack of system-wide redundancy as a significant factor impeding the recovery effort in the wake of the storm.⁶ The panel concluded one of the main causes of communications interruptions was the "failure of redundant pathways for communications traffic."⁷ More specifically, the panel stated that "[t]he switches that failed, especially tandems, had widespread effects on a broad variety of communications in and out of the Katrina region"⁸ The panel's findings highlight the role redundancy plays in ensuring the viability of a telecommunications network after a natural disaster. By providing an alternative tandem service, Neutral Tandem adds redundancy and reliability to the network which can mitigate the negative impact of future natural disasters. By securing the nation's telecommunications infrastructure, Neutral Tandem's service has the added benefit of promoting homeland security.

⁶ *Report and Recommendation of the Independent Panel Reviewing the Impact of Hurricane Katrina on Communications Networks* (June 12, 2006) ("*Report*").

⁷ *Id.* at i and 14.

⁸ *Id.* at 14.

II. VERIZON'S ARGUMENTS ARE SPURIOUS

Verizon has adopted the unreasonable and anti-competitive position that it is not required to interconnect with Neutral Tandem. Verizon argues that the Commission's decision in *Interconnection and Resale Obligations Pertaining to Commercial Radio Service*⁹ eliminates any obligation to provide direct connections to Neutral Tandem. In *Radio Service*, the Commission decided against imposing mandatory interconnection obligations on CMRS providers, preferring that interconnection be governed by agreements.¹⁰ However, that decision is irrelevant because it was concerned with CMRS interconnection with wireless resellers. The small portion of the order upon which Verizon relies only states that the Commission did not believe that mandatory interconnection was appropriate "at this time."¹¹ In fact, *Radio Service* specifically contemplates mandating such interconnection should circumstances change.¹² Indeed, § 332(c)(1)(A) of the Act supports this interpretation by prohibiting the Commission from exempting CMRS carriers from any part of § 201.

Even if otherwise relevant, which it is not, *Radio Service* is in any event outdated in light of the *TRRO*.¹³ That decision eliminated UNE switching and substantially reduced the

⁹ *Interconnection and Resale Obligations Pertaining to Commercial Radio Service*, Fourth Report and Order, 15 FCC Rcd. 13523 (2000) ("*Radio Service*").

¹⁰ *Id.* at 13524.

¹¹ *Id.* at 13534.

¹² The Commission recognized this fact on reconsideration of the *Radio Service* order, where it held that the "*Fourth Report and Order* did not preclude future requests for interconnection based on different facts." *Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Svcs.*, 16 FCC Rcd 10009, ¶ 5 (2001) ("*CMRS Order on Reconsideration*").

¹³ *Unbundled Access to Network Elements, Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, Order on Remand, 20 FCC Rcd 2533 (2005) ("*TRRO*") ¶¶ 149-154, affirmed, *Covad Communications Co. v. FCC*, Nos. 05-1095, *et al.* (June 16, 2006).

availability of UNE transport. The resulting loss of wholesale options for competitive carriers has heightened the need for competitive tandem services. Further, the Neutral Tandem service is precisely the type of facilities-based competition that the *TRRO* sought to encourage. The Commission should not thwart its own policy by giving any weight to Verizon's anticompetitive arguments. Thus, despite Verizon's arguments, neither precedent nor law prohibits the Commission from mandating that Verizon Wireless physically interconnect with Neutral Tandem on the present facts.

Aside from being legally erroneous, Verizon's position is also anti-competitive. Via its mobile switching offices, Verizon controls a "traffic bottleneck" over any and all calls routed to its mobile customers.¹⁴ Neutral Tandem does not wish to impose any financial burden on Verizon, and has offered to pay for the necessary interconnection facilities. Neutral Tandem seeks only the ability to deliver terminating calls to Verizon's network, and does not require that Verizon make use of its network. Finally, Neutral Tandem has offered to limit its direct connections to those locations where it is most efficient. Despite these generous offers, Verizon has refused to even consider connecting with Neutral Tandem. Verizon's behavior, therefore, is clearly anti-competitive.

III. THE COMMISSION SHOULD ADOPT NEUTRAL TANDEM'S REQUEST FOR EXPEDITED RESOLUTION

McLeodUSA asks that the Commission grant Neutral Tandem's request for expedited resolution of its Petition. Verizon's refusal to interconnect harms the public interest in a

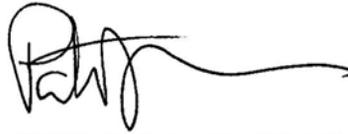
¹⁴ The Commission has characterized terminating access services as a bottleneck. *See Reform of Access Charges Imposed by Competitive Local Exchange Carriers*, Seventh Report and Order and Notice of Proposed Rulemaking, 15 FCC Rcd. 9923 at ¶30 (2001); *see also Developing a Unified Intercarrier Compensation Regime*, Notice of Proposed Rulemaking, 16 FCC Rcd. 9779 at ¶ 53 (2001).

competitive, efficient, redundant and reliable network. On several occasions, the Commission has held that § 201(a) interconnection requests should be accorded expedited treatment.¹⁵ The need for rapid resolution in this instance is no different.

IV. CONCLUSION

For the foregoing reasons, the Commission should grant Neutral Tandem's petition.

Respectfully submitted,



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September 8, 2006

¹⁵ See *Joint Petition of CPI Microwave, Inc., and Midwestern Relay Co. for an Order to Show Cause with Respect to American Telephone and Telegraph Co., et al.*, 49 FCC 2d 778, 779-780 (1974); *Policies Governing the Ownership and Operation of Domestic Satellite Earth Stations in the Bush Communities of Alaska*, 81 FCC 2d 304, 316.