Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Developing a Unified Intercarrier Compensation Regime	)	**CC Docket No. 01-92**
	)	
	)	

COMMENTS OF TEXALTEL

On July 24, 2006, the NARUC ICF subcommittee filed a proposed intercarrier compensation plan which has been nicknamed the "Missoula Plan" and will be referred to herein as the "Plan". On July 24, 2006, the FCC requested comment on the Plan and on August 29, 2006, the FCC announced an extension of the deadline for filing comments to October 25, 2006.

TEXALTEL is a trade association of competitive telecommunications providers that do business in Texas. TEXALTEL was formed in 1982 to serve IXC members at that time, but today serves providers that provide local exchange service, long distance service, internet service and other services.

I. SUMMARY OF COMMENTS

TEXALTEL supports a reasoned approach toward a unitary rate. Sadly, even a cursory review of this plan shows that it is an ILEC plan, rich in USF subsidies to ILECs that shortchanges consumers and competitors at every turn while failing to achieve the objectives of simplicity and equity that was the genesis of this proceeding. We understand the FCC's interest in positive suggestions, i.e. for each "ill" cited, present a cure – a change in the plan that the commenting party supports. We will do so. Again, TEXALTEL supports achieving a unitary rate and therefore is well positioned to critique the Plan. Our greatest concerns are:

- Because USF subsidies are based on lost revenues, and do not consider expense reductions, ILECs will reap windfall profits from this plan at the expense of consumers who must support a bloated ILEC welfare fund. The Plan's failure to address if or how CLECs and wireless providers would be eligible for USF (Restructure mechanism) support is further evidence of the ILEC influence over authorship of the Plan.

- The Plan comes close to achieving a unitary rate wherein all terminating minutes are priced the same, but stops short of a unitary rate for all carriers. The establishment of different rates for different "tracks" of ILECs is unjustified, misses the "simplification" goal in that carriers must keep track of which carriers completed or originated which minutes, and by increasing the reciprocal compensation rate for track 3 carriers to approximately 2 cents per minute, will create huge arbitrage opportunities.

- The mandated unity rate of $.0005 is not a cost based rate as required by FTA. There are cost studies that have proven up rates at approximately $.0011. Reducing the rate too low contributes to the unwarranted bloating of the USF.

- Adoption of unitary rates was intended to greatly simplify record keeping and accountability. Providers should just measure minutes at the point of transfer between networks, and no longer need to concern themselves with jurisdiction or identification of the originating carrier. But the Plan surprisingly goes in the opposite direction – adding more onerous requirements to passage of call detail records, alleging that many special rules are needed to deal with "phantom traffic" when much simpler solutions exist, and generally creating a "Rube Goldberg" of record keeping and exchange requirements that will only serve to increase the operating costs of all providers.

- Provisions in the Plan would override existing contract provisions by invoking Change of Law provisions. Due to the complexity and ambiguity of the Plan, this will require arbitration on a state by-state, carrier-by-carrier basis. The expense of doing so will be extremely harmful to providers, and will tie up a tremendous amount of state PUC resources. Current contracts will likely expire before arbitrations will be completed. Any change in compensation should be implemented in new contracts only.

- The Plan overreaches far beyond compensation issues to mandate changes in networking, record keeping and exchange, and other non-compensation aspects of the telecom business. These changes will be costly for the industry to implement and will serve no purpose and are not integral to developing a unitary compensation rate.

I. DISCUSSION

The Missoula Plan not only raises concerns regarding how it would "reform" intercarrier compensation, it goes far beyond intercarrier compensation issues to address USF, Network Interconnection, transiting and call detail record protocol in a way that has a direct bias in favor of the ILECs that drafted the plan. TEXALTEL provides comment on all aspects of the plan herein, but our strongest suggestion is that the policy-makers focus first on the "compensation" issue, as suggested by the FCC, and that non-compensation portions of the Plan should be stricken as beyond the scope of the FCC's request and lacking industry consensus and especially because there has been no justification whatsoever as to why the sweeping changes presented are in the public interest.

A. Key Points of the Plan That Are Flawed:

One would think that if charges among all providers were reduced, the sum of all reduced revenues should exactly equal the sum of all reduced expenses for a zero net gain/loss. Yet the Plan envisions billions of dollars in increased revenues to ILECs between Subscriber Line Charge ("SLC") increases and vastly increased USF subsidies. It proposes:

- Increasing SLC caps from the present $5 - $6 range to $10 (plus future CPI increases) after phase in
- An estimated $1,500,000,000 Restructure Fund[1]
- An Early Adopter fund of $200,000,000 that replaces selected state subsidies[2]
- Increasing the Rural High Cost Loop Fund[3]
- Establishing a new non-rural high cost loop support fund[4]
- Expanding eligibility for Safety valve I support[5]
- Creating a new Safety Valve II support fund[6]

[1] Plan, pages 64-76

[2] Plan, page 75, section VI. B.

[3] Plan, page 77, section VI. C. 1.

[4] Plan, page 78, section VI. C. 4.ILECs

[5] Plan, page 64, section VI. "Calculation of Restructure Mechanism recovery for ILECs" and page 74 section C. 5. a. "Restructure Mechanism dollars will be available to other carriers in circumstances to be determined in the future."

[6] Plan, page 79, section VI. 'C. 5. b.

Inquiring minds ask: "Where does all of this money go?" The answer is – to large (track 1) ILECs that will be eligible for USF increases to reimburse lost revenues resulting from the plan and especially to Non- Bell ILECs who will recover all lost revenues, plus be eligible for many new USF subsidies. To the extent that ILECs have reduced expenses from the plan, they will see increased profits. And who is the biggest gainer from this Plan? The ILEC that pays the most in access charges to other LECs, the ILEC that pays the most in reciprocal compensation, and the ILEC that has the most local exchange lines on which to place SLC increases – ***AT&T (with ambitions to include Bell South)*** – who is also the biggest supporter of the Plan. What major corporation in America would not jump onto any bandwagon which stands to enrich it by billions of dollars a year at the expense of consumers while at the same time weaken its competition?

This ILEC Plan is so self-serving that it proposes that no Restructure Mechanism should be paid to CLECs or wireless providers who incur substantial revenue reductions as access and reciprocal compensation revenues decline, and as trunking costs increase[7]. This while the ILECs with which CLECs are competing are receiving new and growing subsidies. Although TEXALTEL's members are affected heavily by these revenue reductions, TEXALTEL is not asking for the government subsidy/hand-out. But, TEXALTEL's members cannot effectively compete for customer revenues if their principle competitors, the ILECs, are receiving substantial government mandated windfalls due to the self serving, one sided nature of the Plan.

TEXALTEL urges that the restructure fund subsidize a LEC only when there lost revenues exceed expense reductions. We also suggest that there has been no "needs justification" or showing suggested for rural ILECs to prove need before receiving the subsidy support. TEXALTEL would also suggest that the changes in eligibility for acquired ILECs or ILEC exchanges and the additions of new Safety Valve support be eliminated. Otherwise, the Plan will fail to meet the FCC's objectives of providing more choices or lower rates to consumers.

A long standing objective of the FCC has been to move to a unitary rate for all traffic such that the same price per minute applies regardless of whether the minute being terminated is an interstate access minute, an intrastate access minute, a wireless minute, an EAS minute, or a local minute. This principal has previously been called "a minute is a minute" by former FCC Commissioner Reid Hunt, among others. Many visionaries have seen the futility of having widely varying rates to terminate minutes of use when the network functions and costs of terminating those minutes are exactly the same. Existing regimes wherein some minutes may be assessed access charges of $.02 or more while providing the same termination service for local calls which pay a price of $.001 or less defies logic, has cross subsidies built in that should be unlawful, and creates huge opportunities for arbitrage that are not in the public interest. In addition, complex record keeping, record exchange, and audit provisions are necessary to try to minimize the opportunities for arbitrage or other misrepresentation of the nature of traffic to reduce termination prices. The FCC has observed that service providers should be competing for customer revenues, not pursuing business plans driven by intercarrier compensation. TEXALTEL agrees. In fact, many of our concerns are that the Plan misses some excellent and obtainable opportunities to better achieve these goals. For example, allowing Track 3 providers to utilize existing interstate switched access rates (which are about $.017 per MOU[8]) as a cap for reciprocal compensation creates unacceptable distortions to the market. One only has to look at the agonies that urban LECs went through as reciprocal rates dropped from $.01 in the earliest agreements to $.001 today to ask: "Why should we make the same mistakes in the rural areas?" To the extent that competitors serve rural areas, they will drive the usage costs down to urban levels. Rural ILECs had better learn quickly from the mistakes of their urban brethren and take this opportunity to get their price in line with the urban providers.

The Plan seeks to achieve a unitary rate of $.0005 within 3 years after adoption (step 4) for Track 1 and Track 2 ILECs. We agree with and support movement toward a unitary rate (although we do not agree that

[7] Plan, page 64 section A. 1 .74, section VI. C. 2. a.

[8] NRRI Commissioner briefing, page iv.

$.0005 is the correct target). One of the greatest benefits of a unitary rate should be that it no longer matters where a minute of use originated – the termination price is the same. But the plan moves in the opposite/wrong direction. The Plan instead implements complex, laborious and expensive procedures to keep alive jurisdictionalization of traffic (interstate, intrastate toll, or local), and identification of the originating carrier when such information should be irrelevant to the terminating carrier. TEXALTEL calls its preferred methodology the "Water meter" approach. If carrier "X" delivers a billion minutes to AT&T to terminate under a unity rate plan, why should AT&T care what provider originated those calls, or whether those calls are interstate, intrastate toll, or local? AT&T should bill the unitary rate to the carrier that delivered the traffic to AT&T for termination. We are baffled as to why AT&T holds onto the antiquated concept that the originating party must compensate every provider that is involved in competing a call, unless it is just to make the compensation process so complicated that only a few very large providers can figure it out and collect their money, or said another way, that the costs of complying with these onerous and complex requirements are so high that they take smaller competitors out of the business.

One of the FCC's objectives in establishing this proceeding was "Economic efficiency, and in particular, the development of facilities-based competition." Facilitating an environment where billing becomes simpler will help achieve that objective.

Adding to the mystery of the Plan is the movement away from Bill and Keep. While we recognize that many providers are very opposed to Bill and Keep, it has an important role (and it is our belief that the number of CLECs with Bill and Keep arrangements today are the majority). And as the reciprocal compensation rates move down (closer to zero), more carriers will suddenly find that the costs of billing and collecting exceed the revenues produced, especially in situations where traffic is nearly balanced. The Plan relegates Bill and Keep to only those situations where both parties agree to a Bill and Keep philosophy. If, as we suspect, the incentive of AT&T is to make competing as expensive as possible, we can never get there voluntarily. TEXALTEL urges that Bill and Keep retain the same status it has in interconnection agreements and FCC rules today – it is the option of the CLEC to choose Bill and Keep so long as traffic is roughly in balance. Bill and Keep resembles peering for internet providers and is much more common for industries that expect to work together for their mutual benefit.

We assume that it is an unintended consequence of the Plan, but its treatment of optional EAS traffic can only be described as bizarre. The Plan would immediately move all optional EAS traffic (except that among Track 3 ILECs and other ILECs) from negotiated/arbitrated compensation rates (or Bill and Keep) to access charge rates.[9] Then, the Plan steps those rates down to the unitary rates 3 years later. In Texas, that would change the reciprocal rate for EAS from zero for Bill and Keep, or $.002487 per minute (for reciprocal compensation) to about $.02, and then phase it down to $.0005. There is no valid reason to have such huge and disruptive rate swings for EAS compensation. EAS rates should be capped at present levels and phased down to the unitary rates at Step 4. This result causes the least impact on the industry players and consumers. There is no reason to have large, temporary increases in costs and prices to consumers to than have those large increases phased out.

Moreover, the Plan creates a huge the mystery – if Optional EAS traffic is indeed access, the originating LEC expects to bill originating switched access charges. The terminating LEC expects to bill terminating switched access. Neither the terminating nor originating LEC expects to pay switched access charges. But since there are no IXCs involved in the provision of optional EAS traffic, there is no magical third party to pay these bills. The Plan is fatally defective in that it fails to suggest who is the payer and who is the recipient of the access charges. We believe that there is a simple fix – to grandfather optional EAS to existing compensation procedures, and to move to the unitary termination rate in Step 3.

[9] Plan, page 26, section II. 2. D. 2. and Page 30, section II. D. d.

Similarly, the Plan subjects VOIP originated traffic to the same "up and down" treatment. The Plan would mandate immediate changes in the rates for terminating VOIP originated traffic from local compensation to interstate switched access. Then those rates would transition to the unity rate over 3 years time. Again, there is no justification for disrupting these services with rates that swing up and then back down. These rates should remain as they are until the Step 3, and then move to the unity rate at that step.

To get to a unitary rate, TEXALTEL suggests that the same rate caps should be applied to all 3 tracks of providers. In fact, we see no justification for separate tracks – all ILECs should be treated the same. With a needs-based restructure mechanism fund, any Track 3 ILECs that would be harmed financially by these changes can recover their lost profits.

FTA requires that carriers exchange traffic at forward looking cost based rates. The FCC has concluded that where traffic volumes are approximately equal, Bill and Keep fulfills that requirement. The unitary rate selected by the Plan is not a cost based rate. In Texas, cost based rates of $.001087 per minute plus $.001043 per call have been in existence for about 6 years.

The Plan suggests that any arbitrated interconnection agreement which contains a Change of Law provision should be immediately modified to comply with the Plan.[10] State Commissions have spent thousands of hours arbitrating the agreements that are in place, and have achieved results that the parties are operating under today, and have all expectations of continuing until expiration. In Texas, most agreements were implemented in 2005, and expire in 2008 to 2010. We assume that regulators were also looking forward to a reprieve for a few years before industry wide arbitration commences again. Moreover, these provisions were part of negotiated trade-offs calling into question whether it can be appropriate to apply change of law in isolation.

With the complexity and dramatic ambiguities of the Plan, it is inevitable that arbitration will be required for implementation. By the time that the FCC can act on a plan, and states can complete arbitrations to implement it, existing contracts will be close to expiring. Any sweeping changes, such as those in the Plan, should be implemented when current agreements expire. And this is particularly true with regard to the overreaching, non-compensation components of the plan. In fact, in certain places the Plan demonstrates a direct attack by AT&T on the results in the context of interconnection to which AT&T agreed during state arbitrations – see Texas Docket No. 28821 – such as the single POI per LATA that the Texas Commission mandated.

TEXALTEL suggests that implementation of the Plan should occur when new agreements are executed after the effective date of the plan.

B. Additional Points Where the Plan Needs Change:

The Plan discriminates between ILECs and CLECs. The Plan makes many special provisions for Track 2 and Track 3 ILECs, allowing them to charge higher rates for compensation, imposing their transport costs on CLECs, (but not on Track 1 ILECs when exchange boundary meet points exist), and granting small ILECs many huge increases in USF benefits. These are all additional artificial regulatory distinctions, 180 degrees away from the FCC's objectives in initiating this proceeding. There is no valid reason why, in a proceeding intended to move the industry to be more customer revenue driven, suggestions that huge increases in USF support to an industry segment that is already over subsidized should be given any consideration.

If anything, smaller companies should be moved in the opposite direction – off of USF subsidies except where they are explicitly proven necessary to the provision of rural service. We note that not all Track 2 and 3

[10] Plan, page 4, section I. D.

ILECs are rural companies. Some are small urban companies. Many are not that small – they just are not RBOCs. And, most CLECs are small companies – smaller than most Track 2 and Track 3 ILECs. The Plan's suggestion that all CLECs be considered Track 1 providers is not supported by any factual or other evidence. To suggest that presently oversubsidized, non-Bell ILECs should be provided another huge USF is pork that consumers and other competitors should not have to tolerate. Again, the principal objective is to have a market where customers determine winners and losers, not the ability of certain competitors to successfully lobby for subsidies which guarantee their success. The establishment of tracks, and the creation of stark differences between the tracks, defies the objectives of achieving unity compensation.

As stated above, TEXALTEL agrees with the concept that the Plan sponsors say they are promoting. High cost subsidies as part of universal service can be appropriate but only when they are proven to be necessary, narrowly tailored, and are portable such that they do not predetermine winners in a competitive marketplace. But, this plan fails all three tests. It targets excessive subsidies to firms who do not necessarily need them, it shelters these subsidies from competitive losses, and they are only funneled to one part of the marketplace – ILECs.

Finally, the Plan results in an inappropriate, if not unlawful, intrusion into state authority over intrastate rates. TEXALTEL questions whether the suggested use of interstate USF moneys to subsidize intrastate rate reductions would fail the eventual legal challenges creating greater uncertainty that is not in the interest of the industry.

- Networking:

The Plan allows ILECs to designate one or more locations in each LATA as their network "Edge"[11]. These "Edges" are analogous to "Points of Interconnection" (POIs) in most existing agreements. The Plan would allow ILECs to require CLECs move connections from existing POIs to the ILEC designated access tandems. This is similar to an issue that SBC/AT&T tried in the most recent arbitration cases in Texas and lost. Implementation of the Plan would require that CLECs connect to many new "edges" and expend a lot of money and resources to build or lease facilities while abandoning the facilities they were required to build and/or lease to comply with present agreements. No explanation or justification has been offered as to why this is appropriate, and especially as to why it should be at CLEC expense. Moreover, most commissions in the SWBT region have determined that such a result is not in the public interest.

- Transiting:

We applaud that the Plan insists that carriers be allowed to indirectly connect their networks.[12] SBC/AT&T has balked at such proposals that would allow third party tandem operators to compete. But the plan discourages third party tandem providers by imposing rate caps on competitive tandem providers. From an economic perspective, such providers will be required to price near the rate caps that are imposed on ILECs, but should not be discouraged from offering value added transiting services that are marketable at prices above those of the ILECs. Placing rate caps on competitive tandem providers is totally unnecessary and is contrary to the development of real competition in the transit market. For example, a competitive transit provider may choose to offer packages of services that provide value that exceeds the cap. The market should determine whether their package of services and price makes sense. As long as the ILEC rates remain capped, competitive tandem providers will have to charge the same or lower cap or find ways to add value to the services they provide.

[11] Plan, page 41, section III.

[12] Plan, page 49, section III. D.

On the other hand, the Plan incorrectly "assumes" that there will be adequate and ubiquitous competition at Step 4 such that transiting rate caps can be removed[13]. Again, this conclusion is reached without justification, without the use of triggers, and without any tests as to whether the ILEC could engage in price gouging or other anti competitive activities. Transiting will continue to have substantial degrees of market power in the favor of the incumbent for the foreseeable future. TEXALTEL supports rules that would lower barriers to transit competition. Of course, a competitive market once developed should drive transit rates down to costs rather than giving incumbents a free hand to increase prices. When competition drives transit prices down such that ILECs voluntarily charge less than the rate in the interconnection agreements and/or the unitary rate, we will know when and where transit markets have become competitive. If transit rate caps are to be eliminated, it should only be after tests have been met showing that there are sufficient and proven competitive alternatives. Moreover, such tests would need to be applied on an exchange-by-exchange basis. In fact, with a proposed transit rate cap that is 2-3 times incremental cost,[14] TEXALTEL would suggest that there is never a reason to eliminate the cap. A truly competitive market for transit service will drive the price far below the cap making the cap irrelevant. In fact, cap elimination will be self effectuating. – when the market drives transiting rates below the cap, it can be eliminated. But it will be an irrelevant change in regulation at that point in time.

- Transport

The Plan assumes that the originating carrier will be responsible for all transport necessary to reach the terminating provider's Edge. TEXALTEL agrees with this in theory. The Plan also assumes that if there is out-of-balance traffic, that the terminating carrier will pay for all transport to connect the two providers Edges. We do not see any reason to penalize a provider based on traffic patterns of its customers. Communications are two-way. For example, there is no reason to suspect that the calling party talks more than the person being called.

This part of the Plan appears to be a not so veiled attempt to attack dial-up Internet access. It is a given in the industry that dial-up Internet business is declining. But, where it does exist, it is usually the only effective means consumers have to reach the Internet. It simply is not in the public interest to kill it off prematurely by loading it up with new costs. If dial-up Internet access goes away prematurely, it is the rural market and consumer that are penalized. TEXALTEL strongly opposes the plan's suggestion that transport costs be shifted to the terminating provider if traffic is out of balance.

The Plan inexplicably changes the rates for dedicated transport to interstate access rates instead of today's TELRIC prices as mandated by the FTA. Many Interstate dedicated access rates are many times any calculation of costs and do not reflect an appropriate price for transport, especially in circumstances where there are no competitive choices. As such, the Plan seeks to create new barriers to competition rather than reach a plan that focuses on consumer competition to find winners and losers. This is just one more example of the ILEC authors of this plan overreaching.

Also, the Plan's proposal to allow Track 3 ILECs to avoid transport costs is equally inappropriate. The options laid out here will have inconsistent impacts. For example, the use of remote switches by rural ILECs is very common. The Plan envisions that a competitor would be required to connect at the host switch and requires the cost of host/remote transport be paid for by CLECs. This will inevitably diminish rural competition and enrich the ILECs. There could be a situation where a local competitor seeks to connect with a Track 3 ILEC in an exchange served by a remote, and would be required to purchase transport from that exchange to the host to connect, and then be required to pay for transport back to the remote switching location. And all the while the Plan would have CLECs pay special access rates, not costs, for the Remote-Host-Remote transport that is a

[13] Plan, page 52, section III. D. 4. e.

[14] The proposed transit rate cap is $.0025. In Texas, the transit/tandem switching and transport charges are approximately $.00096

localized monopoly for the Track 3 ILEC. Again, the Plan drafters seek to extract money from their competitors in excess of their costs. Moreover, subsidies to Track 3 ILECs already help pay for the deployment of transport facilities between host and remote offices.

- Phantom traffic

Phantom traffic is generally that traffic passed with incomplete call detail information (usually lacking the ANI or CPN) to allow identification of the originating carrier and/or the jurisdiction (interstate, intrastate toll, local, etc.) of the call. With this information lacking, terminating carriers cannot determine which jurisdictional rate to bill, and are not able to determine which originating carrier to bill (even if they knew which rate to bill).

There are two faults with the Plan that perpetuate the Phantom traffic problem. The primary problem is that the Plan perpetuates present procedures in which the terminating carrier must bill all originating carriers. The terminating carrier can use the information that is transmitted from originating or tandem switches to create switch records. But in many cases, this information is not adequate, and call detail records must be provided by originating providers or tandem switch providers in order to be able to accurately determine the originating carrier.

Our proposal is that billing should occur at the point of connection and that all traffic that passes that point should be billed the unitary rate. If all minutes that are transferred between two providers networks are billed the unitary rate, then it does not matter who originated the calls, and it does not matter what the jurisdiction of the call is. With this procedure, a tandem provider would bill the originating carrier with which it connects both a tandem rate and an end office rate for all minutes received, regardless of whether the calls all originated on the network of the LEC who is the tandem provider's customer, or on other networks. Likewise, a carrier that terminates calls for the tandem provider bills the tandem provider the terminating unitary rate. Thus, the terminating provider does not care where the calls originated or the call's jurisdiction.

The other flaw with the Plan is that traffic exchanged with Track 3 providers is to be the interstate access rate (which averages $.017) instead of the Track 1 or 2 unitary rate of $.0005. This fails the entire purpose behind any plan. By rating traffic differently, carriers suddenly must know who originates and terminates which calls. All of the simplicity and cost savings are lost.

If TEXALTEL's suggestions in favor of moving to a true unitary rate are accepted, then the phantom traffic problem goes away. One rate applies regardless of origination and no complex record keeping procedures need be implemented.

- Usurping the Role of Negotiations

Of note is the referenced negotiation requirement on page 55.[15] The whole purpose of negotiation and arbitration is to allow differing providers, with differing business plans and needs, to discuss agreements that suit their needs. The vision of the FTA is that competition should encourage innovation, and that in order to innovate, a company may need something different from other connecting carriers. An excellent example is the more sophisticated voice mail services that arose in the last 10 years. These platforms require stutter dial tone and other functionalities from the provider's switch that were not previous needed or available. In arbitration, it is often the case that new ideas and proposals are found to be in the public interest even if nobody else asked for it before.

[15] Plan page 55: "Any carrier requesting or submitting to negotiations of a formal interconnection agreement pursuant to this provision agrees that the terms of this Plan will serve as lawful, presumptively reasonable default rules."

The language proposed by the Plan (in footnote #15 on the previous page) goes the opposite direction from the requirements of FTA and good public policy. The Plan should encourage variations to the networking and other provisions in the Plan when they are reasonably necessary to accommodate differing requirements of a respective business plan. But in fact, the cited language if it means anything at all, implies the opposite, i.e. which before a competitor can even begin negotiations, it must agree that the provisions of the Plan are reasonable – leading to a "one size fits all" "negotiation".

TEXLATEL suggests that the language cited in the footnote below be stricken and replaced with:

> "This plan, upon adoption is considered a reasonable solution for typical interconnections between ILECs, CLECs, wireless providers and IXCs. But to the extent that a provider needs a form of interconnection that differs from the provisions herein because of differences in the provider's network or business plan, such provider may seek such forms of interconnection through procedures in the FTA and the FCC rules and is not to be limited by this Plan.

TEXALTEL thanks the FCC for its time and consideration. We look forward to further dialog on these issues, and believe that if the focus can be shifted from enriching the incumbents, to fostering a competitive industry that better serves consumers, drafting of a plan with broad industry consensus.

Respectfully submitted,

TEXALTEL

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