

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

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

Comments of Frontier Communications on Phantom Traffic Proposal

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Date: December 7, 2006

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

In the Matter of)	
)	
Federal-State Joint Board on Universal)	CC Docket No. 01-92
Service; High-Cost Universal Service Support)	
)	

COMMENTS OF FRONTIER COMMUNICATIONS ON PHANTOM TRAFFIC PROPOSAL

Pursuant to the Commission’s Public Notice, DA 06-2294 (Nov. 8, 2006), Frontier Communications (“Frontier”)¹ hereby submits its comments on the phantom traffic proposal submitted by the Supporters of the Missoula Plan in the above captioned matter.

Frontier strongly supports the proposal to address phantom traffic prior to the establishment of an overall carrier compensation reform plan, something that will inevitably be a long and drawn-out process. It is apparent that there is a great deal of terminating traffic for which carriers are not receiving proper compensation. To the extent that this problem can be addressed and rectified prior to reform of the current compensation regime, that reform will be simpler. If carriers play by today’s rules, there will be fewer costs that must be shifted as part of compensation reform.

¹ Frontier is a mid-size holding company with incumbent local exchange carrier (ILEC) operations in 24 states under the common ownership of Citizens Communications Company. As an ILEC, Frontier operates in one of the most competitive (both residential and business) urban markets in the country (Rochester, NY), but the balance of its ILEC operations are located in several small, high cost rural markets throughout the United States. In most of its ILEC markets, Frontier operates under federal price cap regulation, but operates under NECA Average Schedules in some of its smallest rural markets; on an intrastate basis, Frontier operates under a mix of traditional rate-base, rate-of-return regulation and alternative forms of regulation. This somewhat unique mix of size, industry segment, geographic scope and business conditions allows Frontier special insights into the major issues confronting the Federal Communications Commission (the “Commission”) and the industry in regard to intercarrier compensation and universal service.

Frontier also supports the general outline of the interim phantom traffic proposal submitted by the Missoula Plan proponents. Stated in its simplest form, the proposal requires additional data to be submitted to carriers who terminate traffic. The additional data would enhance their ability to bill for this traffic correctly.

Frontier offers several specific suggestions to improve the interim proposal, as follows:

First, Frontier submits that the proposal should not exclude traffic subject to the *MECAB Standards Document*.² Frontier believes that it is exactly this kind of traffic that is currently being terminated in a roundabout and surreptitious, if not fraudulent, way.

Second, any phantom traffic plan should establish specific and enforceable penalties for breaking the rules. As discussed in Frontier's initial comments in this proceeding, if the only clear penalty for cheating is to pay the price that should have been paid in the first place, there is no motivation for the cheaters to stop cheating. It is as if the only penalty for theft were payment for the stolen goods. Frontier proposes that when improper routing of terminating traffic is discovered, the offending carrier would pay triple the appropriate rate to the injured carrier for such traffic, plus interest at the rate established by the United States for nonpayment of taxes. Offending carriers would be given a period of time to rectify the situation, and failing such rectification the injured carrier would be entitled to stop terminating the phantom traffic from the offending carrier. It is only through such stern measures that the offending carriers will be motivated to close this breach in the security and stability of our nation's telecommunications system.

Third, Frontier is concerned that the interim plan would allow the transit provider to elect to create and, in many cases, charge for records or information whether or not the terminating carrier wishes to receive or pay for them.³ Terminating carriers may have more economic ways

² Phantom Traffic Proposal, §III.A.

³ Phantom Traffic Proposal, §III.F.

to deal with phantom traffic than paying charges to the transit provider for records that may or may not have sufficient detail to provide for accurate billing. For example, the terminating carrier may be able to obtain the information it needs for accurate billing from the SS7 data stream. It should therefore be optional for the terminating carrier to receive records if there is a charge for them.

Fourth, the interim plan has a provision obligating carriers electing to create call summary information under the interim plan to create call detail records under the permanent provisions of the proposed plan.⁴ This requirement is premature and assumes that the Commission will adopt the permanent plan as it is currently proposed. It is not necessary or appropriate to require carriers participating in an interim phantom traffic plan to opt into any of the permanent Missoula Plan proposals, including the permanent phantom traffic proposal.

With these relatively minor changes, Frontier believes that the interim plan submitted by the Missoula Plan proponents would be a valuable first step to address the large and growing problem of phantom traffic.

Respectfully Submitted,



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⁴ Phantom Traffic Proposal, §III.B.2.

CERTIFICATE OF SERVICE

I, Gregg C. Sayre, do certify that on December 7, 2006, the aforementioned **Comments of Frontier Communications on Phantom Traffic Proposal** were electronically filed with the Federal Communications Commission through its Electronic Comment Filing System and were electronically mailed to the following:

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