

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

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

REPLY COMMENTS OF VONAGE HOLDINGS CORP.

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Vonage Holdings Corp. (“Vonage”)¹ respectfully submits these reply comments, pursuant to the Federal Communications Commission’s (“FCC” or “Commission”) *Public Notice* released on December 22, 2006 (DA 06-2577), in the above-referenced docket. In this phase of the proceeding, the Commission seeks reply comments on the “Missoula Plan” (or “Plan”), a proposed intercarrier compensation plan filed on July 24, 2006 by the National Association of Regulatory Utility Commissioners’ (“NARUC’s”) Task Force on Intercarrier Compensation² and upon which initial comments were filed on October 25, 2006.³

¹ Vonage, an end user of telecommunications services that purchases retail service offerings from underlying carriers in order to connect to the Public Switched Telephone Network (“PSTN”), offers a Voice over Internet Protocol (“VoIP”) service that enables customers with broadband Internet connections and specialized Customer Premises Equipment (“CPE”) to communicate without using a copper telephone line. Instead, Vonage’s service performs a net protocol conversion service that allows users of incompatible Internet services and the PSTN to communicate. A more detailed description of Vonage’s service is set forth in the company’s Petition for Declaratory Ruling. *See In the Matter of Vonage Holdings Corporation Petition for Declaratory Ruling Concerning an Order of the Minnesota Public Utilities Commission*, Petition for Declaratory Ruling, WC Docket No. 03-211 (filed Sept. 22, 2003) (subsequent history omitted).

² Although the Missoula Plan was submitted under the auspices of the NARUC Task Force, NARUC itself has not endorsed the Missoula Plan, and indeed, many members of NARUC oppose the Missoula Plan. *See, e.g.*, Ex Parte Letter from Connie O. Hughes, Commissioner, New Jersey Board of Public Utilities, to Marlene H. Dortch, FCC, CC Docket No. 01-92 (Jan. 9, 2007)(noting that the five Commissioners of the New Jersey Board of Public Utilities Commission have “strong opposition to the Missoula Plan” and that Missoula Plan is “not a consensus NARUC document”); *see also, e.g.*, Reply Comments of the Illinois Commerce

I. INTRODUCTION AND SUMMARY

Intercarrier compensation and universal service reform are key to encouraging continuing network convergence, which will allow private networks to interoperate seamlessly across technologies, across services, and across geographies. A prerequisite for convergence to continue and accelerate, however, is the systemization and rationalization of the hodgepodge of intercarrier compensation systems currently in place. These systems are distorting competition through operation of a number of implicit subsidies and imposition of asymmetric compensation structures, which benefit only legacy carriers. If true reform is to be successful, the Commission should rededicate itself to the twin goals of implementing both technologically neutral

Commission, CC Docket No. 01-92, 1 (Jan. 25, 2007) (reiterating that the FCC should “reject the Missoula Plan due to, among other things, its vague design and complex subsidy program that would result in massive unjustified payment....”); Joint Reply Comments of the North Carolina Utilities Commission and the Public Staff – North Carolina Utilities Commission, CC Docket No. 01-92, 4 (Jan. 31, 2007) (noting that the Missoula plan is not in the best interest of North Carolina consumers, the Plan treats the states inequitably, and the Plan appears to conflict with the 1996 Telecommunications Act). A large number of other state commissions similarly have opposed the Missoula Plan in initial comments. *See e.g.*, Comments of the Public Service Commission of the State of Missouri, CC Docket 01-92 (Oct. 25, 2006); Comments of the Delaware Public Service Commission, CC Docket 01-92 (Oct. 25, 2006); Comments of the Connecticut Department of Public Utility Control, CC Docket 01-92 (Oct. 25, 2006); Comments of the Massachusetts Department of Telecommunications and Energy, CC Docket 01-92 (Oct. 25, 2006); Comments of the Pennsylvania Public Utilities Commission, CC Docket 01-92 (Oct. 25, 2006); and Comments of the Virginia State Corporation Commission, CC Docket 01-92 (Oct. 25, 2006).

³ On January 30, 2007, the “Missoula Supporters” amended the Plan to incorporate a brand new universal service fund, which they term the “Federal Benchmark Mechanism” (“FBM”). Missoula Plan Supporters, *Supporting Comparability Through a Federal Benchmark Mechanism*, Ex Parte, CC Docket 01-92 (filed Jan. 30, 2007). With no legal analysis or economic justification, the Missoula Supporters propose adding an additional \$800 million in universal service support in the form of the FBM. *Id.*, 7. In the letter transmitting the brand new FBM, the Missoula Supporters state that the FBM addresses “a critical problem the original Missoula Plan failed to address.” Ex Parte Letter from Missoula Plan Supporters to Secretary Dortch Transmitting FBM, CC Docket No. 01-92, at 1 (filed January 30, 2007). Because the Missoula Supporters have put before the Commission a new proposal to address what they consider a “critical” problem that is unaddressed in the “original” Missoula Plan, the Commission should establish a separate notice and comment period on the FBM to the extent the Commission plans to consider the FBM at all as part of this proceeding.

intercarrier compensation mechanisms and a non-discriminatory universal service system in a manner consistent with the legislative directives set forth in Communications Act of 1934, as amended (“Act”).⁴ The Commission specifically recognized these challenges when it issued its Further Notice of Proposed Rulemaking in 2005, announcing its ambitious goals for the reform effort — namely the development of an intercarrier compensation regime that is unified across jurisdictions and technology platforms.⁵

In every phase of the proceeding thus far, most stakeholders, including Vonage, have articulated strong support for the Commission’s stated goals. Indeed, as both a consumer of telecommunications services and a technology innovator, Vonage has been a vocal supporter of efforts to fix the broken intercarrier compensation and universal service systems in a comprehensive manner that does not expand the application of asymmetrical rates to like traffic, or expand geographic and jurisdictional distinctions that plague the current system. Vonage continues to support those goals today. Unfortunately, the Missoula Plan proposes to move the Commission further away from its stated reform goals, and at the end of the day, is nothing more than a giveaway masquerading as a “reform” plan, where the same asymmetric rates and subsidies remain benefiting only the Plan’s sponsors. Vonage urges the Commission to recognize the Plan as antithetical to the Commission’s stated reform goals, and refocus its attention on developing fair intercarrier compensation and universal service systems, consistent with the objectives stated in the FNPRM.

⁴ 47 U.S.C. §§ 151 *et seq.*

⁵ Further Notice of Proposed Rulemaking, *In the Matter of Developing a Unified Intercarrier Compensation Regime*, 20 FCC Rcd. 4855 (2005)(“FNPRM”).

II. VONAGE SUPPORTS THE FCC'S STATED GOALS FOR REFORM OF THE INTERCARRIER COMPENSATION SYSTEM

In the FNPRM, the FCC articulated several specific objectives that it hoped to achieve in unifying the intercarrier compensation system. The Commission's stated objectives are as follows:

- Encourage the development of efficient competition and the efficient use of and investment in telecommunications networks.⁶
- Preserve universal service support, which ensures affordable rates for consumers living in rural and high-cost areas.⁷
- Create a technologically and competitively neutral system that can accommodate continuing change in the marketplace, provide regulatory certainty, and not impede novel technology.⁸
- Require minimal regulatory intervention and enforcement.⁹
- Address the impact of any changes in the compensation system on network interconnection rules.¹⁰

Further, the Commission described existing intercarrier compensation difficulties as emanating largely from the disparate jurisdictional classifications and rate levels for providing essentially similar functionality – *i.e.*, traffic termination.¹¹ “[E]xisting compensation regimes,” the FCC stated, “are based on jurisdictional and regulatory distinctions that are not tied to

⁶ *Id.*, ¶31.

⁷ *Id.*, ¶32.

⁸ *Id.*, ¶33.

⁹ *Id.*

¹⁰ *Id.*, ¶34.

¹¹ *See, e.g., id.*, ¶¶15-17.

economic or technical differences between services.”¹² In such a system, carriers are permitted to collect and pay materially different rates for the same functionality, and are thus incented to arbitrage the rules in order to collect high rates for themselves, but pay low rates to others.

Rate unification, the expressly stated goal of this proceeding, should resolve these well-known problems. The Commission’s stated reform goals were designed to address a major problem that the Commission has accurately described: existing compensation regimes are based on geography (*i.e.*, jurisdiction) and traffic type, even though the cost of terminating all traffic types is the same. If followed, the intercarrier compensation guidelines set forth by the Commission in the FNRPM should result in a principled reform effort.¹³ Vonage supports these principles, as do most other technology innovators and service providers.¹⁴ It’s clear, however, that left unaddressed, existing jurisdictional and service restrictions will constrain the Commission’s ability to achieve its goal of complete unification of intercarrier compensation rates and a fair and lawful intercarrier compensation system.

In an industry where there is little agreement on many regulatory initiatives, it is noteworthy that almost across the board, there is consensus that a unified approach to intercarrier compensation is needed and that, as agreed by the FCC, such approach should encourage

¹² *Id.*, ¶15.

¹³ *Id.*, ¶¶31-34.

¹⁴ *See e.g.*, Ad Hoc Telecommunications Users Committee Comments, CC Docket 01-92, at 1-3 (filed Oct. 25, 2006); Comments of Alltel Communications, Inc. and SunCom Wireless, CC Docket 01-92, at 2-4 (filed Oct. 25, 2006); Comments of Broadview Networks, Grande Communications, NuVox Communications, One Communications Corp., Talk America, Inc. and XO Communications, CC Docket 01-92, at 7-8 (filed Oct. 25, 2006); Comments of Cavalier Telephone, LLC, McLeodUSA Telecomm. Services, Inc., Norlight Telecommunications, Inc., Pac-West Telecommunications Inc. and RCN Corp., CC Docket 01-92, at 1-3 (filed Oct. 25, 2006); Comments of RNK, Inc., CC Docket 01-92, at 1-2 (filed Oct. 25, 2006).

investment in facilities and be technologically and competitively neutral in its application.¹⁵ In particular, NARUC's original principles for intercarrier compensation provided that "intercarrier compensation charges should be competitively and technologically neutral and reflect underlying economic costs."¹⁶ NARUC similarly agreed that any revised system "should encourage competition by ensuring that requested carriers have an economic incentive to interconnect, to carry ... traffic, and to provide high-quality service to requesting carriers."¹⁷ In addition, the CTIA stated that intercarrier compensation reform "should encourage economic efficiency and promote competition."¹⁸

Unfortunately, the authors of the Missoula Plan and its supporters have clearly lost sight of the Commission's stated reform principles. Far from demonstrating that it satisfies the Commission's (or NARUC's earlier-stated) principles, the Missoula Plan fails to acknowledge the Commission's publicly-stated reform objectives, let alone explain how it will achieve such goals. In fact, adoption of the Missoula Plan, either in whole or in part, will drive the Commission even further away from achieving the goals established in the FNPRM.

¹⁵ See e.g., Comments of Alltel Communications, Inc. and SunCom Wireless, CC Docket 01-92, at 7-8 (filed Oct. 25, 2006); Comments of Broadview Networks, Grande Communications, NuVox Communications, One Communications Corp., Talk America, Inc. and XO Communications, CC Docket 01-92, at 68 (filed Oct. 25, 2006); Comments of Cavalier Telephone, LLC, McLeodUSA Telecomm. Services, Inc., Norlight Telecommunications, Inc., Pac-West Telecommunications Inc. and RCN Corp., CC Docket 01-92, at 10-11 (filed Oct. 25, 2006); Comments of RNK, Inc., CC Docket 01-92, at 1-2 (filed Oct. 25, 2006).

¹⁶ The National Association of Regulatory Utility Commissioners Study Committee on Intercarrier Compensation – Goals for a New Intercarrier Compensation System, CC Docket No. 01-92, at 2 (May 5, 2004) ("NARUC Principles"). The Missoula Plan departs materially from the NARUC Principles without any explanation.

¹⁷ *Id.* at 2.

¹⁸ CTIA Ex Parte, CC Docket No. 01-92, at 2 (Nov. 29, 2004).

The Missoula Plan takes a broken system and makes it worse, and consumers and competition are the biggest losers. Accordingly, Vonage urges the Commission to adhere to its principles, and reject the Missoula Plan and its related piecemeal reform proposals.

III. THE MISSOULA PLAN FAILS TO ACHIEVE ANY OF THE FCC'S STATED GOALS FOR THE REFORMATION OF THE INTERCARRIER COMPENSATION SYSTEM

The Missoula Plan is patently inconsistent with the reform goals articulated by the Commission in the FNPRM and suffers an abundance of material legal and policy shortcomings. The degree to which the Missoula Plan departs from the Commission's stated reform principles is nothing less than shocking. It is clear that the primary planks of the Plan have nothing to do with the Commission's stated reform objectives. Instead, the Missoula Plan pursues a brand new vision for intercarrier compensation and universal service intended only to perpetuate unfair and market distorting regimes for the benefit of their primary stakeholders. The primary features of the self-serving and radical vision of the authors of the Missoula Plan are: (1) perpetuation of a non-portable system of implicit, market-distorting universal service subsidies that interconnected VoIP carriers, like Vonage, would be obliged to contribute to but barred from recovering from; (2) perpetuation of disparate, asymmetric rate regimes for compensation related to traffic termination; and (3) a rewriting of network interconnection rules in a way that is neither rational, necessary, nor technologically or carrier neutral.

A. The Missoula Plan Perpetuates Unfair and Market Distorting Universal Service Subsidies

Vonage supports universal service support mechanisms that are simple to administer, portable, and are not just thinly veiled revenue assurance programs that guarantee a certain level of funding for individual carriers. The Missoula Plan and its supporters, however, seem enamored with government subsidies that fix revenue streams to incumbent providers and deter

competing providers from entering rural markets with alternative, next-generation services. Instead of meeting the criteria proposed by Vonage, and arguably supported by the FCC, the Plan proposes at least two new non-portable universal service funds (“USF”) — the “Restructure Mechanism” and the “High Cost Loop Fund” — whose only function is to serve as revenue assurance plans for incumbent carriers.¹⁹ Vonage submits that any new universal service reforms or alternative support mechanisms implemented by the Commission must be portable and consistent with the Act’s requirement mandating that “contributions be made on an equitable and nondiscriminatory basis.”²⁰

The most straightforward means of ensuring that the non-discriminatory standard established by the Act is met is by implementing a single, explicit mechanism based on the forward-looking cost of providing service using efficient technology. Only by limiting funding to forward-looking costs based on the economic impact of the efficiencies brought about by competition and new technologies will the Commission have any hope of ensuring that USF support grows no more quickly than the reasonable need to provide affordable service.

Further, to encourage the deployment of new technologies and services, USF support must be available to all contributors to the Fund. Indeed, despite the fact that the Commission recently required providers of “interconnected VoIP services” to contribute to the federal USF because of the benefits received by VoIP providers from “their interconnection with the PSTN,”

¹⁹ On January 30, 2007, the Missoula Supporters amended their plan to include an additional \$800 million “Federal Benchmark Mechanism” to address a “critical problem” that the “original Missoula Plan failed to address.” *See supra* n. 3. The January 30 filing of the Missoula Supporters does not indicate the source of funding for its newly-proposed \$800 million dollar subsidy fund, but presumably they expect contributors to existing federal USF mechanisms to pay additional monies.

²⁰ 47 U.S.C. § 254(d).

under the Commission's current rules no interconnected VoIP provider can receive any portion of the subsidy from the Fund.²¹ Clearly, this serves to make broadband Internet and broadband Internet services less economic, discouraging new facilities-based investment and skewing it in favor of legacy carriers. The result is that consumers in high-cost areas do not benefit from the dynamic changes that continue to take place in communications technologies.

For these reasons, Vonage cannot support the universal service components of the Missoula Plan. At the very least, the Commission should reject the Missoula Plan's invitation to utilize universal service as a revenue assurance program for individual carriers in the wake of a decline in intercarrier compensation. Vonage instead urges the Commission to reform the system to make USF non-discriminatory and portable.

B. The Plan Leaves in Place a System of Asymmetric Rates for Performance of the Same Network Functions

Jurisdictional issues associated with intercarrier compensation have created regulatory arbitrage opportunities, due to the significant rate disparities that exist for performing the same essential function — traffic termination. The Missoula Plan not only fails to address the problem of asymmetric rates being applied to compensation for the same function, but also locks in those disparities for the foreseeable future and abandons any pretense of symmetry or equity. For example, the Plan would require Vonage's CLEC partners to pay higher rates than such CLECs could charge, and the rates the CLECs are allowed to charge would be insufficient to recover their own costs. Imposition of such disparate rates is inconsistent with the Commission's stated rate symmetry goals and perpetuates a system where competitors receive less pay (intercarrier compensation) for performing the exact same work (traffic termination).

²¹ See *In re Universal Service Contribution Methodology*, Report and Order and Notice of Proposed Rulemaking, 21 FCC Rcd 7518, ¶¶34-37 (2006), *petitions for review pending*, *Vonage v. FCC*, No. 06-1276 (consolidated) (D.C. Cir. oral argument scheduled Feb. 9, 2007).

Technological alternatives to traditional telephony services, such as those offered by interconnected VoIP services, are not tied to a geographic location. As a result, regulatory distinctions based on jurisdiction are not only meaningless, but also a source of market distortion. As the Commission noted in the FNPRM, number portability and other means of encouraging intermodal competition complicates geographic analysis.²² In a world of intermodal competition, it is of no consequence to the provider of termination services (or the consumer) whether a call is an interstate call, an intraMTA call from a wireless network to a wireline network, or an interLATA call between two wireline networks. The cost of terminating those calls is the same, regardless. The terminating carrier is providing the same functionality and, therefore, should receive the same rate for terminating traffic whether categorized as “interstate,” “intrastate,” “interLATA,” “intraLATA,” “CMRS,” “interMTA,” “intraMTA,” “FX,” “V-FX,” “VNXX,” or something else.

Vonage supports efforts to rationalize the existing system, but the Missoula Plan does not move the Commission in the direction of that goal. Instead of addressing the Commission’s objective to achieve “not only similar rates for similar functions, but also [] a regime that would apply these rates in a uniform manner for all traffic,”²³ the Plan offers a patchwork of rates that do not reflect the reality that costs of traffic termination are the same regardless of how the

²² Indeed, carriers rarely if ever use actual geographic end points for call rating. The standard industry practice is to rate calls based on telephone numbers. As the Commission has found (and supported), carriers typically compare the telephone numbers of the calling and called party to determine the geographic end points of a call. *See Starpower Communications, LLC v. Verizon South Inc.*, EB-00-MD-19, Memorandum Opinion and Order, 18 FCC Rcd 23625, 23633, ¶17 (2003); *see also* FNPRM at ¶22 n.59.

²³ *Id.*, ¶33. The Plan’s complicated rate structure is described on pages 3-6 of the Plan’s Executive Summary.

traffic is labeled or the type of carrier that sent it. For these reasons alone, the Commission must reject the Missoula Plan.

C. The Plan Unnecessarily Disturbs the Commission’s Network Interconnection Rules

In addition to perpetuating asymmetric rate structures for performing the same network function, the Plan proposes radical new interconnection rules that are neither rational nor necessary. Indeed, the Missoula Plan proponents offer no legal basis for their proposed interconnection regime, which facially is neither technologically nor carrier neutral and without question contradicts the plain language of the Act’s interconnection provisions.

The 1996 Act created a framework for the developing facilities-based competition in which incumbent LECs are required to interconnect their networks with the networks of requesting competitive carriers. In the *Local Competition First Report and Order*, the FCC required incumbent LECs to interconnect with requesting carriers at any technically feasible point, on terms and conditions that are just, reasonable, and nondiscriminatory, and at a level of quality equal to that which an incumbent LEC provides to itself in the provision of retail services.²⁴

The FCC has stated that “to justify a refusal to provide interconnection or access at a point requested by another carrier, incumbent LECs must prove to the state commission, with clear and convincing evidence, that specific and significant adverse impacts would result from the requested interconnection or access.”²⁵ This is significant because under the FCC’s rules,

²⁴ *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996 and Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers*, First Report and Order, 11 FCC Rcd. 15499 at ¶¶172-73 (1996)(subsequent history omitted)(“*Local Competition First Report and Order*”).

²⁵ *Id.*, ¶203.

“successful interconnection or access to an unbundled element at a particular point in a network, using particular facilities, is substantial evidence that interconnection or access is technically feasible at that point, or at substantially similar points in networks employing substantially similar facilities....”²⁶ No party has suggested that this standard has been burdensome or otherwise difficult to implement. This standard also offers the benefit of being adaptable to technological change, and this flexibility should stand to encourage network investment and maximize interoperability between networks.

Without any justification at all, the Plan introduces something it labels the “Edge” architecture for facilities-based interconnection. The Plan’s proposed rules abandon the existing, lawful, and longstanding interconnection regime whereby competitors are afforded the flexibility to designate points of interconnection and design their own networks in ways that make sense for their particular business plans.²⁷ Instead, under the unjustified and discriminatory “Edge” architecture, incumbent LECs may reject existing interconnection arrangements and require competitors to establish multiple new interconnection points in order to mirror incumbent LEC networks.²⁸ In addition to the “Edge” proposal, the Plan establishes a complex set of new rules

²⁶ *Id.*, ¶204.

²⁷ *Petition of WorldCom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc., and for Expedited Arbitration*, 17 FCC Rcd. 27039, ¶52 (2002) (“Under the Commission’s rules, competitive LECs may request interconnection at any technically feasible point. This includes the right to request a single point of interconnection in a LATA.”).

²⁸ *See Plan*, 41-48.

for interconnection transport without setting forth a reasonable explanation of why such rules would further the Commission's reform efforts.²⁹

Section 251(c)(2)(D) of the Act also provides that an incumbent LEC shall provide interconnection "on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, in accordance with the terms and conditions of the agreement and the requirements of this section and section 252."³⁰ The FCC has correctly concluded that the term "nondiscriminatory" requires both a comparison of how incumbent LECs treat third parties and how incumbents treat themselves:

[W]e reject for purposes of section 251, our historical interpretation of 'nondiscriminatory,' which we interpreted to mean a comparison between what the incumbent LEC provided other parties in a regulated monopoly environment. We believe that the term "nondiscriminatory," as used throughout section 251, applies to the terms and conditions an incumbent LEC imposes on third parties as well as itself. In any event, by providing interconnection to a competitor in a manner less efficient than an incumbent LEC provides itself, the incumbent LEC violates the duty to be "just" and "reasonable" under section 251(c)(2)(D).³¹

Further elaborating on the nondiscriminatory standard, the FCC noted that incumbent LECs must "provide interconnection to [CLECs] in a manner no less efficient than the way in which the incumbent LEC provides the comparable function to its own retail operation."³²

Neither the Missoula Plan nor its supporters offer any explanation as to why it would be prudent for the Commission to reverse course and violate the interconnection principles

²⁹ See *id.*, 31-34.

³⁰ 47 U.S.C. §251(c)(2)(D).

³¹ *Local Competition First Report and Order*, 11 FCC Rcd. at ¶ 218.

³² See, e.g., *Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Services in the State of New York*, Memorandum Opinion and Order, 15 FCC Rcd 75, ¶65 (1999) (subsequent history omitted).

established in the Act, the Commission's rules, and the Commission's stated reform goals.

Vonage submits that the Commission should reject the Plan's invitation to reformulate the Commission's existing interconnection rules given the lack of any cogent reason for doing so.

Furthermore, these new rules do nothing more than turn upside down the Commission's longstanding and rational interconnection rules and therefore should be rejected outright.

Although certain incumbents may not like the existing, lawful interconnection principles, that alone does not make those principles controversial.

IV. THE COMMISSION SHOULD RECOMMIT TO THE REFORM PRINCIPLES ARTICULATED IN 2005 AND REJECT THE PIECEMEAL APPROACH SET FORTH IN THE MISSOULA PLAN

Wide support exists for the Commission's fundamental goal of developing an intercarrier compensation system that is unified in terms of rate structure and technology. In the thousands of pages filed in this docket to date, no party has provided any justification for anything but such a system. Accordingly, Vonage submits that the Commission should cease any further expenditure of resources on additional consideration of the Plan and instead recommit itself to the foundation principles articulated in the FNPRM, which Vonage and many parties support: a compensation system with symmetric rates based upon technological and geographic neutrality. Furthermore, the Commission must redouble its efforts to make USF administration consistent with the Act: that is, explicit, portable, and not a program to guarantee a certain level of funding to certain classes of carriers.

The competition brought by the exchange of voice calls using different technological platforms – traditional wireline, wireless, VoIP, and combinations of each – is breathing life into policymakers' decades-old promise of consumer benefits from "convergence." In this proceeding, the Commission should embrace those emerging benefits, and adopt comprehensive,

equitable, and symmetrical reforms – consistent with the Commission’s stated principles – to ensure an even playing field for all providers and maximum benefit for consumers.

V. CONCLUSION

Consistent with the comments set forth herein, the Commission should reject the Missoula Plan and focus on achieving intercarrier compensation reform consistent with the Commission’s stated unification objectives.

Respectfully submitted,

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