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October 27, 2008

Via Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: ***Written Ex Parte:*** Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; High-Cost Universal Service Support, WC Docket No. 05-337; Universal Service Contribution Mechanism, WC Docket No. 06-122; Intercarrier Compensation for ISP-Bound Traffic, WC Docket No. 99-68; IP-Enabled Services, WC Docket 04-36

Dear Ms. Dortch:

Comcast Corporation (Comcast) submits this letter in opposition to the proposed changes in the Commission's interconnection rules contained in an written ex parte filed by AT&T and Verizon on October 14, 2008 (AT&T/Verizon Proposal).¹ AT&T and Verizon characterize their proposals as a "simplified set of default rules" that would govern interconnection arrangements in the event the Commission concludes that "all intercarrier compensation for transport and termination of traffic is governed by Section 251(b)(5) of the [Communications Act of 1934 , as amended]."² In fact, the changes proposed by AT&T and Verizon likely would substantially disrupt existing interconnection arrangements that have been working well, are based on an incumbent local exchange carrier's circuit-switched network architecture that is being superseded by the deployment of Internet Protocol-based networks, and are wholly unnecessary. The Commission, therefore, should reject the changes recommended by the AT&T/Verizon Proposal.

¹ See Letter from Donna Epps, Verizon, and Hank Hultquist, AT&T, to Marlene H. Dortch, Secretary, Federal Communications Commission, CC Docket No. 01-92 (Oct. 14, 2008) (AT&T/Verizon *Ex Parte*).

² See 47 U.S.C. § 251(b)(5).

The premise of the AT&T/Verizon Proposal is that new default rules are needed to “define the functions governed by a uniform terminating rate” prescribed under section 251(b)(5).”³ In fact, as the recent written *ex parte* from the National Cable & Telecommunications Association points out, the AT&T/Verizon Proposal “would substantially undermine the interconnection rights and obligations established by Congress under section 251(c)(2).”⁴ The AT&T/Verizon Proposal, for example, mandates that every carrier must interconnect with a terminating carrier at a point designated in the Proposal in order for the traffic to be eligible for the cost-based termination rates that the Commission’s new regime would require. The Act, in contrast, explicitly grants a requesting carrier the right to obtain cost-based interconnection arrangements with an incumbent LEC “at any technically feasible point.”⁵ If the Commission were to accept the interconnection restriction proposed by AT&T and Verizon, it could add substantial cost and complexity by forcing providers to reconfigure their networks in order to change points of interconnection with incumbent LEC networks, replacing a regime that works with one that would hurt competition and consumers.

Comcast, for example, currently has interconnection arrangements with incumbent LECs under which those ILECs interconnect their networks at a point beyond an ILEC tandem. Under the terms of these agreements, each party assumes the costs of delivering traffic from the interconnection point to the called party. Under the AT&T/Verizon proposed “simplified” rules, an incumbent could assess both a charge to deliver the call from the interconnection point to the tandem and also an additional charge for delivery of the call to the called party. The AT&T/Verizon Proposal also ignores the fact that Comcast and other voice providers today have interconnection agreements that provide for the transport and termination of traffic at points beyond an incumbent LEC’s tandem at rates of \$0.0007 or less.

Moreover, the AT&T/Verizon proposed interconnection rules suffer from a glaring omission. The AT&T/Verizon Proposal contains *no acknowledgement of the interconnection of networks that incorporate IP technology today*.⁶ Despite the fact that everyone in the industry fully understands that the dominant trend in voice communication is toward IP-based traffic, the AT&T/Verizon Proposal would not provide any assurance that carriers delivering traffic in IP format would be able to interconnect their networks with an incumbent LEC’s network at any technically feasible point.

³ See AT&T/Verizon *Ex Parte* at 1.

⁴ See Letter from Kyle McSarrow, NCTA, to Kevin J. Martin, Chairman, Federal Communications Commission, CC Docket No. 01-92; WC Docket Nos. 04-36, 05-337 (Oct. 27, 2008) at 2 (NCTA *Ex Parte*).

⁵ See 47 U.S.C. § 251(c)(2).

⁶ See AT&T/Verizon *Ex Parte*, at 1.

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One aspect of the AT&T/Verizon Proposal is a significant improvement over interconnection suggestions incumbent LECs have advanced in the past. Specifically, the AT&T/Verizon *Ex Parte* appears to impose symmetrical obligations on all carriers, incumbents as well as competitive, to bear the cost of delivering their traffic to the “network edge” of the terminating carrier.⁷ Other proposals in this proceeding have indicated that competitive LECs should bear the entire cost of delivering their traffic to and picking up their traffic from rural incumbent LECs, a brazenly anticompetitive suggestion.⁸

The AT&T/Verizon Proposal implies that the adoption of the intercarrier compensation reform plan reportedly under consideration by the Commission necessitates revisions to the existing interconnection rules. That is simply wrong. The interconnection rules have been in place for several years and, in Comcast’s experience as a major competitive provider, have worked reasonably well. If the Commission were to direct the state commissions to employ a particular methodology in prescribing default rates for transport and termination traffic subject to section 251(b)(5), that would *not* require any changes to the current rules that define “transport” and “termination” or that establish the applicable rate structure.⁹ In short, AT&T/Verizon’s stated rationale for revising existing interconnection rules is bogus.

In sum, AT&T and Verizon fail to demonstrate that the substantial changes proposed in their October 14 *ex parte*, and in particular the proposed revision of interconnection rules that has been subject to no public comment, are either necessary or desirable. To the contrary, the AT&T/Verizon Proposal would disrupt existing and established interconnection arrangements that permit the efficient exchange of traffic. Moreover, the AT&T/Verizon Proposal provides no assurance that operators of IP-based networks will have the right to exchange traffic on an IP basis.

The Commission should not adopt the AT&T/Verizon Proposal that has been introduced at the last minute, proposes unnecessary and anti-competitive rule changes, and is simply not necessary to address the issues that the Commission has been ordered by the courts to address by November 4.

Respectfully submitted,

/s/ *Mary McManus*

Mary McManus

⁷ *Id.*

⁸ See Letter from Brian Benison, AT&T, to Marlene H. Dortch, Secretary, Federal Communications Commission, CC Docket Nos. 01-92, 96-45; WC Docket Nos. 05-337, 99-68, and 07-135 (September 12, 2008).

⁹ See NCTA *Ex Parte*, at 3.

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cc: Chairman Kevin Martin
Commissioner Michael Copps
Commissioner Jonathan Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert McDowell
Daniel Gonzalez
Amy Bender
Scott Deutchman
Scott Bergmann
Greg Orlando
Nick Alexander
Dana Shaffer
Don Stockdale