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October 28, 2008

EX PARTE

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, D.C. 20554

Re: Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92
High-Cost Universal Service Support, WC Docket No. 05-337
IP-Enabled Services, WC Docket No. 04-36

Dear Ms. Dortch:

In a recent ex parte filing in the above-referenced dockets, Qwest has recommended the FCC explicitly exclude transit traffic from Intercarrier Compensation reform.¹ This is because Qwest, along with other ILECs in many cases have a near monopoly with respect to the provision of transit traffic and seek to benefit by charging rates significantly in excess of cost.

Transit consists of tandem switching and tandem transport, which are also components of Intercarrier compensation. Qwest proposes to charge carriers transit rates of \$0.0045,² which is on average 325% of the corresponding rate elements established based on Qwest's economic cost.³ In contrast, Qwest supports a rate of \$0.0007⁴ for terminating Intercarrier Compensation. Qwest proposes a unified rate to minimize "arbitrage problems that plague the current regime."⁵ While Qwest claims to want to eliminate arbitrage for terminating access at the same time Qwest proposes to solidify its ability to engage in arbitrage for transiting services. In contrast to the 325% of cost that Qwest proposes to charge where it has significant monopoly power, the \$0.0007 rate is 18% of economic cost for interconnection through a tandem.

¹ See Qwest's Ex Parte filed on October 23, 2008, pp. 2 and 8.

(http://fjallfoss.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=6520177917).

² See Qwest's Negotiations Template Exhibit A (<http://www.qwest.com/wholesale/clecs/sgatswireline.html>). See also *In the Matter of Frontier Communications of Minnesota, Inc. and Citizens Telecommunications Company of Minnesota LLC (collectively "Frontier") for Immediate Relief Against Qwest Corporation*, MPUC Docket No. P-407,405,421/C-08-1056.

³ See Qwest's SGAT Exhibit As (<http://www.qwest.com/about/policy/sgats/>). The rates from the SGAT are contained in the table below.

⁴ Qwest's Ex Parte filed on October 23, 2008, p. 4.

⁵ Qwest's Ex Parte filed on October 23, 2008, p. 3.

The table below shows the rates for the reciprocal compensation rate elements contained in Qwest's rate sheets along with the weighted average⁶ rate in the Qwest region.

Reciprocal Compensation and Transiting Rate Elements

State	Recip Comp (LS + TS + TT)	Transit (TS + TT)	Tandem Switching (TS)	Tandem Transport (TT)	Local Switching (LS)
Arizona	\$ 0.01099	\$ 0.001290	\$ 0.000500	\$0.000790	\$ 0.009700
Colorado	\$ 0.00272	\$ 0.001112	\$ 0.000690	\$0.000422	\$ 0.001610
Idaho	\$ 0.00275	\$ 0.001403	\$ 0.000690	\$0.000713	\$ 0.001343
Iowa	\$ 0.00359	\$ 0.002030	\$ 0.000690	\$0.001340	\$ 0.001558
Minnesota	\$ 0.00164	\$ 0.001640	\$ 0.001120	\$0.000520	\$ -
Montana	\$ 0.00351	\$ 0.001934	\$ 0.000690	\$0.001244	\$ 0.001574
Nebraska	\$ 0.00271	\$ 0.001455	\$ 0.000690	\$0.000765	\$ 0.001260
New Mexico	\$ 0.00372	\$ 0.001674	\$ 0.000853	\$0.000821	\$ 0.002046
North Dakota	\$ 0.00360	\$ 0.002118	\$ 0.002100	\$0.000018	\$ 0.001482
Oregon	\$ 0.00246	\$ 0.001125	\$ 0.000690	\$0.000435	\$ 0.001330
Utah	\$ 0.00299	\$ 0.001359	\$ 0.000686	\$0.000673	\$ 0.001626
Washington	\$ 0.00222	\$ 0.001040	\$ 0.000690	\$0.000350	\$ 0.001178
Wyoming	\$ 0.00229	\$ 0.001371	\$ 0.000690	\$0.000681	\$ 0.000920
Weighted Average	\$ 0.003962	\$ 0.001384			

Other than dealing with the matter of compensation for ISP-bound traffic, Integra does not endorse the Commission taking any action at this time with respect to reform of the Intercarrier Compensation regime without first publishing its proposed rule changes in a Notice of Proposed Rulemaking and taking public comment on the specific changes it proposes. In the event that the Commission does take action to change the Intercarrier Compensation regime, it should take similar actions with respect to transiting services provided by carriers such as Qwest.

⁶ The weights are December 31, 2007 End User Switched Access lines as contained in Table 7 of the Local Telephone Competition Report (http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-285509A1.pdf).

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ILECs should not be able to deprive carriers of cost-based compensation, while at the same time exploiting their dominant position as a transiting provider.

Respectfully submitted,

/s/ Russell C. Merbeth

Russell C. Merbeth
Assistant General Counsel

/s/ Douglas K. Denney

Douglas K. Denney
Director, Costs & Policy

cc: Commissioner Copps
Commissioner McDowell
Scott Deutchman
Scott Bergmann
John Hunter
Amy Bender