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March 1, 2010

VIA ECFS
Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: WC Docket Nos. 07-135, 09-47, 09-51, 09-137, 09-223

Dear Ms. Dortch:

Over the past four years, long distance carriers, including Qwest, Sprint, AT&T, Verizon, Level 3, and Global Crossing, have collectively resorted to engaging in unlawful self-help to avoid paying terminating access charges to rural LECs that provide local exchange service to free conference calling providers.[1] As justification for their unlawful and anti-competitive behavior, these IXCs have repeatedly contended that they are losing substantial sums of money when they deliver their customer's telephone calls to these conference calling services. The IXCs contend, therefore, that they are entitled to a windfall – perpetually collecting long distance charges from their customers, while refusing to the pay the terminating access charges that are necessarily imputed into the customer's monthly invoice. Despite these claims and repeated requests, however, not a single long distance company has been willing or able to produce documentation to support their claims.

A recent study that I prepared together with Dr. Brian Barrett, a Professor of Finance at the University of Miami, examines the claims of the long distance companies. Fact Report: The Economic Impact of Free Conference Calling Services concludes that, contrary to the IXCs' claims, free conference calling services do not cause long distance carriers to become unprofitable. Rather, these services promote competition in the conference calling marketplace – competition that the IXCs hope to quash through their unlawful and anticompetitive behaviors.

Moreover, the report concludes that, even if a particular customer that subscribes to an unlimited long distance plan were to use high volumes of free conference calling services (and thus be less profitable than the average long distance customer), unlimited long distance calling plans are, on average, profitable for the long distance carriers and that the existence of free conference calling services results in more consumers purchasing these profitable plans from the

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[1] Notably, while only contesting traffic to conference call providers, nearly every long distance carrier also refuses to pay for "traditional" undisputed traffic. Thus, the IXCs are forcing many competitive carriers to the brink of economic collapse, thus jeopardizing the entire competitive communications industry.

long distance carriers. Thus, if the long distance carriers were not intent on eliminating competition for their expensive conference call service offerings, long distance carriers would be forced to concede that free conference call services actually make the "pie" bigger for all telecommunications carriers thereby creating a win-win scenario.

Finally, the report examines the pricing exemption for rural CLEC access charges and the underlying policy rationale for the exemption. The report concludes that rather than undermining the rural exemption policy, rural carriers that provide local exchange service to free conference service providers actually further the FCC's stated objectives. Indeed, through this provision of service, rural exchange carriers are able to provide more and better telecommunication services to rural consumers, including the deployment of broadband internet access in previously un-served or underserved areas. Moreover, these companies are able to foster economic development and job creation in these communities.

If any members of the Commission or staff would like to discuss this report, they should not hesitate to contact Dr. Barrett or me.

Sincerely,

Alan Pearce

Dr. Alan Pearce
President
Information Age Economics