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*NOT ADMITTED IN VA

December 23, 2011

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

Re: CC Docket No. 01-92; WC Docket Nos. 05-337, 07-135 and 10-90;
and GN Docket No. 09-51

Madam Secretary:

On behalf of United States Cellular Corporation (“U.S. Cellular”), we write to provide information for the record, as requested by the Commission staff this week. We ask that it be considered in conjunction with the petition for reconsideration filed by the price cap carriers in the above-captioned dockets.

In the CAF Order, the Commission found that the impact of moving intra-MTA traffic to bill-and-keep would not have a significant impact on ILECs. For those that do not have interconnection agreements, they do not receive intercarrier compensation payments. For those that do have agreements for intra-MTA traffic, “most large incumbent LECs have adopted \$0.0007 or less as their reciprocal compensation rate.”

The price cap carriers challenge this finding by stating the amount of money they will lose as a result of the move to bill-and-keep, without providing any context as to the effect such losses will have on their business.

Understanding that the Commission is poised to act *sua sponte*, without providing the public notice required by Section 1.429 of the rules, U.S. Cellular has researched hundreds of interconnection agreements to provide the Commission with some useful data. U.S. Cellular can report the following:

First, consistent with the Commission’s finding cited above, that most of the subject traffic is already rated at \$0.0007 or below, 72.6% of all intra-MTA traffic billed between U.S.

Cellular and ILECs is rated at \$0.0007. In addition, U.S. Cellular has nearly 250 existing bill-and-keep agreements with rural ILECs for the exchange of intra-MTA traffic.

Second, substantially all of the billed traffic exchanged with CenturyLink, Frontier, AT&T, Verizon and Fairpoint is rated at \$0.0007.¹ Windstream charges slightly higher rates.

Accordingly, the Commission's findings in the CAF Order were entirely accurate as they relate to U.S. Cellular's exchange of intra-MTA traffic around the country.

It is unclear whether the price cap carriers are measuring their net losses. That is, the loss of revenue for terminating traffic must be offset by the reduction in payments to the other carrier to terminate outbound traffic. As wireless traffic volume continues to grow, the amount of traffic exchanged continues to even out. There does not appear to be any record evidence on this point that would inform the Commission's judgment as to whether a change in the effective bill-and-keep date is warranted.

In sum, it does not appear that the Commission made any mistake in implementing bill-and-keep as of December 29, 2011. On its face, the Commission's order on this point evidences consideration of the record, and arrives at conclusions that U.S. Cellular finds to be consistent with its experience. We therefore urge the Commission to reject the petition for reconsideration filed by the price cap carriers. If the petition is to be considered, all parties should be afforded the due process rights provided for in Section 1.429 of the Commission's rules.

If you have any questions or require any additional information, please contact undersigned counsel directly.

Sincerely,



David A. LaFuria
Counsel for United States Cellular Corporation

cc: Zac Katz, Esq.
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¹ On short notice, it is not possible to accurately identify all of the subsidiary companies of each, some of which may be exchanging traffic at higher rates.