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February 2, 2012

VIA ELECTRONIC SUBMISSION

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

Re: *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208

Dear Ms. Dortch:

On January 31, 2012, Hank Hultquist, Christopher Heimann, David Hostetter, Brian Benison and I, all of AT&T, met with Rebekah Goodheart, Travis Litman, Albert Lewis, Victoria Goldberg, Randy Clarke, Pam Arluk, and Belinda Nixon, all of the Wireline Competition Bureau, regarding the above-referenced proceeding.

AT&T strongly supports the Commission's decision to bring all VoIP-PSTN traffic within the section 251(b)(5) framework and to set the default intercarrier compensation rates for toll VoIP-PSTN traffic at interstate access rates. During the meeting, AT&T explained, however, that the state and federal tariff filings to implement the transitional compensation framework for toll VoIP-PSTN Traffic indicate that various carriers are interpreting and implementing the rule differently across the industry. AT&T is concerned that this inconsistent implementation will lead to industry disputes regarding the appropriate compensation for this traffic going forward—exactly the type of disputes the Order intended to prevent. In the meeting, AT&T suggested that the Commission could clarify a few specific issues that have arisen to ensure consistent industry-wide implementation. Although AT&T proposed certain clarifications, it emphasized that any clarification, even if not as it proposes, would be helpful.

**Background.** In the *USF/ICC Transformation Order*, the Commission adopted a transitional compensation framework that brings all VoIP-PSTN Traffic within the section 251(b)(5) framework,<sup>1</sup> and among other things, set “[d]efault charges for ‘toll’ VoIP-PSTN traffic . . .

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<sup>1</sup> See *Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing a Unified Intercarrier Compensation Regime; Federal-State Joint Board on Universal Service; Lifeline and Link-Up; Universal Service Reform – Mobility Fund*, WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, para. 933 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*).

equal to interstate access rates applicable to non-VoIP traffic, both in terms of the rate level and rate structure.<sup>2</sup>

Specifically, the rule provides that:

Access Reciprocal Compensation subject to this subpart exchanged between a local exchange carrier and another telecommunications carrier in Time Division Multiplexing (TDM) format that originates and/or terminates in IP format shall be subject to a rate equal to the relevant interstate access charges specified by this subpart. Telecommunications traffic originates and/or terminates in IP format if it originates from and/or terminates to an end-user customer of a service that requires Internet protocol-compatible customer premises equipment.<sup>3</sup>

In turn, Access Reciprocal Compensation means:

telecommunications traffic exchanged between telecommunications service providers that is interstate or intrastate exchange access, information access, or exchange services for such access, other than special access.<sup>4</sup>

**Discussion.** AT&T encourages the Commission to clarify several points critical to effective implementation of the new rules for toll VoIP-PSTN Traffic. First, the Commission should clarify that default charges for both the originating and terminating ends of toll VoIP-PSTN traffic (including for IP-originated 8YY calls) equal interstate access rates applicable to non-VoIP traffic. Under this rule, toll traffic that originates on the PSTN and terminates in IP format is subject to interstate—and not intrastate—originating access rates as the default.

Second, the Commission should clarify that interstate rates are the default for all traffic-sensitive and non-traffic-sensitive rate elements for toll VoIP-PSTN Traffic. Specifically, the default rates are at the interstate level for both usage and facilities charges applicable to toll VoIP-PSTN Traffic.

Third, the Commission should clarify that interstate access rates are the default for toll VoIP-PSTN Traffic that terminates to third parties, and not only for toll VoIP-PSTN Traffic that originates from or terminates to the carrier's own end users. For example, interstate rates should be the applicable default rate for access traffic that originates in IP, is exchanged between carriers in TDM, and is then delivered to a third carrier for termination to the end user.

In sum, the Commission should state unequivocally that all access elements applicable to toll VoIP-PSTN Traffic, without exception, should be billed at the interstate rate (absent an alternative agreement between the parties).

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<sup>2</sup> *Id.* at para. 944 (emphasis added).

<sup>3</sup> 47 C.F.R. § 51.913(a).

<sup>4</sup> 47 C.F.R. § 51.903(h) (emphasis added).

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If you have any questions or need additional information, please do not hesitate to contact me. Pursuant to section 1.1206 of the Commission's rules, this letter is being filed electronically with the Commission.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christi Shewman". The signature is written in black ink on a white background.

Christi Shewman

cc: Rebekah Goodheart  
Travis Litman  
Albert Lewis  
Victoria Goldberg  
Randy Clarke  
Pam Arluk  
Belinda Nixon  
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