Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Rural Call Completion	)	WC Docket No. 13-39
	)	
	)	

COMMENTS OF INTELIQUENT IN SUPPORT OF AT&T'S PETITION FOR LIMITED WAIVER

Inteliquent, Inc. ("Inteliquent") submits these comments in support of the Petition for Limited Waiver[1] filed by AT&T Services, Inc. ("AT&T") in the above-captioned proceeding.[2]

I. Introduction

Inteliquent has consistently supported the Commission's efforts to resolve call completion issues.[3] Inteliquent specifically supports the record-keeping, reporting, and retention requirements in the Rural Call Completion Order.[4]

AT&T's Petition, however, makes clear that compliance with these requirements will come with substantial costs for covered providers[5] – even those, such as AT&T, that already

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[1] *In the Matter of Rural Call Completion*, Petition for Limited Waiver of AT&T Services, Inc., WC Docket No. 13-39 (filed April 10, 2014) ("Petition"); *Wireline Competition Bureau Seeks Comment on Petitions for Waiver Filed in the Rural Call Completion Proceeding*, WC Docket No. 13-39, DA 14-577 (May 1, 2014).

[2] *In the Matter of Rural Call Completion*, WC Docket No. 13-39, FCC 13-135, Report and Order and Further Notice of Proposed Rulemaking, ¶ 1 (rel. Nov. 8, 2013) ("Rural Call Completion Order" and "FNPRM").

[3] *See, e.g.*, *In the Matter of Rural Call Completion*, WC Docket No. 13-39, Reply Comments of Inteliquent, at 4 (Feb. 18, 2014) ("Inteliquent Comments"); *In the Matter of Rural Call Completion*, WC Docket No. 13-39, Reply Comments of Inteliquent, at 11 (June 11, 2013) ("Inteliquent Reply Comments").

[4] Inteliquent Reply Comments, at 7, 11. Rural Call Completion Order, ¶¶ 61-67.

[5] The Commission defines a "covered provider" as a "provider of long-distance voice service that makes the initial long-distance call path choice for more than 100,000 domestic retail

comply with industry best practices with respect to call routing and completion. Other major service providers, including Verizon, Sprint, and CenturyLink, also have pointed out the substantial costs that will be incurred in order to comply with the Commission's new rules.[6]

AT&T's Petition specifies that, to the extent AT&T uses intermediate providers, it will certify compliance with the Safe Harbor provision limiting carriers to the use of two intermediate providers in a call path.[7] As AT&T's Petition argues, given its willingness to certify compliance with this Safe Harbor, as well as its compliance with industry best practices, AT&T should receive a limited waiver from the Commission's new rules.[8]

Inteliquent supports AT&T's request for relief. Simply put, responsible providers that adopt industry best practices[9] and certify that they only use two intermediate hops in the call (as defined in the Safe Harbor) for their traffic, should not be required to incur the substantial initial investment and recurring costs needed to comply with the record-keeping, reporting, and

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subscriber lines, counting the total of all business and residential fixed subscriber lines and mobile lines and aggregated over all of the provider's affiliates." 47 C.F.R. § 64.2101.

[6] *See, e.g.*, Petition for Reconsideration of Sprint Corporation, WC Docket No. 13-39, at 7, n.9 (Jan. 16, 2014); Ex Parte Letter of John E. Benedict, CenturyLink to Marlene H. Dortch, FCC WC Docket No. 13-39 (Oct. 23, 2013) ("Benedict Letter"); Reply Comments of Verizon and Verizon Wireless, WC Docket No. 13-39, at 1 (March 11, 2014).

[7] The managing intermediate provider safe harbor ("Safe Harbor") requires, among other items, a "covered provider" to "certify on an annual basis either that it uses no intermediate providers, or that all of its contracts with directly connected intermediate providers allow those intermediate providers to pass a call to no more than one additional intermediate provider (that is, *a total of no more than two intermediate providers in the call path i.e. two hops*) before the call reaches the terminating provider or terminating tandem." Rural Call Completion Order, at ¶ 86; 47 C.F.R. § 64.2107(a)(1).

[8] Petition, at 4 ("Rather, AT&T would continue to employ its well-tested management of intermediate providers and use of industry best practices to ensure quality call completion").

[9] *See, e.g.*, "Alliance for Telecommunications Industry Solutions, ATIS Standard on Intercarrier Call Completion/Call Termination Handbook," ATIS-0300106, available at https://www.atis.org/docstore/product.aspx?id=26780 (rel. Mar. 2013) ("ATIS Handbook").

retention problems in the Rural Call Completion Order. These carriers are not the cause of the problem the Commission is seeking to solve.

II. The Record Shows that Compliance with the Commission's New Rules Will Come as Considerable Expense for Covered Providers.

AT&T's Petition underscores the expense associated with compliance with the Commission's rural call completion rules. AT&T asserts that "[c]oming into full compliance with the Commission's new rules would require AT&T to invest millions of dollars in developing and executing costly and resource-intensive workarounds and retrofits." [10] Specifically, AT&T estimates its cost of compliance "would be no less than $3 million, and as much as $5 million."[11]

AT&T is not alone in making this point. Verizon estimates that its costs to retain and report call completion for intraLATA interexchange/toll calls alone would be "in excess of $20 million and take around two years."[12] As Sprint points out "numerous carriers currently do not collect at least some of the information required under the new rules, and at least 3 carriers have estimated that it would cost each of them millions of dollars to comply with the proposed rules – Sprint ($6.8 million per year); AT&T ($3-5 million); and CenturyLink ($7.5 to $10.5 million in non-recurring costs, and $2.8 to $4.3 million in annual data storage costs).[13]

There is less data in the record regarding compliance costs for smaller providers. However, the initial and recurring costs could be even more onerous for these carriers, relative to their total revenues and capital budget, than the costs to large carriers. XO Communications has

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[10] Petition, at 4.

[11] Petition, at 9.

[12] Reply Comments of Verizon and Verizon Wireless, WC Docket No. 13-39, at 1 (March 11, 2014).

[13] *See, e.g.*, Petition for Reconsideration of Sprint Corporation, WC Docket No. 13-39, at 7 (Jan. 16, 2014); Benedict Letter, at 1.

noted that the "Commission has not affirmatively evaluated the compliance costs of its new rules, *particularly for smaller providers*, or balanced those against the potential gains from collecting the required call completion data."[14] The magnitude of these costs underscore the need for the Commission to ensure that its rules hit their target by focusing on carriers more likely to contribute to call completion problems, and that that the rules do not unduly burden responsible providers that already comply with industry best practices.

III. Given AT&T's Willingness to Certify Compliance with the "Managing Intermediate Providers" Safe Harbor, as Well as its Compliance with Industry Best Practices, Its Request for Limited Waiver Should Be Granted.

AT&T requests a waiver of the "call attempt recording, retention and reporting requirements," including the requirement for covered providers to retain 6 months of data. Rather than retaining and reporting <u>all call completion data</u> as required by the present rules, AT&T would "report data based on a statistically valid sample of calls" that is based on only a limited subset of data captured by its Originating Access Charge Verification ("O-ACV") records.[15] These O-ACV records "are made from a random sample of switched access call attempts that originate from non-AT&T LECs" and do not include records for calls "originating from AT&T Mobility, AT&T LECs, enterprise direct customers, and wholesale customers."[16]

AT&T's request is utterly reasonable. As noted above, AT&T is willing to certify compliance with the managing intermediate provider safe harbor for its core network traffic. Inteliquent demonstrated in its prior comments, that most call completion problems are caused

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[14] Comments of XO Communications, LLC In Support of Petitions for Reconsideration, WC Docket No. 13-39, at 1 (March 4, 2014).

[15] AT&T apparently proposes to retain call attempts "for a limited subset of calls" on its core network that are captured by its O-ACV records and only for a period of three months, rather than all call completion data. Petition, at 4, 7, and 9.

[16] Petition, at 10.

by subset of providers "with a limited on-net footprint" that use aggressive least cost routing strategies and "often route calls through extensive 'daisy chains' of other intermediate providers which increases the likelihood of call completion problems due to excessive post-dial delay, looping, and other phenomenon."[17] These aggressive least cost routers could not likely meet the Commission's present Safe Harbor.

For example, AT&T acknowledges that its recently acquired affiliate, Leap Wireless (operating under the Cricket brand), "does not satisfy the requirements of the 'Managing Intermediate Provider Safe Harbor" such that "AT&T proposes to treat [Cricket] traffic separately from other, non-Cricket traffic described in the [Petition]." [18] AT&T has acknowledged the distinction with respect to its Cricket traffic and has not requested that this traffic be brought within its Petition until it is migrated to AT&T's core network.[19]

Indeed, the Commission should look favorably on any similar requests it receives from other providers that are willing to make materially the same commitments as AT&T. This would encourage such providers to forego the use of multiple layers of intermediate providers and actively manage the call completion performance of any intermediate providers they may use. As the Commission knows, industry best practices set forth in the ATIS Handbook encourage intermediate providers to use "no more than one additional provider (not including the terminating carrier) in the call."[20] Permitting carriers that already comply with best practices, and thus are not the source of the problem the Commission is seeking to solve, will allow the

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[17] Inteliquent Reply Comments, at 2-3.

[18] Petition, at 12, and n.39.

[19] *Id.*

[20] ATIS Handbook, § 5.1. CenturyLink advocates "that the FCC adopt a safe harbor that applies to a company certifying that it is complying with the Handbook's best practices, independent of a requirement that the company limit its use of intermediate carriers."). CenturyLink Comments, WC Docket No. 13-39, at 3 (Jan. 16, 2014).

Commission to ensure that its rules are targeted toward carriers that do not comply with best practices, and thus are far more likely to contribute to the problem the Commission is seeking to solve with its rules.

IV. Conclusion

Inteliquent supports the Commission's goal of ensuring rural call completion performance is comparable to non-rural call completion performance. Inteliquent supports AT&T's Petition and urges the Commission to consider further relief as warranted for other providers that limit calls to no more than two hops in the call path and adopt industry best practices.

Respectfully submitted,

/s/

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