McLean & Brown

Via Electronic Filing

November 2, 2004

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

Re: CC Docket No. 01-92, Developing a Unified Intercarrier Compensation Regime

Dear Ms. Dortch:

In accordance with Section 1.1206 of the Commission's rules, 47 U.S.C §1.1206, the Expanded Portland Group submits the attached *Comprehensive Plan For Intercarrier Compensation Reform.* This Plan provides a simple yet comprehensive blueprint for the evolution of intercarrier compensation from today's confusing and unsustainable variety of disparate charging mechanisms to a unified system of intercarrier compensation. It also presents a path for evolution to a capacity-based intercarrier charging mechanism that would meet the needs of an increasingly digital and packet-based network.

If you have any questions concerning this Plan, please do not hesitate to call us.

Sincerely,

Glenn H. Brown
EPG Facilitator

A COMPREHENSIVE PLAN FOR INTERCARRIER COMPENSATION REFORM

Developed by

THE EXPANDED PORTLAND GROUP

November 2, 2004

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I. INTRODUCTION AND SUMMARY

The Expanded Portland Group (EPG) is composed of small and mid-size Rural Local Exchange Carriers (RLECs), and consulting organizations serving the RLEC community. The EPG is committed to the development of responsible intercarrier compensation policy recommendations. Sustainable intercarrier compensation mechanisms are necessary to assure that rural consumers continue to enjoy the benefits of affordable and advancing telecommunications and information services. A list of the companies that have participated in the development of the EPG Plan may be found on Attachment A to this filing.

The Plan described in this document provides a simple yet comprehensive blueprint for the evolution of intercarrier compensation from today's confusing, arbitrage-causing and unsustainable variety of disparate charging mechanisms to a unified system of intercarrier compensation. It also presents a path for evolution to a capacity-based intercarrier charging mechanism that would meet the needs of an increasingly digital and packet-based network. The Plan can be implemented quickly and efficiently without requiring multiple and complex proceedings, fundamental separations changes or new legislation.

Today, rural ILECs receive a significant portion of their cost recovery from intercarrier compensation - charges that are made to service providers for use of the local telephone network to originate or terminate their traffic. The current intercarrier compensation regime consists of a hodge-podge of disparate mechanisms that charge different rates depending on who the carrier is (IXC, CLEC, CMRS, ISP, etc.) and where the traffic originates and terminates (local, intrastate toll, interstate toll, Internet access, etc.). Such disparities are causing widespread arbitrage. These problems, coupled with the evolution from a circuit-switched voice network to a network more defined by packet switching and a convergence of voice and data, are making the current

regime unsustainable. Some parties have called for a "bill and keep" regime where other service providers would not compensate ILECs for use of their networks, and rural ILECs would recover most or all of their costs from their end-users and from the universal service fund. As will be discussed in the next Section, a bill and keep system would have serious negative consequences for rural consumers. Thus, this proposal calls for a transition from the current regime to one based upon the characteristics of the packet-switched network of the future, that we believe offers a better future vision than bill and keep. Current rate structures and levels should converge, and allow for a natural migration to a capacity-based structure that would allow customers to select network functions and capabilities to meet their application requirements.

Plan Outline

The EPG Plan consists of a three-Step intercarrier compensation reform proposal that could be accomplished in as short as a four-year transition period. The timing of the transition period could be tailored to the pace of network evolution.

Step 1

- This phase would begin as soon as possible.
- Enforce current access rules and enforcement:
  - Truth in labeling:
    - All messages must be labeled to allow for accurate billing.
    - All messages that are not properly labeled will be billed at the highest prevailing intercarrier compensation rate to the interconnecting carrier delivering the traffic.
    - After a reasonable period, all messages that are not properly labeled will not be terminated without additional billing detail, or will be charged based on the default tariff described below.

- Deny all requests for piecemeal exemptions from current access charge rules:
  - Changes from current structure and mechanisms should only be made as part of a comprehensive reform of intercarrier compensation that supports emerging market and technology trends on a competitively neutral basis, and preserves universal service.
- Default termination tariff rates will be developed and filed for currently un-billable or "phantom" traffic.

- Reform the current Enhanced Service Provider (ESP) Exemption:
  - Limit ESP usage of flat-rated business lines to one-way inward traffic to reach Internet Service Providers (ISPs). This preserves consumers' ability to continue usage of affordable dial-up connections to the Internet.
  - Require ESPs/ISPs that terminate VoIP traffic on the PSTN to pay for the use of the PSTN facilities by applying appropriate intercarrier charges.

Step 2

- To begin July 1, 2005, or as soon thereafter as possible.
- Move intrastate switched and special access rate levels and structure to interstate levels and structure.
- Move reciprocal compensation to the unified access rate structure and levels upon expiration of existing interconnection agreements.
- Introduce the Access Restructure Charge (ARC):
  - The ARC will restructure the collection of a portion of access revenue previously collected on a usage basis from carriers by moving to a capacity-based and pooled mechanism.

- To qualify for full ARC funding, the sum of the company's basic residential rate and its residential and single line business SLC must be greater than or equal to a "benchmark" level of $21.07.
- Carriers with rates below the benchmark level may recover revenue shortfalls resulting from the unified rate structure from their end-user customers through either basic rate increases or an Optional Variable Federal SLC (OVFS) charge.
- The ARC would be included in the NECA access tariff and bulk billed by NECA to all carriers that utilize the numbering resources of the North American Numbering Plan (NANP) (or successor system) based on the number of working telephone numbers that each carrier utilizes. NECA will then distribute these revenues to member companies through the monthly pooling and settlement process. The ARC will be adjusted annually.

Step 3

- To begin two years following implementation of consolidated rate structure (e.g. July 1, 2007).
- A capacity-based rate structure consisting of Port and Link charges will be introduced for switched access services utilizing dedicated transport, and would replace current access charges for such direct-trunked services.
- Minute-of-use pricing would remain available for switched access services utilizing common transport services (i.e., services routed through the tandem). Carriers would have the option to migrate common trunks to the capacity-based Port and Link structure based upon market and technology factors.

- Additional Quality of Service rate elements would be introduced, as necessary, to meet the market and cost drivers of an increasingly packet-based network

Plan Summary

Step 1 of the EPG Plan would address three significant problems with the current intercarrier compensation structure. The recommended changes to address these problems should be implemented immediately, and would assist in the transition to a more rational intercarrier compensation regime.

The first problem is "phantom traffic." In many cases today, local carriers are unable to bill traffic delivered to their networks due to the absence of sufficient billing detail in the call record. This "phantom traffic" has been estimated to be as much as twenty percent of the traffic transiting some RLEC networks over common trunk groups, and places significant and unwarranted additional costs on rural consumers. Under the proposed "truth-in-labeling" guidelines, carriers would be required to send sufficient detail with each message so that it could be accurately billed.

The second problem is the Enhanced Service Providers (ESPs) or Internet Service Providers (ISPs) Exemption. Under the ESP/ISP Exemption that has been in effect since the 1980s, ISPs are allowed to purchase regular business lines, and consumers can dial in to their ISP using regular phone lines and not incur access charges. Some ISPs, however, are beginning to use these regular business lines to terminate traffic to the PSTN. Under the EPG Plan, the rules would be clarified to allow consumers to continue to dial in to their ISP without incurring access charges, however ISPs would be unable to use these lines as a loophole to terminate traffic to the PSTN and avoid the payment of appropriate intercarrier compensation charges.

The third problem is the termination of traffic for carriers with which the RLEC does not have an existing interconnection agreement. To solve this problem, default termination tariffs and rates would be proposed for such situations.

Step 2 of the Plan would move all intercarrier compensation to a unified rate level based upon interstate access services. Due to a number of restructuring efforts in the interstate jurisdiction in recent years, including the CALLS and MAG plans[1], interstate switched access charges are often significantly lower than comparable intrastate access charges. The current average interstate switched access level for rate of return carriers is 2.05¢ per minute[2], vs. intrastate access rates that are on average 2.5 times higher.[3] The EPG Plan would adopt a common average rate level equal to the interstate average rate per minute for all switched intercarrier traffic of rate-of-return carriers.[4] For study areas covered under interstate Price Cap regulation, the unified switched intercarrier rate will be the equivalent of the interstate target Average Traffic Sensitive (ATS) rate under the CALLS program for the study area. Intrastate special access rates would also be reduced to existing interstate levels, and would adopt the exiting interstate rate structure.[5] These two changes would address the most serious rate disparity among the current intercarrier compensation mechanisms.

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[1] The Coalition for Affordable Local and Long Distance Service (CALLS) plan was implemented by the *Sixth Report and Order in CC Docket Nos. 96-262 and 94-1, Report and Order in CC Docket No. 99-249 and Eleventh Report and Order in CC Docket 96-45,* released May 31, 2000 (FCC 00-193). The Multi-Association Group (MAG) plan was implemented by the *Second Report and Order and Further Notice of Proposed Rulemaking in CC Docket 00-256, Fifteenth Report and Order in CC Docket No. 96-45, and Report and Order in CC Docket Nos. 98-77 and 98-166,* released November 8, 2001 (FCC 01-304).

[2] NECA Annual Filing, Trans 1030, June 16, 2004 - see Volume 1, page 9.

[3] See Ex-Parte Filing by NTCA in CC Docket 01-92, January 7, 2004 (NTCA Ex-Parte).

[4] This 2.05 cents per minute reflects the average of rates for all carriers in the NECA Traffic Sensitive Pool. Carriers participating in the NECA pooling process would be subject to the rate banding process, where each company's rates would be set in a rate band related to that company's cost. Companies that file their own interstate traffic sensitive tariffs would set rates based on their own interstate access revenue requirements. While individual company rates could differ, the rate that any company charged would be the same for all types of intercarrier traffic

[5] In some states intrastate special access rates may be below current interstate special access rate levels. In such cases, the EPG Plan proposes that these lower intrastate rates be grandfathered at current levels.

The revenue loss from the reduction of intrastate access for carriers would be offset by the introduction of a new Access Restructure Charge (ARC). In order to qualify for full ARC funding, the sum of the carrier's basic residential rate and its residential and single line business SLC would need to be at or above a "benchmark" level of $21.07. If a carrier's combined rates were below this level, the carrier's draw from the ARC would be reduced by the amount that such rates were below the benchmark, multiplied by the number of lines.[6] The ARC would be a part of the NECA access tariff, and would be bulk-billed to all carriers who utilize the numbering resources of the North American Numbering Plan (NANP). Each carrier would be assessed based upon the number of working telephone numbers that it has in service. It is estimated that the ARC charge necessary to offset revenue losses for all rate-of-return carriers would be less than twenty-five cents per telephone number per month for rate of return carriers.[7] By recovering these costs in this manner, it would not be necessary to increase the current SLC caps on residential and single line business users, or to increase the size of the current high-cost universal service funds.

In Step 3 of the Plan, a new capacity-based intercarrier compensation mechanism consisting of "Ports" and "Links" will be introduced. This pricing structure will provide the connecting carrier with the ability to originate or terminate a given amount (i.e., DS1, DS3, etc.) of traffic to or from the ILEC's network. Carriers would purchase Ports that would provide a connection into the local carrier's network, and "Links" that would connect the two networks. This mechanism will be introduced for switched traffic that connects to the ILEC's network over

[6] A carrier with rates below the benchmark would have the option of applying for a local rate increase with the state commission, or implementing an Optional Variable Flexible SLC increase to make up the amount of reduction in access revenues from rate unification not recovered from the ARC. Either of these mechanisms would result in the recovery of these "below benchmark" revenues from the carriers own end-user customers.
[7] Rate of Return estimate based upon data from NTCA Ex-Parte. At this time it is not possible to estimate the amount of ARC charge for price cap carriers due to a lack of sufficient data.

dedicated trunk groups (i.e., direct transport). Traffic that originates over common trunk groups from the tandem (i.e., common transport) would continue to be handled on a minutes-of-use basis as it is today. Carriers would also have the option to convert their common trunk groups to the capacity-based Port and Link pricing structure at a later point in time. While minute-of-use charges makes sense when the network carries primarily analog voice traffic in a circuit-switched network, this approach becomes less workable as more of the traffic on the network becomes packetized voice and data traffic. By allowing the migration of common transport traffic to the capacity-based system to proceed based upon market and technology factors, the needs of rural consumers will continue to be served at the same time that the evolution of the network is facilitated.

Port and Link prices would be set so as to achieve the same revenue as the then current minute-of-use structure, but do so on a capacity basis. For example, the average 2.05 cents per minute price for rural carriers would translate to an estimated $2,000 per Port per month plus Link charges for a direct-trunked DS1 connection.[8] Port and Link prices would be banded and thus vary among rural carriers based on the cost of serving their particular service area.

This proposal will encourage the evolution of the network of the future, while at the same time allowing for the preservation of universal service. It will preserve the viability of carriers who serve as carriers of last resort to continue to provide affordable and advancing service to rural communities by stabilizing the regulatory system under which they operate. It will also assure that rural consumers are able to fully participate in the broadband migration and the new services and benefits that it will provide by assuring reasonable recovery of network costs incurred by connecting carriers.

[8] Derived based on NECA Annual Tariff Filing, June 16, 2004, Transmittal 1030.

II. THE NEED FOR CHANGE IN INTERCARRIER COMPENSATION

A. Overhauling the Current Intercarrier Compensation Regime is Necessary

In April of 2001, the FCC released a Notice of Proposed Rulemaking proposing a unified intercarrier compensation regime for the flows of payments among telecommunications carriers that result from the interconnection of telecommunications networks.[9]

Industry discussions resulting from this 2001 proceeding have identified the following issues:

- **Eliminate economic problems associated with the "last mile" bottleneck**

  The FCC believes that the "last mile" of the telecommunications network is a "bottleneck" controlled by the incumbent. As a result, the FCC believes that the incumbent may have the incentive to set terms and conditions for accessing its network that would disadvantage competitors.

- **Eliminate economic distinctions by carrier classification and jurisdiction of traffic that have little relationship to economic efficiency**

  There are currently three general intercarrier compensation regimes: (1) access charges for interstate and intrastate long-distance traffic; (2) compensation for traditional telecommunications routes to neighboring exchanges – e.g., EAS routes involving more than one ILEC; and (3) reciprocal compensation between carriers operating within defined local calling areas (including CMRS arrangements – where the MTA is the local calling area). These types of interconnection arrangements are currently governed by a complex system of intercarrier compensation regulations that result in traffic which has similar cost characteristics being billed at vastly different rate levels. Though there may

[9] *In the Matter of Developing a Unified Intercarrier Compensation Regime*, NOTICE OF PROPOSED RULEMAKING, FCC 01-132, CC Docket No. 01-92, Rel. April 27, 2001.

be no significant difference in cost, the rate charged for carrying traffic varies significantly depending on the connecting carrier's classification (CMRS, IXC, CLEC, or ILEC) and the jurisdiction of its call (local, intrastate, or interstate toll). In addition, some users of the local network may have the incentive to withhold message labeling information to arbitrage rate differences between different types of traffic, which leads to the so-called "phantom traffic problem" – the local telephone company does not have sufficiently accurate information to bill traffic terminating on its network.

- **The different types of interconnection arrangements motivate carriers to shop for the least cost route/tariff that is often inefficient and sometimes fraudulent.**

  This arbitrage is typically referred to as regulatory arbitrage, and often cause carriers to do things that otherwise would not make economic sense. Examples of this activity are widely known. The allegation of AT&T and others that MCI routed calls to an international point and then back to the United States to reduce access charges is a classic case study of this type of arbitrage. However, there are other examples more familiar to RLECs, such as when a CMRS provider deposits traffic destined to an RLEC customer in a neighboring RBOC exchange area for transmission via Extended Area Service (EAS) routes.

- **The evolving network is erasing distinctions between voice and data traffic.**

  Access charges were originally designed for originating and terminating voice long distances calls over a circuit-switched network. This network is rapidly being replaced by a packet-switched network, which will carry voice, data, Internet, and video traffic simultaneously.

- **Who should pay for the call?**

  Existing access charge rules and the majority of existing reciprocal compensation agreements require the calling party's carrier (with whom the calling party has a retail relationship), whether LEC, IXC or CMRS, to compensate the called party's carrier for terminating the call, and also the originating carrier in the case of access. These interconnection arrangements have been referred to as "calling-party's-network-pays" (CPNP) or Retail Service Provider Pays (RSPP) arrangements. They are based on the assumption that the calling party is responsible for the call and thus should pay. Proponents of "Bill and Keep" alternatives argue that both parties typically benefit from a completed call, and thus, both the originating and terminating parties ought to pay for the call.

B. Bill and Keep is not the Answer, Especially for RLECs

In its Notice, the FCC requested comment on "Bill and Keep" and many variations of one of its proposals, Central Office Bill and Keep (COBAK), have been offered since as the solution to the intercarrier compensation problem. On its face, Bill and Keep appears to solve some of the current problems. By recovering all costs from its own retail customers, Bill and Keep eliminates the potential for the local carrier to exercise monopoly control over the pricing of terminating transport. Billing problems, including the determination of the proper jurisdiction of a call or the nature of the traffic, go away when there is no billing. Bill and Keep proponents argue that if both parties to a call benefit equally from completing a call, the originating carrier should not have to pay to terminate the call over the called party carrier's network.

Despite these alleged benefits, Bill and Keep suffers from serious flaws that portend serious consumer harms, especially when applied to RLECs.

- Bill and Keep is not an economically efficient solution: By placing a zero price on network usage, bill and keep would provide false economic incentives to overuse the local network vs. a pricing structure that recognizes the cost of placing a call. Rural networks are costly to build and maintain because of long distances and relatively low traffic volumes. Thus, the combination of false incentives for overuse and the elimination any compensation for such usage could indeed prove to be lethal to rural network service quality.
- The argument that both parties benefit from a call is also misleading. One of the reasons that spam is so prevalent on the Internet is that there is no cost to the sender. Bill and Keep places all of the cost of network termination on the call recipient, and in effect causes consumers to pay for calls that they may not want.
- Bill and Keep can work well when traffic is relatively balanced and the costs of the underlying networks are relatively equal. Rural networks are inherently more costly, and traffic patterns are often not balanced.
- Bill and Keep could compromise universal service in RLEC serving areas by eliminating a vital source of cost recovery, and placing increasing pressure on overburdened universal service funding mechanisms and rural consumers. RLECs have high per unit operating costs in part because they serve sparsely populated territories. The provision of rural access services often involves transporting traffic for long distances over low volume routes. Both of these factors are responsible for costs in many rural areas that are significantly higher than similar services in urban areas. To cover the costs of operating these networks, and to provide RLECs with the ability and incentive to invest to grow their networks, any access revenue shortfall must be made up by either end-user

rate increases or through the universal service fund. Bill and Keep would lead either to unacceptably large increases in end-user charges or over-reliance on universal service funding that is already under market and political pressure. Maintaining intercarrier charges for network use in high-cost rural areas spreads the cost recovery risk over three revenue sources (carriers, end user, and USF) rather than just two sources (end user and USF).

- Bill and Keep may lead to new forms of arbitrage with end user customers classifying themselves as carriers to take advantage of Bill and Keep resulting in reduced basic exchange service revenues.
- Without some form of compensation that provides for additional revenue flow as traffic volumes grow, RLECs will be unable to make additional investments in their network that will be necessary as traffic volumes increase. The increasing presence of broadband services will inevitably cause the volume of information moving through the network to increase, and without the ability to invest in needed facilities to handle this traffic, customers of RLECs could be left behind in the broadband migration. Even worse, without the ability to expand call-carrying capacity in the face of growing demand, service quality for rural consumers would be seriously degraded.
- Curbing "last mile" market power is not a persuasive argument for RLEC serving areas for the following reasons:
  - In many serving areas, it is not possible to economically justify serving all end users without universal service funding.

- RLECs face large connecting carriers that have their own market control. Many RLECs rely on the neighboring RBOC for Extended Area Service. They also often rely on these larger carriers for transport of their traffic out of their study areas.
- Rate of return regulation circumscribes their ability to price anti-competitively.

The EPG Plan has none of Bill and Keep's shortcomings. Instead, it is an economically efficient solution to intercarrier compensation that smoothes the transition of an ILEC's voice network to a multi-media broadband data network based on packet technology. It provides appropriate compensation for all networks, rural and urban, and will allow rural service providers to continue to serve their customers as markets and technologies evolve, and facilitate the development of broadband services in rural areas.

III. EPG PLAN STEP 1 – FIX ANOMALIES IN THE CURRENT INTERCARRIER COMPENSATION REGIME

The current environment is characterized by a hodge-podge of disparate charging mechanisms that have evolved over time and for differing purposes. The way a carrier is charged is dependent upon many factors including the carrier's classification (ILEC, IXC, CMRS, CLEC, ISP, etc.) and the nature of the traffic that is carried (local, intrastate toll, interstate toll, Internet access, etc.). Sometimes it is impossible to accurately bill traffic arriving over common trunk groups because the labeling information necessary to accurately bill the traffic has been removed. In other cases traffic may be improperly billed because the labeling information has been tampered with to make it appear as lower priced traffic. If the network of the future is to evolve in an economically rational manner, and if all consumers, including consumers in high-cost rural areas are to be able to enjoy its advantages and services, two fundamental changes must take place:

- Honesty must be restored to network transactions, and
- Disparate charging mechanisms must converge to a unified and rational system where services with similar cost characteristics are billed at the same rate.

Proponents of Bill and Keep have argued that the proper charging mechanism is one in which there are no charges to connecting carriers for the origination and termination of traffic. For the reasons discussed in the previous section, mandated bill and keep for all traffic will have a number of unintended negative consequences, including real harm to rural consumers.[10] As will be discussed in the following sections, the proper solution is one that will match the intercarrier compensation structure with the nature and cost drivers of the evolving packet-based

[10] It should be noted that there are situations where Bill and Keep may indeed be the optimal intercarrier compensation. In situations where the cost structures of the connecting networks are similar, the traffic flows are balanced, and the connecting carriers mutually agree, Bill and Keep may work well.

network. As we evolve towards this ultimate solution, however, there are steps that regulators at the state and federal level can take to insure that this transition takes place efficiently, and that important social goals, including universal service, are preserved throughout the transition process.

A. Avoid Piecemeal Solutions

The FCC has received petitions from several carriers and service providers in recent years (for example AT&T and Level 3) requesting that they be excused from paying access charges on services that they claim to be "Internet Protocol" or Voice Over the Internet (VoIP). The magnitude, importance and complexity of solving the intercarrier compensation issue will require a comprehensive solution that allows for the efficient evolution of the network and the preservation of universal service. The FCC's decision to deny the A&T petition[11] was the correct one, and the FCC should deny any other petitions that seek piecemeal solutions that will make it more difficult to transition to a system that would allow the achievement of long term network and social goals.

B. Restore "Truth in Labeling"

The fact that there may be fraudulent labeling of traffic in the network today, or even that there may be difficulty identifying the nature of traffic, is no reason to totally eliminate intercarrier compensation. The intentional mislabeling of traffic, or the removal of information on a call record that would allow for the accurate billing of traffic is a crime and should be treated as such. Managing the transition from the current environment to a more optimal and rational intercarrier compensation regime will be difficult enough. The transition will be much easier if there is a fundamental level of accuracy and honesty in the current system. The 1990s

[11] *Petition for Declaratory Ruling that AT&T's Phone-to-Phone IP Telephony Services are Exempt from Access Charges,* Order, WC Docket No. 02-361, released April 21, 2004 (FCC 04-97).

are over, and on many fronts policy makers are realizing the harm that over-exuberance to meet financial targets has inflicted on our economy and our culture. The FCC should clearly articulate that fraud and deception in the handling of interstate information commerce will not be tolerated, and state commissions should make similar declarations for traffic within their jurisdictions.

As the intercarrier compensation structure evolves to more rational and packet-oriented structures, federal and state regulators should establish the following guidelines for the labeling, billing and disposition of traffic:

- A date certain (e.g., 6 months from adoption) should be established after which all messages transmitted over the PSTN must contain accurate labeling indicating the carrier responsible for the traffic, and the origination and termination of the traffic.
- After this date, all traffic that is not accurately labeled will be billed to the carrier delivering such traffic at the highest applicable rate.
- A second date (e.g., 12 months from enactment) should be established following which traffic that is not properly labeled will no longer be directly connected and may be routed to a location where additional billing detail can be obtained.

C. Implement Default Termination Rules and Rates for Currently Un-billable Traffic

Many RLECs today experience problems with traffic that is delivered to them over common trunk groups that is either unlabeled as to the carrier responsible for the traffic, or is un-billable because the RLEC does not have an interconnection agreement with the originating carrier. The measures described earlier to institute "truth-in-labeling" should help to reduce this problem, however it likely will not eliminate it entirely. To further provide fair compensation for the termination of such traffic, the EPG Plan would recommend that the Commission adopt the following principles:

- Consistent with the truth-in-labeling provisions described above, after a date certain, all unlabeled traffic should be billed to the carrier at the other end of the trunk group on which it arrives as access.
- In cases where the RLEC does not have an existing interconnection agreement with the carrier responsible for the traffic, a reasonable default termination rate should be established.

D. Reform the "ESP/ISP Exemption"

The current Enhanced Service Provider (ESP) Exemption was created in 1983 when access charges were first being established as a part of the AT&T divestiture. At about the same time, the FCC was conducting its Computer Inquiry III, designed to differentiate between "telecommunications services" (then referred to as basic services) provided by AT&T and "information services" (at that time referred to as enhanced services) provided by companies like IBM and other ESPs. At that time it was reasoned that ESPs were a "nascent" industry, and imposition of access charges would hinder its development. It should also be remembered that interstate access charges were quite high back then, reflecting the prior contribution that long distance services had made to low basic residential rates. Many rural carriers had interstate access charges of over 8¢ per minute[12] . It is also significant that this was 20 years ago, and access charges have come down dramatically since then.

Following the enactment of the Telecommunications Act of 1996, the FCC issued its Access Charge order in which it reaffirmed that access charges did not apply to "information service providers." Like the earlier order, the FCC stated that:

> "[information service providers] may pay business line rates and the appropriate subscriber line charge, rather than interstate access rates. … [information service

[12] See NECA Tariff FCC No. 1, May 25, 1984.

> providers] typically pay incumbent LECs a flat monthly rate for their connections regardless of the amount of usage they generate … [information service providers] should not be subjected to an interstate regulatory system designed for circuit-switched interexchange voice telephony solely because [information service providers] use incumbent LEC networks to **receive calls** from their customers."[13] (emphasis added)

Access rates have also come down significantly since 1997 with the enactment of the CALLS and MAG plans, and Internet usage and the role that it plays in our daily lives has grown significantly over this time period. One other change has also occurred. For most of its existence, the ESP Exemption has served as a means for consumers to connect with their ISPs through economical dial-up access. The nature of how ISPs are using these lines is changing, however, with the advent of VoIP services. In addition to allowing customers to dial in to their network over flat-rated business lines, many ISPs are now using these lines to "dial out" to terminate VoIP traffic over the local exchange network. This type of usage, for which intercarrier compensation is clearly applicable, was never contemplated when the ESP/ISP Exemption was first developed in 1983, and reiterated in 1997.

Any pretense that ISPs were adequately compensating ILECs for the use of their local network through the purchase of business lines totally disappears if ISPs are allowed to load these lines up as though they were two-way high-usage trunk groups. Allowing VoIP providers to use the local network for free would provide them with an unwarranted competitive advantage, and would not be competitively neutral. If ISPs are allowed to use the ESP/ISP Exemption for this unintended purpose, it will become difficult or impossible to implement the type of efficient forward-looking intercarrier compensation mechanism described elsewhere in this paper.

[13] First Report and Order CC Dockets Nos. 96-262, 94-1, 91-213 and 95-72, FCC 97-158, Released May 16, 1997.

To avoid this, and to allow the original purpose of the ESP/ISP exemption – the provision of affordable dial-up access to the Internet for consumers – to continue, the following modifications should be implemented as soon as possible:

- ISPs should be allowed to continue to use flat-rated business lines to receive calls from their customers.[14]
- ISPs should be prohibited from terminating traffic to the PSTN over flat-rated business lines. The termination of traffic to the PSTN must pay appropriate intercarrier compensation charges.

[14] In some parts of the country, flat rated business lines are not provided, and all business service is measured. In other areas incoming usage is not measured, but outgoing usage is. In such cases, modifications to these policy recommendations may be necessary.

IV. EPG PLAN STEP II – UNIFY DISPARATE INTERCARRIER COMPENSATION MECHANISMS AT CURRENT INTERSTATE ACCESS LEVELS AND ESTABLISH AN ACCESS RESTRUCTURE CHARGE (ARC) TO RETAIN THE REVENUE CONTRIBUTION THAT INTERCARRIER COMPENSATION CURRENTLY MAKES TO AFFORDABLE BASIC RATES AND UNIVERSAL SERVICE

A. Unified Intercarrier Compensation Rates Should be Established Based Upon Interstate Access Revenue Requirements

Given the fact that the current disparate intercarrier compensation mechanisms are unsustainable and that some unified intercarrier compensation regime must be developed, the next logical issue is the price level at which this unified compensation should be established. Proponents of a Bill and Keep system of compensation have suggested that the unitary rate should be zero. For all of the reasons described in the previous Section II, Bill and Keep and a unified intercarrier compensation rate of zero would not serve the public interest and would have serious negative consequences for rural consumers.

The EPG Plan proposes that the unified intercarrier compensation rate be cost-based, and be established at the level of the current interstate access charges. Part 69 of the FCC rules provides a tried-and-true methodology for the development of the cost of providing varying types of access and transport services. For rate-of-return carriers these rate levels provide appropriate cost recovery and, indeed, if some other methodology were used for the development of the unified rate, some additional recovery mechanism may be necessary to allow these carriers to achieve their legitimate revenue requirements. For carriers under Price Cap regulation, the current interstate access rate levels likewise present an appropriate point at which to establish the unified intercarrier compensation rate.

Due to a number of initiatives at the federal level in recent years (e.g., the CALLS and MAG plans), interstate access rates are generally lower than comparable intrastate access rates.

While some states have implemented access reform and rate rebalancing initiatives similar to those enacted by the FCC, most states have intrastate access charges that are significantly higher than interstate access levels. For example, on average, rate of return carriers intrastate access rates are greater than 2.5 times the interstate levels and intrastate rates can exceed 18¢ per minute.[15] These disparities provide incentive for carriers to engage in unlawful arbitrage, and are a barrier to the evolution of a more rational intercarrier compensation regime. To address this situation, both switched and special intrastate access charges should be reduced to interstate levels.[16] Reciprocal compensation charges should also be moved to the unified rate level and structure upon the expiration of current interconnection agreements.

To retain current levels of cost recovery from intercarrier compensation, revenues not recovered from the unified intercarrier compensation structure should be moved to a federal Access Restructure Charge (ARC). The ARC is a capacity-based intercarrier compensation rate element that would be calculated by NECA, filed in its access tariff and bulk billed to all carriers based on working telephone numbers. The ARC would be administered separately from the existing Universal Service Fund.

B. The ARC is Not a Universal Service Fund

The purpose of the ARC is to compensate regulated carriers for the usage of their local networks. It allows regulated carriers subject to mandated reductions in intrastate access charges to continue to recover the current contribution of intercarrier revenues to overall cost recovery, including the higher costs of transporting traffic over rural networks. As such, it is different from the components of the USF which are designed to allow carriers to offer basic network connectivity at affordable rates in areas where the cost of subscriber loops is high. It is also

[15] NTCA Ex-Parte.
[16] In some states intrastate special access rates may be below current interstate special access rate levels. In such cases, the EPG Plan proposes that these lower intrastate rates be grandfathered at current levels.

different in that the 1996 Act requires USF to be portable to competitive Eligible Telecommunications Carriers (CETCs) in cases where state regulators (or in some cases the FCC) determine that such portability would be in the public interest.

Classifying the ARC as a USF mechanism subject to portability would be wrong for several reasons. First, many carriers that are requesting USF portability, particularly wireless carriers, are not subject to price and/or rate of return regulation. They are free to set the components of their pricing mix in any manner that they see fit. Mandated access charge reductions lower the per-minute rates that regulated carriers charge for the origination and termination of traffic on their networks. Wireless carriers employ a predominantly minutes-of-use-based pricing structure, and have faced no regulatory mandates to reduce these prices. Indeed, a second reason why the ARC should not be portable is that this will prevent carriers that do not charge access from receiving an unwarranted windfall. Finally, since the ARC lowers the rates that other carriers pay, giving ETC carriers both the rate reduction and the funding to offset that reduction would represent an unjust and unreasonable "double benefit."

C. A "Benchmark" Price Level Should be Established to Assure Equity Among the States in the ARC calculation.

The ARC is an integral part of a nationwide plan to achieve uniform intercarrier rates. In creating the ARC we recognize that some states have progressed more quickly than others in lowering intrastate access rates, and increasing cost recovery from end user rates and from state universal service funds. If the ARC were to be implemented without some consideration of the degree to which states have rebalanced rates, then there could be an issue of equity among the states. States that had progressed further with rate rebalancing would be penalized, and states that had not would be unjustly rewarded unless some mechanism is implemented to account for

this. To address this issue, the EPG Plan proposes that a "benchmark" price level be established for computation of the ARC. Specifically, the EPG Plan proposes a benchmark of $21.07 per line be established for the sum of basic rate (including non-optional EAS charges) and the federal SLC.[17] Companies where the sum of the basic and SLC was less than $21.07 would face a reduction of ARC funding that they might otherwise qualify for as a result of the revenue loss created by the establishment of unified intercarrier compensation rates.

The 1996 Act requires that rates in rural and high-cost areas be "reasonably comparable" to rates in urban areas.[18] The FCC's *Reference Boo*k, *2004*[19] indicates that the average urban residential rate in 95 sampled cities was $14.57 as of October 15, 2003. The same *Reference Book* also shows that the average residence and single line SLC charge in these cities was $5.91. This compares with an average residence and single line SLC charge of $6.50 in most RLEC study areas. The proposed $21.07 benchmark level is the sum of the $14.57 average urban rate, and the $6.50 SLC cap level ($14.57 + $6.50 = $21.07). By establishing the benchmark for ARC funding at this level, companies will need to have accomplished significant rate rebalancing to qualify for full ARC funding, and the size of the ARC will be maintained at reasonable levels.

The $21.07 would be a national benchmark level for use in the calculation of qualification of a federally established ARC mechanism. The ARC represents a capacity-based charge to all telephone numbers, nationwide, that provides for the ability to connect to all other telephones, including those in rural and high-cost areas, under a system of unified intercarrier compensation rates. The EPG Plan provides a blueprint for quickly achieving a unified

[17] This benchmark only includes non-optional EAS charges and does not include other surcharges such as taxes, E-911 surcharges, etc.
[18] Section 254(b)(3)
[19] *Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service,* Industry Analysis Division, Wireline Competition Bureau, 2004, Table 1.2.

intercarrier compensation structure, and allowing all parties to get on with competing for the delivery of high-quality services to consumers.

Companies whose basic rate plus SLC charge is less than the $21.07 benchmark would not qualify for full ARC recovery for their intercarrier revenue reductions. For example, if a company had basic rates and SLC charges that totaled $20.07 (i.e., $1 below the benchmark), and it served 1,000 lines at this rate level, then its ARC draw would be reduced by $1,000 ($1 below benchmark times 1,000 lines equals $1,000). If this hypothetical company qualified for $1,500 of monthly ARC funding due to intercarrier rate reductions, then its ARC receipts would be reduced by this $1,000, and it would only receive $500 in ARC payments. If this company had combined rates of $19.07 (i.e., $2 below benchmark), then its potential ARC reduction would be $2,000 ($2 below benchmark times 1,000 lines equals $2,000). Since its intercarrier reduction was $1,500, this would mean that under these conditions this carrier would qualify for no ARC funding.

Carriers who face an ARC reduction due to rates below benchmark rate levels would have two options for the recovery of their revenue loss due to intercarrier rate level unification. While some carriers have the option to request a basic rate increase from the state Commission, given that such proceedings can take considerable time and involve substantial expense on the part of the company and the commission, the Plan provides an alternative for the recovery of unification revenue losses called the Optional Variable Federal SLC (OVFS). The company-specific OVFS would be part of the access tariff, and would be billed to the individual end-user customers of that carrier. Under either approach, to the extent that a company's combined basic and SLC rate levels were below the benchmark, intercarrier unification revenue losses would be made up through increased charges to that carrier's end users, and not through the ARC which is

funded by all users of NANP numbering resources. The reason that the OVFS is necessary is that unless companies are able to recover the revenue loss created by the reduction of intrastate access services to interstate levels, these companies will experience difficulty in fulfilling their important Carrier of Last Resort (COLR) roles, and will lack the ability and incentives to invest to bring broadband services to their rural serving areas.

D. Development of Intercarrier Revenue Requirements and the ARC

The formula for the computation of the ARC involves the determination of an overall "revenue requirement" for intercarrier services, and subtracting from this amount the revenues actually recovered from the unified intercarrier mechanism and other relevant revenue sources. While the development of an interstate access revenue requirement is a straightforward process as defined in the FCC rules, intrastate access rate development in most states is not tied to any specific revenue requirement determination. Thus, in the computation of total intercarrier revenue requirements it is necessary to use intrastate intercarrier revenues as a proxy for intrastate access revenue requirements. For purposes of rate development, intrastate intercarrier revenues are assumed to include intrastate access charges (switched and special), net reciprocal compensation revenues and state SLCs. Should a state commission later eliminate or reduce a state USF that had been designed to reduce intrastate access, an appropriate adjustment to the base period intrastate revenue amount would be necessary for the calculation of the ARC.

For purposes of developing total intercarrier revenue requirements, the interstate access revenue requirement for the current year will be compared to the interstate access revenue requirement for the previous year. This will be used to develop a year over year interstate access revenue requirement change factor (F_x), which will be applied to the previous year's intrastate access revenue number to obtain the appropriate intrastate revenue amount for the current year.

The development of the intercarrier revenue requirement in any given year will be determined according to the following formula:

Intercarrier Rev. Req. Y_x =
(State Intercarrier Revenues Y_{x-1} * F_x) + Interstate Access Rev. Req. Y_x[20]

Where: F_x = Interstate Access Rev. Req. Y_x / Interstate Access Rev. Req. Y_{x-1}

The ARC will be equal to the Intercarrier revenue requirement offset by net intercarrier revenues, federal and state SLC revenues, and existing access-related universal service support (i.e., ICLS and LSS). The formula for the computation of the ARC will be as follows:

ARC Y_x =
Intercarrier Rev. Req Y_x – Net Intercarrier Revenue Y_x – SLC Y_x – Access USF Y_x – Benchmark Adjustment (if any)[21]

E. The EPG Plan Does Not Require Fundamental Changes in Separations Procedures and Proposes That Revenues From the Uni-Jurisdictional Intercarrier Compensation Regime be Assigned to the Jurisdictions Based Upon Relative Costs

The EPG Plan can be implemented without major changes in the current separations process that allocates costs between the interstate and intrastate jurisdictions. Under this Plan, frozen separations allocations would remain in effect. Since the purpose of this Plan is to develop a unified, uni-jurisdictional rate, any modifications to the separations process would be unnecessary and a waste of resources that could be utilized for better purposes. Rather than changing Part 36 cost separations, this Plan is premised on the fact that revenues can be allocated to the respective jurisdictions consistent with the current frozen cost allocation procedures.

[20] In the first year of the Plan, a base year intrastate intercarrier revenue amount will be developed to reflect a full year of intrastate revenues prior to rate unification (i.e., Y_0).
[21] A benchmark adjustment will only be necessary if the sum of the basic rate plus SLC is less than the current benchmark rate level. The benchmark adjustment will be the lesser of the difference between the actual and benchmark rate levels or the intercarrier revenue shortfall amount.

The Intercarrier Revenue Requirement upon which the new compensation structure will be based is the sum of the current interstate access revenue requirement as developed from cost studies or average schedules, and state intercarrier revenues. Intrastate intercarrier revenues will be developed by taking the prior years intrastate revenue and adjusting it by the percentage change in interstate revenue requirements from the prior year to the current year.. Thus, since both the interstate and intrastate components will be change by the same percentage each year, the ratio of the interstate and intrastate components will remain the same throughout the duration of the Plan. Thus, the revenues from the uni-jurisdictional tariff can be allocated to the respective jurisdictions through the application of the state to interstate ratio.

F. The EPG Plan Can be Accomplished Under Current Laws and Rules and Would Not Require Additional Legislation

The EPG believes that its Plan can be implemented in a reasonable period of time without the need for new legislation. Regulators at both the state and federal level have recognized the need for a unified intercarrier compensation regime, and the harm that the current disparate mechanisms are causing to the evolution of telecommunications markets. The EPG believes that a system of unified intercarrier compensation can be adopted by a collaborative process that would not necessarily involve preemption by the FCC. We believe that the changes in this Plan could be implemented on a collaborative basis by regulators at the state and federal level, and perhaps could be encouraged if the FCC were to articulate guidelines that suggested a plan by which a unified intercarrier regime should be implemented. If a collaborative approach to the establishment of a unitary intercarrier compensation regime ultimately proves to be unsuccessful, the EPG believes that the FCC has sufficient authority under the Telecommunications Act of 1996 to implement such modifications by its own initiative.

V. EPG PLAN STEP III – INTRODUCE A CAPACITY-BASED INTERCARRIER COMPENSATION MECHANISM AS A FORWARD-LOOKING ALTERNATIVE

A. The Evolving Nature and Use of the Network Will Require New Intercarrier Compensation Structures

The current intercarrier compensation structure had its genesis in an era when traffic over the PSTN was predominantly voice, the facilities were mainly copper, and calls were connected through a circuit-switched architecture. Today more and more traffic on the network is data, facilities are increasingly fiber, and more and more traffic is being carried utilizing a packet-switched architecture. A circuit-switched architecture made it easy to identify each call, track where a phone call was coming from and where it was going to, and to bill for usage of the local network on a per-minute basis . As the network becomes increasingly packet switched, and as broadband services become more prevalent, it will become more and more difficult to track and time individual calls, and much of the traffic will not be "calls" at all, but will be 0s and 1s that could be a bank statement, a movie or some other application that no one has thought of yet. To prepare for this future, it is necessary to develop new ways for carriers to compensate each other for use of their local networks that do not rely on tracking minutes. The EPG Plan introduces a new capacity-based charging mechanism that bases charges on the ability to originate and terminate defined amounts of capacity from or to the local network

The new rate structure will be comprised of two major rate elements – Ports and Links – as well as other rate elements that will be necessary to reflect the functions and capabilities of a packet-based voice and data network. These rate elements would follow the major cost drivers in a packet-switched network, and will function as follows:

Port

The port is the physical termination on the switching network for directly connected carriers. The port charge recovers the intercarrier switching costs, as well as transmission facilities between the Port and the end user switch (excluding costs recovered through the ARC and other mechanisms). In a circuit switching network, the port is the line or trunk port on a local carrier's switch that provides access to end-users. In a packet switching network, the port represents the termination at the packet switch. Ports are based on capacity. Some examples include DS1, DS3, OC3, and OC12. Under this Plan, Port charges will be established and sold only at the DS1 level. There will also be charges for multiplexing from DS3 and higher levels to the DS1 level. Preliminary estimates indicate that the charge for a DS1 port would average approximately $2,000 per month when it is introduced in Step 3 for dedicated transport traffic. This would be the financial equivalent of the 2.05 cents per minute charge under the current rate structure for such traffic. All interconnecting carriers will be required to purchase a Port into the local carrier's network under the capacity-based plan.

Link

A Link represents the physical connection between the Point of Interconnection (POI) and the Network Port. Link prices are based on capacity and distance. Some examples of Links are DS1 and DS3 services. Both parties will mutually agree on a Point of Interconnection for the exchange of traffic. When one of the interconnecting parties is an RLEC, the POI(s) must be within that RLEC's contiguous serving area. Link charges will apply to all wholesale (i.e., access-like) services, but will not apply to local or EAS services (see Section D, following.)

Port and Link charges will be set to recover the average equivalent interstate rate per minute, with rate banding. Link charges will be set equal to the charge for the equivalent interstate Special Access service. For example, DS1 Direct Trunked facilities will be set equal to Special Access interoffice DS1 rates. Rate banding, or other adjustments to the special access rate structure may be necessary to assure that the distance and traffic volumes of remote rural carriers are adequately considered, and that the Link structure appropriately recognizes the cost of transport in rural areas. For companies in the NECA pool, rate banding similar to NECA's current practice will be used to band the Port, Link and other charges. NECA is also considering rate banding for Special Access services, including its transport and entrance facility rates. This Special Access rate banding would also be reflected in the switched transport link rates, since link rates are set to their equivalent Special Access rates.

B. Capacity-Based Charging Will be Introduced for Dedicated Transport Services Within Two Years of Rate Unification

There are two types of switched transport offered by local exchange carriers today. Under "dedicated transport" a connecting carrier establishes a dedicated transport trunk into the local exchange carrier's network for the exclusive use by that connecting carrier to originate or terminate traffic. When large volumes of traffic are exchanged between the two networks this is the most efficient means of interconnection. Under "common transport" multiple connecting carriers use a common trunk group, usually coming from a tandem switch, to originate or terminate traffic. Common transport is often used when traffic volumes are not sufficient to justify direct trunk groups. Many small RLECs connect with most, if not all, of their interconnecting carriers through common transport arrangements. Under both types of connections, the connecting carrier compensates the originating carrier for minutes of usage originated from or terminated to the local exchange network.

The EPG Plan proposes that within two years of the establishment of the unified intercarrier compensation regime, that dedicated transport services be converted to a capacity-based pricing structure. Initially converting only the dedicated transport services makes sense for several reasons. First, by definition, dedicated trunk groups are provided for the benefit of a single carrier and there will be minimal changes in business relationships as the pricing arrangements are changed from a minutes-of-use charge to a monthly capacity-based charge. Second, by introducing capacity-based charging for only a portion of the current access traffic there would be an opportunity to gain experience and "go up the learning curve" with capacity-based compensation structures, billing systems and business relationships. Finally, as markets and technology change, and more traffic needs to migrate to capacity-based or other innovative charging mechanisms, carriers will be prepared to meet these needs, and continue to generate revenues that will allow them to continue to invest to grow their networks and bring their customers new and innovative services.

C. Common Transport Services Would Remain on a Minutes-of-Use Basis, However Carriers Would Have the Option of Migrating to the Capacity-Based Pricing Structure

Under the EPG Plan, common transport services would remain on a minutes of use pricing basis. Carriers would have the option, however to convert common transport trunks to the capacity-based pricing structure. The EPG believes that, over time, capacity-based pricing will become the predominant form of intercarrier compensation. By allowing this migration to occur over time, based upon market and technology drivers, consumers will be best served, and markets will be able to deliver the widest array of services.

D. Exchange of Local And Extended Area Service (EAS) Traffic

For the exchange of local or EAS traffic between two carriers, reciprocal termination charges may be usage-sensitive in which each party assesses per minute charges for the

termination of traffic. Under the capacity-based structure this will be billed using the Port charge for direct trunked traffic. The ILEC will not be responsible for delivering traffic or paying any costs to a Point of Interconnection located at any point outside of the ILEC's contiguous serving area or beyond the serving area boundary (i.e., existing meetpoints).[22] Alternatives to these arrangements may also be available under tariff. For ISP bound traffic, the current ISP Remand Order[23] rules and rates will remain in effect.

[22] These charges include any transport and third party transiting charges in either direction. One exception is when a RLEC, as defined in the Act, is exchanging local or EAS traffic with another RLEC. In this scenario, the RLEC on whose network the call originates will be responsible for third party transport and/or tandem transiting charges to the reach the terminating RLEC's network.
[23] *Order on Remand* in CC Dockets 96-98 and 99-68, released April 27, 2001 (FCC 01-131).

VI. CONCLUSION

The EPG Plan represents a rational and workable strategy to transition from today's unsustainable system of disparate compensation arrangements to unified intercarrier compensation mechanism that will allow for the continued delivery of high-quality services to all consumers,and for the efficient introduction of new telecommunications technologies.

- The ultimate winners under the EPG Plan will be consumers. Major benefits provided to consumers as a result of the Plan will be:Consumers in all areas of the nation will continue to have access to affordable basic telecommunications services.
- An appropriate balance will be maintained between rates paid by consumers, rates paid by carriers, and receipts from the universal service fund.
- Carriers in all regions of the nation will have the ability and incentives to continue investing in infrastructure that will bring consumers a wide array of telecommunications services, including broadband services and applications.

Attachment A

The following companies participated in the development of the document *A Comprehensive Plan for Intercarrier Compensation Reform* developed by the Expanded Portland Group.

Chippewa Telephone Company
Consolidated Communications
Enhanced Telecommunications Corporation
FairPoint Communications, Inc.
GVNW Consulting, Inc.
John Staurulakis, Inc.
Hiawatha Telephone Company
Home Telephone Company, Inc.
Matanuska Telephone Association Cooperative
McLean & Brown, Inc.
Middleburgh Telephone Company
Midway Telephone Company
Missouri Valley Communications, Inc.
Montana Independent Telecommunications Systems (MITS)
Nemont Telephone Cooperative, Inc.
North Pittsburgh Telephone Company
Northern Arkansas Telephone Company
Ontonagan County Telephone Company
Oregon Farmers Mutual Telephone Company
Project Telephone Company
Sandwich Isles Communications, Inc.
TCA, Inc.
TDS Telecom
TelAlaska
Toledo Telephone Company, Inc.
Waitsfield and Champlain Valley Telecom
Warinner, Gesinger & Associates, LLC
Western New Mexico Telephone Company, Inc.