Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition	)	**GN Docket No. 12-353**
	)	
Petition of the National Telecommunications Cooperative Association for a Rulemaking to Promote and Sustain the Ongoing TDM-to-IP Evolution	)	

COMMENTS OF THE INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE

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The Independent Telephone & Telecommunications Alliance ("ITTA") hereby submits its comments in response to the December 14, 2012 Public Notice issued by the Federal Communications Commission ("FCC" or "Commission") in the above-captioned proceeding.[1] The Public Notice seeks input on the petitions filed by AT&T[2] and the National Telecommunications Cooperative Association ("NTCA")[3] urging the Commission to modify its policies in response to the ongoing transition of voice networks from Time-Division Multiplexing ("TDM") to Internet Protocol ("IP") technology.

I. SUMMARY

ITTA members have been at the forefront of the TDM-to-IP transition, drawing on private capital, universal service support, intercarrier compensation, and public-private

[1] "Pleading Cycle Established on AT&T and NTCA Petitions," Public Notice, GN Docket No. 12-353, DA 12-1999 (rel. Dec. 14, 2012) ("Public Notice").

[2] AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition, GN Docket No. 12-353 (filed Nov. 7, 2012) ("AT&T Petition").

[3] Petition of the National Telecommunications Cooperative Association for a Rulemaking to Promote and Sustain the Ongoing TDM-to-IP Evolution, GN Docket No. 12-353 (filed Nov. 19, 2012) ("NTCA Petition").

partnerships with federal and state regulators to deploy broadband networks and innovative IP-based services in the predominantly rural, high-cost areas they serve. Having deployed broadband across roughly 90% of their service footprint, ITTA members have been leaders in the TDM-to-IP transition and have a strong interest in seeing the Commission pursue regulatory policies that will promote and sustain the evolution from legacy platforms to IP-enabled networks and services. For investment in IP-based infrastructure to continue, however, it is important for the Commission to exercise a light regulatory touch and to explore ways to reduce or eliminate regulation in a manner that promotes innovation and the allocation of resources to the building and provisioning of new network facilities and services.

ITTA believes that it is appropriate for the Commission to open a proceeding as a forum for comprehensive consideration of the various issues at play with respect to the technological migration of traditional wireline infrastructure to networks that are capable of offering IP-enabled services. While this proceeding should not preclude the Commission from addressing certain IP-related issues that have been raised in other dockets if doing so would be beneficial, it makes sense for reasons of efficiency and transparency, particularly in light of industry changes that have occurred since some of those proceedings were initiated, to consider all issues relevant to the TDM-to-IP transition in a single docket.

The deployment and adoption of broadband facilities and services remains a central focus of the FCC's policy agenda, yet providers face a number of regulatory hurdles that impede investment in IP-enabled network infrastructure. For example, existing regulatory obligations that essentially require incumbent local exchange carriers ("ILECs") to maintain two different network architectures subject them to disproportionate regulatory burdens in relation to their competitors and reduce their incentives to invest in upgrades to IP-enabled facilities and services. Requiring carriers to maintain their TDM-based wireline infrastructure when the industry is

moving to next generation platforms requires continued investment in legacy facilities when those dollars could more efficiently be used to more rapidly deploy next generation networks and services.

The lack of clarity regarding whether certain legacy regulations, such as the Commission's service discontinuance rules, network change notification rules, and equal access obligations, apply in an IP-based environment also contributes to this uncertainty and limits investment in new facilities and services. In addition, providers face ambiguity with respect to the long-term impact of the Commission's recent Universal Service Fund ("USF") and intercarrier compensation ("ICC") reforms as well as the regulatory status of IP-enabled services more generally. Resolution of some of these issues is long overdue. The less doubt providers have regarding the application of existing regulations to IP-enabled services, the greater incentive they will have to devote resources to next generation networks that support IP-based services.

One of the most important principles that should guide the Commission in its evaluation of the policies and rules that will facilitate the TDM-to-IP transition is ensuring regulatory parity for all classes of providers in this new "all-IP world." Under the current regulatory framework, ILECs are placed at a competitive disadvantage vis-à-vis their cable and wireless competitors because ILECs must comply with legacy service obligations that require them to maintain TDM-based facilities and services while their competitors are free to transition to IP-enabled platforms without such regulatory constraints.

The Commission must ensure that all classes of providers compete on a level playing field during and beyond the TDM-to-IP transition. To achieve this objective, the Commission should eliminate monopoly-era regulations applicable to TDM-based networks when ILECs begin offering IP-based alternatives. The Commission also must clarify that certain obligations

relevant to offering TDM-based services, such as Section 214 and equal access obligations, have no application to new services available on all-IP networks. To the extent the Commission determines that any existing regulations continue to be necessary with respect to legacy networks, or that existing (or new) regulations should be applied to services offered on an IP basis, it should only impose regulations that are proven to be both necessary and useful. Furthermore, any such regulatory obligations should apply in the same manner to all classes of providers. ILECs are no longer dominant providers of communications services and the Commission must not persist in treating ILECs as monopoly providers to the advantage of their cable and wireless rivals.

In addition, it is imperative that the Commission refrain from making changes to its USF and ICC mechanisms that would upset the delicate balance struck as part of the reforms it adopted in the *USF/ICC Transformation Order*.[4] Now that the Commission has begun to eliminate universal support for TDM-based voice services and is redirecting that support to services offered over broadband networks, ILECs have been left to rely on an ICC recovery mechanism that is inadequate to support both legacy and next generation networks as they begin to deploy IP-enabled services over new facilities. Additional reductions in explicit or implicit support for ILECs would further jeopardize the TDM-to-IP transition and the Commission's broadband deployment and adoption goals by making it more difficult, if not impossible, for ILECs to build and sustain new network infrastructure in predominantly rural areas.

[4] *In the Matter of 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 (rel. Nov. 18, 2011) ("*USF/ICC Transformation Order*").

As part of its comprehensive review of the appropriate regulatory framework applicable to the TDM-to-IP transition, the Commission also should explore a deregulatory approach with respect to those state obligations that deter investment in all-IP networks. Many states impose service obligations on TDM-based voice services that may require ILECs to maintain a TDM-based network infrastructure after they have already begun to transition to all-IP platforms. Providers also face uncertainties on the state level as to whether such legacy obligations will apply to IP-oriented services on upgraded facilities. As with federal regulations, it makes sense for the Commission to consider ways to reduce or eliminate state regulatory burdens that impede the TDM-to-IP transition.

II. BACKGROUND

In its petition, NTCA asks the Commission to initiate a rulemaking proceeding to examine ways of promoting and sustaining the ongoing evolution of the Public Switched Telephone Network ("PSTN") from a TDM-based platform to an IP-based infrastructure through "smart regulation."[5] This approach would require the Commission to undertake a multi-step examination of the existing regulatory framework applicable to legacy telephone service and make targeted changes that would further the technological migration to IP-based networks and protect consumers, promote competition, and ensure universal service.[6]

NTCA also requests that the Commission couple its comprehensive review with the adoption of targeted, near-term economic incentives that would promote investment in IP-

[5] NTCA Petition at 5-12.

[6] *Id*. at 11. First, the FCC would develop a list of existing regulations that may have limited or no applicability with respect to the delivery of IP-enabled or TDM-based services due to technological change, competitive forces, or other regulatory, marketplace, or economic developments. Second, the Commission would seek comment on which of the identified regulations should be eliminated, retained, modified in specific ways, or replaced or supplemented with new regulations. Finally, the FCC would set a firm but reasonable deadline for completing its examination of this framework within a time period that would ensure the continued evolution of IP-based networks. *Id*.

enabled infrastructure.[7] According to NTCA, the FCC could accelerate the IP transition by confirming that all interconnection for the exchange of traffic subject to sections 251 and 252 is governed by the Communications Act of 1934, as amended, regardless of the technology used, and could provide carriers with an incentive to offer IP interconnection by allowing them to recover the costs of exchanging traffic across such interconnects through their rates.[8] In addition, NTCA urges the Commission to provide small, rural local exchange carriers with sufficient and predictable universal service support regardless of whether a customer purchases regulated voice service or takes only high-speed data service, which is ineligible for universal service support under the FCC's current rules.[9]

AT&T also supports the initiation of a proceeding to facilitate the industry's transition from legacy transmission platforms to new IP-based networks. However, AT&T proposes a unique approach pursuant to which the Commission would utilize trial runs to help it understand the technological and policy dimensions of the migration and identify the regulatory reforms needed to promote consumer interests and preserve private incentives to upgrade broadband infrastructure.[10]

Under AT&T's proposal, the Commission would allow ILECs to select individual wire centers where they would conduct trial runs for a transition from TDM to IP-based infrastructure, including the retirement of legacy facilities and offerings.[11] Each carrier would create a detailed plan that sets out the steps to complete the transition, identifies the network modifications necessary to effect the transition, designates the services to be offered in place of legacy wireline

[7] *Id*. at 13-15.

[8] *Id*. at 14.

[9] *Id*. at 15.

[10] AT&T Petition at 20-23.

[11] *Id*. at 20.

services, and provides a timeline for such changes.[12] The Commission would seek comment on removing legal and regulatory impediments to promote both the trial runs as well as the ultimate transition to all-IP networks and services.[13] The Commission would then implement the trial runs, and within a year of the inception of the proceeding, assess the results while considering broader industry-wide reforms.[14]

AT&T envisions that the FCC will pursue a deregulatory framework as part of the wire center trials so that the migration of these networks to IP technology would be free of "the distorting and investment-chilling effects of [legacy] regulations."[15] First, the Commission would eliminate outdated regulations that would require carriers to maintain TDM-based networks after alternative IP-based services are in place.[16] Second, carriers would no longer be required to provide interconnection in TDM format in wire centers where they have upgraded to IP technology.[17] In addition, the Commission would implement rules to facilitate the migration of end user customers from legacy to next-generation services.[18] AT&T believes these trial runs "will show that conventional public-utility-style regulation is no longer necessary or appropriate in the emerging all-IP ecosystem."[19]

[12] *Id*. at 20-21.

[13] *Id*. at 6.

[14] *Id*.

[15] *Id*. at 22.

[16] *Id*. at 21.

[17] *Id*.

[18] *Id*. at 22.

[19] *Id*.

III. DISCUSSION

A. THE COMMISSION SHOULD OPEN A PROCEEDING TO EXAMINE THE LEGAL AND POLICY IMPLICATIONS OF THE TDM-TO-IP TRANSITION

ITTA agrees with the need for a comprehensive docket to explore the issues raised by AT&T and NTCA, although the Commission should not be precluded from addressing issues that are relevant to the transition to IP-based infrastructure in other dockets if it would be beneficial to do so. There are a substantial number of issues that would significantly impact the TDM-to-IP transition that are scattered across other dockets such that it would be more efficient to consider them in a single proceeding. For instance, it would make sense in this docket for the Commission to examine the long-term impact of the myriad changes it adopted in the *USF/ICC Transformation Order* on the TDM-to-IP transition and to bring to closure outstanding questions regarding the regulatory status of IP-enabled services in general.[20]

B. THE APPLICABLE REGULATORY FRAMEWORK MUST PROMOTE AND SUSTAIN THE TDM-TO-IP TRANSITION AND ENSURE REGULATORY PARITY FOR ALL PROVIDERS

ITTA believes that the primary objective that should guide the Commission in evaluating and implementing an appropriate regulatory framework for the technological evolution to all-IP networks is regulatory parity. Wireline industry revenues continue to decline in the face of vibrant marketplace competition and "[i]t makes no sense to treat ILECs as dominant providers in an all-IP broadband marketplace that other providers currently lead."[21] The Commission should relax the monopoly-era regulations applicable only to ILECs and not other types of providers in order to create a level playing field.

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[20] *See IP-Enabled Services*, Notice of Proposed Rulemaking, 19 FCC Rcd 4863 (2004); Petition of USTelecom for Forbearance Under 47 U.S.C. § 160(c) from Enforcement of Certain Legacy Telecommunications Regulations, WC Docket No. 12-61 (filed Feb. 16, 2012).

[21] AT&T Petition at 6.

It is patently unfair that ILECs continue to be restrained by regulations that prevent them from retiring legacy TDM-based facilities when no such regulatory impediments exist for cable and wireless providers to transition to new networks and services. Indeed, one of the helpful aspects of the trial run approach proposed by AT&T is that "the experiment will enable the Commission to consider… on a competitively neutral basis, what, if any, legacy regulation remains appropriate after the IP transition."[22] The AT&T Petition did not (and was not intended to) list every conceivable legacy regulation that tilts the playing field in favor of non-ILEC providers, but suffice it to say that any regulation that requires ILECs to maintain TDM functionality in their networks, including carrier of last resort ("COLR") obligations, legacy copper loop obligations, and recordkeeping, accounting, data collection, and other requirements, could exacerbate these marketplace distortions, "create disincentives for broader investment in next-generation network architectures and result in an inefficient allocation of scarce investment dollars."[23]

As the Commission recognized in the National Broadband Plan, "requiring an incumbent to maintain two networks… reduces the incentive for incumbents to deploy" next generation facilities, "siphon[s] investments away from new networks and services," and results in significant "stranded" investment in outdated facilities and technologies that are not sustainable.[24] In establishing broadband deployment and adoption as the Commission's top policy priority, the National Broadband Plan cautioned the Commission to ensure "that legacy

[22] *Id*. at 22.

[23] *Id*. at 20.

[24] "Connecting America: The National Broadband Plan," at 49, 59 (2010), *available at*: http://www.broadband.gov/ ("National Broadband Plan").

regulations and services did not become a drag on the transition to a more modern and efficient use of resources… or make it difficult to achieve certain public policy goals."[25]

The Commission should utilize this proceeding to identify ways to reduce or eliminate federal regulatory obligations that stand in the way of investment in IP-based infrastructure and services. In today's competitive marketplace, maintaining disparate regulatory burdens on ILECs cannot be justified. The Commission's policies should reflect the dramatic changes to the communications industry that have occurred in recent years. ILECs continue to lose ground as their customers abandon TDM services and switch to cable and wireless alternatives, yet ILECs' costs remain significant because they are bound by legacy obligations requiring them to maintain increasingly obsolete TDM networks. The fact that ILECs also have lost implicit subsidies (not just the revenue) associated with those subscriber lines makes it harder for them to provide affordable service to their remaining customers.

This problem is further compounded by the Commission's decision to reduce and eventually eliminate universal service support for TDM-based voice services as it redirects such support to the deployment of voice-enabled broadband networks. Inadequate USF and ICC support for ILECs to meet their universal service obligations will chill investment in next generation networks and threaten the Commission's goal of ubiquitous broadband for all Americans. ITTA suggests that it also would be helpful for the Commission explore whether there are ways to incentivize ILECs to voluntarily maintain and operate their legacy networks and services in return for a lessening of certain regulatory requirements applicable to those networks and services today. Relaxing or eliminating onerous legacy network regulatory requirements could provide ILECs the flexibility to continue voluntarily to operate and maintain

[25] *Id*. at 59.

their legacy networks and services without interfering with their incentive to invest in upgraded facilities offering IP-enabled services.

The Commission also should utilize this proceeding to remove the regulatory uncertainty that providers face as to whether certain legacy obligations that pertain to TDM-based services apply to new services offered over upgraded IP networks. AT&T identified a number of regulations, such as Section 214 discontinuance requirements, equal access obligations, and certain aspects of the notice-of-network-change rules, that have no relevance, utility, or necessity in an "all-IP world."[26] The possibility that the Commission could saddle IP networks with these and other outdated regulations acts as a barrier to investment in IP-enabled facilities and services.

To the extent the Commission continues to regulate TDM-based services when IP-based alternatives are available, or determines that any legacy (or new) obligations are applicable in an IP-based environment, it should impose only those regulations that are proven to be both necessary and useful. Moreover, any such regulatory obligations should apply in the same manner to all classes of providers. As long as the Commission continues to endorse policies that subject ILECs to disproportionate regulatory burdens in comparison to their wireless and cable competitors, it will discourage the very investment in next generation networks and services it seeks to promote with its aggressive broadband policy agenda.

C. THE COMMISSION SHOULD UTILIZE THIS PROCEEDING TO IDENTIFY WAYS TO REDUCE STATE REGULATORY OBLIGATIONS THAT IMPEDE THE TDM-TO-IP TRANSITION

AT&T and NTCA each take a different stance on the role of the states as the TDM-to-IP transition progresses. NTCA envisions coordination with the states as the Commission examines what rules should apply to IP-based networks and services to ensure that its comprehensive

[26] AT&T Petition at 13-20.

review takes into account state legal obligations and consumer interests.[27] AT&T, on the other hand, supports elimination of state regulation entirely.[28] ITTA believes that this proceeding provides an opportunity to consider ways to reduce or eliminate state regulatory obligations that inhibit investment in IP-based networks, while preserving valuable relationships with state regulators as the industry transitions to an IP-based environment.

As with federal regulations, it makes sense to identify state regulatory burdens that could be eliminated or streamlined to promote the TDM-to-IP transition. Outdated rules should be removed, modified, or replaced with a minimal regulatory framework that makes sense in an all-IP world. For example, states should reduce or eliminate COLR obligations for TDM-based services so that legacy facilities and services can be retired in favor of IP networks and services. As demonstrated above, ILECs should not continue to be saddled with outmoded requirements applicable to "plain old telephone service" ("POTS") that essentially require them to maintain two different network architectures when their competitors are not subject to the same limitations and those dollars would be better spent on upgrading ILEC facilities to an all-IP infrastructure.

Nor does it make sense to subject IP-enabled services to legacy state obligations such as rate regulation or service or performance-related requirements. As AT&T points out, "[i]t is well established that price regulation both undermines investment incentives (by limiting cost-recovery in potentially unforeseeable ways) and distorts competition with unregulated rivals."[29] The same rationale applies with respect to service obligations that raise costs and impede additional network investment, such as a requirement to offer standalone voice service. Burdening providers with costly or irrelevant obligations serves no valid public policy purpose,

[27] NTCA Petition at 12.

[28] AT&T Petition at 17.

[29] *Id*.

especially when such "investment-deterring service obligations would provide little countervailing benefit to consumers, who can almost always choose from several different voice service providers."[30]

Should a state desire to continue to impose compulsory service obligations, however, it must provide adequate support to carriers through a state universal service fund or some other mechanism. In other words, mandatory service obligations must be tied to the right to receive support. Moreover, to the extent that legacy obligations continue to apply to TDM-based services once IP alternatives are available, or such obligations (or new rules) are extended to new IP-based services, states should ensure regulatory parity of such obligations by treating all classes of providers in a similar manner.

D. THE COMMISSION SHOULD LOOK FIRST TO THE MARKETPLACE TO GOVERN IP INTERCONNECTION OBLIGATIONS

ITTA continues to believe that the transition from TDM to IP-based networks should occur through a natural marketplace evolution, with the FCC's enforcement process as a regulatory backstop when interconnection disputes arise.[31] Currently, interconnection obligations for the exchange of VoIP traffic are governed by commercial agreements reached as the result of arms-length negotiations. As the competitive market dictates a transition to IP interconnection, providers are moving away from interconnection agreements relevant to the exchange of circuit-switched traffic and in the direction of alternative commercial arrangements that address not only the terms and conditions relating to IP interconnection, but also countless other technical and administrative details. Indeed, IP interconnection is evolving very much like the Internet itself, through voluntary marketplace arrangements.

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[30] *Id*.

[31] *See, e.g.*, Reply Comments of the Independent Telephone & Telecommunications Alliance, WC Docket Nos. 10-90, *et al*. (filed Mar. 30, 2012).

Subjecting IP interconnection arrangements to additional regulation at this time would be premature for two reasons. First, in addition to undermining the development of privately-negotiated, mutually beneficial arrangements for the exchange of IP traffic, it would interfere with ongoing, independent industry efforts to develop comprehensive technical standards to govern IP-to-IP interconnection for all providers.[32] Adopting regulatory mandates before industry standards have been established could force providers to develop a patchwork of carrier-by-carrier technical requirements that may not reflect a technologically-neutral marketplace. And given that any standards adopted by the Commission would remain in place only until broader industry guidelines become effective, the effort to address IP interconnection at this time would be an inefficient diversion of Commission and provider resources away from broadband deployment-related pursuits for no long-term benefit.

Second, it is not clear at this time exactly what the future "all-IP world" will look like. Until that picture becomes more evident, allowing the marketplace to evolve and utilizing the Commission's enforcement process to take into account changing circumstances as they occur is more practical than applying rules to IP interconnection arrangements based on a legacy regulatory framework adopted for TDM-based networks and services.

The Commission should support voluntary industry initiatives to develop IP interconnection standards and allow carriers to rely on existing TDM interconnection arrangements while they proceed with developing IP interconnection arrangements. In the event that disputes arise that cannot be resolved through private negotiations, carriers could pursue

[32] Specifically, the industry is working, through an Alliance for Telecommunications Industry Solutions ("ATIS") Task Force, on "developing an IP network-to-network interconnection guideline … that will provide physical configuration, protocol suite profile, operational information to be exchanged between carriers, and test suites to support conformance and interoperability testing." Comments of Verizon and Verizon Wireless, WC Docket No. 11-119 (filed Aug. 15, 2011), at 5.

case-by-case resolution of those disputes, which would allow a body of IP interconnection rules to develop over time as the marketplace and networks evolve.

Given that the TDM-to-IP transition is still in its formative stage, this approach makes more sense than trying to fit the round peg of IP interconnection obligations into the square hole of the legacy statutory construct applicable to POTS. It also utilizes the existing complaint process pursuant to which providers have gained experience and familiarity in the adjudication of disputes on a case-by case basis. So long as the Commission upholds and enforces non-discrimination standards, ensures that parties can obtain meaningful relief for disputes within a reasonable period of time, and applies the relevant procedures to all network providers and not just ILECs, case-by-case resolution of interconnection disputes as a backstop to voluntary agreements and industry guidelines may present a workable and reasonable approach for IP-to-IP interconnection at the present time as the marketplace continues to evolve.

Should the Commission nonetheless determine that IP-to-IP interconnection should be governed by the existing TDM-based framework, such obligations should be limited to situations where IP networks have been deployed. There should be no obligation for providers to interconnect on an IP basis at particular locations on the network when doing so would require the deployment of new technology to replace existing equipment and/or facilities that lack such capability. The transition to IP networks is happening nationwide in an organic fashion as ILECs upgrade their legacy equipment. Yet even so, the IP transition will require ILECs to invest billions of dollars, which cannot be done overnight. It is settled law that the FCC can require access "only to an incumbent LEC's existing network – not to a yet unbuilt superior one."[33] In the same vein, ILECs that have not yet converted to IP should not bear the costs of converting traffic to TDM; a carrier should not be punished for the network it has in place. Further,

[33] *Iowa Utils. Bd. v. FCC*, 120 F.3d 753, 813 (8th Cir. 1997).

requiring an ILEC to pay for such conversion costs would divert resources that could otherwise go towards the substantial costs associated with upgrading the network from TDM to IP.

The transition to IP networks will take time due to the investment involved in network conversion. Accordingly, it would be impractical at this time for the Commission to establish a date certain for providers to discontinue providing TDM-based services given the funding burdens associated with completing the transition. That is not to suggest that ITTA condones delaying the TDM-to-IP transition. To the contrary, ITTA has made it abundantly clear that it supports an omnibus proceeding to examine ways to relax or eliminate burdensome and unnecessary rules and to clarify areas of regulatory uncertainty to give providers the investment incentives they need to transition to all-IP networks as expeditiously as possible. Yet such investment decisions must be made recognizing the total costs involved. Not setting a hard date for providers to cease the provision of TDM-based services is consistent with ITTA's desire for a light regulatory approach and makes sense at this time in light of the evolving nature of the marketplace for IP-enabled services.

IV. CONCLUSION

In sum, the Commission should open a proceeding to undertake comprehensive consideration of the regulatory framework applicable to all-IP networks and services. The Commission's primary objective in conducting this evaluation must be to ensure regulatory parity for all providers by identifying ways to reduce or eliminate regulation and uncertainty and avoiding changes to USF and ICC compensation mechanisms that would impede investment in IP-based infrastructure and services. At present, the Commission also should rely on the marketplace and industry guidelines to govern IP-to-IP interconnection obligations while preserving the option for providers to pursue resolution of controversial matters through the FCC's enforcement processes. Given that the TDM-to-IP transition is an ongoing and evolving process, it makes sense for the Commission to take a light regulatory approach and allow IP interconnection rules to develop over time as the marketplace and networks evolve.

Respectfully submitted,

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