



November 1, 2017

VIA ECFS

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

Re: *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Petition of AT&T Services, Inc. for Forbearance Under 47 U.S.C. § 160(c) from Enforcement of Certain Rules for Switched Access Services and Toll Free Database Dip Charges*, WC Docket No. 16-363

Dear Ms. Dortch:

The undersigned urge the Federal Communications Commission (“Commission”) to address abusive 8YY arbitrage caused by a select few competitive local exchange carriers (“CLECs”). We believe that it would be more prudent immediately to take targeted actions to address such abusive schemes while the Commission more fully examines the appropriate treatment of legitimate 8YY traffic for compensation purposes. In particular, as part of an examination into the reasonableness of 8YY rates, the Commission should carefully consider whether a bill-and-keep regime is warranted in the case of 8YY calls, as this would result in shifting costs from businesses to end-user customers. Ultimately, consumers will suffer as rates increase to subsidize a business service.

The premise of an 8YY call is that the 8YY subscriber bears the cost of the routing of the call so the call is “toll free” to the end user. 8YY subscribers, often large businesses, utilize “toll free” calls to make it easier for consumers to reach them and facilitate a better relationship and connection with their customers. Transitioning 8YY to bill-and-keep is in tension with the concept of toll-free calling; although the 8YY subscriber is receiving a benefit from the “toll free” call, the cost of originating such calls would be shifted to the calling party.

The same tension exists when considering transitioning 8YY database dip charges to bill-and-keep. Dipping charges compensate LECs for the service they are required to employ to properly route the call to the 8YY subscriber—*i.e.*, to query the toll free number database. These are actual charges the LECs incur. However, unlike 8YY service providers, LECs have no ability to recover these costs from the 8YY subscriber with whom they have no relationship, and imposing the cost of the database query on the LECs’ customers would render the call no longer “toll free” to the calling party.

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Most importantly, it is premature for the Commission to determine whether a bill-and-keep methodology is appropriate for 8YY traffic in order to address any discrete concerns the Commission may have about abusive 8YY arbitrage schemes. In the *2011 USF/ICC Transformation Order and FNPRM*, the Commission took targeted measures to address unreasonable access stimulation schemes by terminating carriers. As AT&T acknowledges in its forbearance petition, the rules have proven effective at reducing unreasonable access stimulation activities designed to take advantage of inflated switched access termination rates. The undersigned welcome targeted measures to address abusive 8YY arbitrage schemes for the purpose of enhancing and promoting the integrity of the system as a whole.

Respectfully,

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