

**Before the
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554**

In the Matter of)	
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Petition of AT&T Inc. for Interim)	
Declaratory Ruling and Limited Waivers)	WC Docket No. 08-152
Regarding Access Charges and the “ESP))
Exemption”)	

**Comments of the
Washington Utilities and Transportation Commission**

The Washington Utilities and Transportation Commission (“UTC”) respectfully submits the following comments in response to the Public Notice issued by the Federal Communications Commission (“FCC” or “Commission”) in the above-captioned proceeding.¹ On July 17, 2008, AT&T Inc. (“AT&T”) filed a petition (“Petition”) with the Commission seeking a declaratory ruling and waiver of certain access charge rules regarding the so-called “enhanced service provider (ESP) exemption.” As described herein, the UTC opposes grant of the Petition to the extent it would effectively leap-frog timely consideration of previously filed proposals for comprehensive intercarrier compensation put forth by parties, including AT&T, in other FCC proceedings.

In its Petition, AT&T asks the Commission to determine on an “*interim basis, pending comprehensive reform,*” that interstate and intrastate terminating access charges apply to (i) “interstate” or “intrastate” interexchange IP-to-PSTN [Internet Protocol-to-Public Switched Telephone Network] traffic delivered by a telecommunications carrier to a local exchange carrier (LEC) for termination on the PSTN and to (ii) “interstate” or

¹ FCC Public Notice, DA 08-1725, July 24, 2008.

“intrastate” interexchange PSTN-to-IP traffic delivered by a telecommunications carriers for termination to an IP-based provider (and/or its customer) served by an LEC.² According to the Petition, application of intrastate access charges to interexchange IP-to-PSTN and PSTN-to-IP traffic would occur only in those states where a LEC’s intrastate terminating access charges are at or below the level of its applicable interstate terminating access charges.³

AT&T portrays its Petition as a necessary step to remove, on an interim basis, the current exemption VoIP providers (or their underlying wholesale providers) use to avoid payment of federal and state switched access charges for their VoIP-based services while, or until, the FCC adopts some form of comprehensive reform. AT&T asks the FCC to declare on an interim, transitional basis that the application of access charges on telephone calls exchanged between telecommunications carriers (in particular where one carrier is serving a VoIP provider) does not conflict with federal policy so long as the calls appear to be “interexchange” and that any access charges applied to VoIP calls are no higher than a terminating carrier’s tariffed interstate switched access rates. The Petition contains a number of steps to implement the company’s proposal. Many of the changes proposed are essentially waivers of existing federal rules that govern existing interstate switched access charges. AT&T seeks the waivers to accommodate potential reductions to intrastate switched access charges in states, such as Washington, where an interstate/intrastate access charge disparity exists.

² Petition of AT&T Inc. for Interim Declaratory Ruling and Limited Waivers, July 17, 2008, at 5 (emphasis added).

³ In a separate filing made on the same day, AT&T proposed a method for allowing LECs to achieve a unified terminating rate to be applied to all traffic terminated on their networks. *See* Letter from Robert W. Quinn, Jr., AT&T Inc., to Kevin Martin, Chairman, FCC (July 17, 2008).

The UTC opposes AT&T's Petition to the extent it seeks to inject yet another "interim" step before moving towards comprehensive reform of the nation's intercarrier compensation system. As AT&T admits, and a full range of parties have noted in other FCC proceedings, the intercarrier compensation system is fundamentally broken and is long overdue for an "across-the-board" overhaul. While specific aspects of the AT&T's filing may have positive attributes regarding compensation reform that deserve consideration, the UTC believes that consideration of the proposal now, on the expedited basis the company requests, risks shifting attention and resource from the longstanding need to move forward on all aspects of the compensation issue; including the host of reform proposals, such as the Missoula Plan, previously put forth by other parties (including AT&T) in other FCC proceedings.⁴ Time and effort devoted to consideration of AT&T's proposal may only serve to delay further efforts to address comprehensive reform to the current compensation scheme.

Moreover, AT&T's Petition lacks sufficient supporting information to determine its effect, if granted, on intrastate access charge rates and intrastate revenues of those carriers operating in states like Washington where significant disparities exist between interstate and intrastate access rates. The filing simply fails to provide the data necessary to enable

⁴ The FCC is treating AT&T's Petition in a new proceeding (WC Docket No. 08-52). As such, it joins the growing list of proceedings the FCC already has open to address various aspects of intercarrier compensation reform. These include, but are not limited to:

- CC Docket No. 01-92 (Developing a Unified Intercarrier Compensation Regime)
- WC Docket No. 05-337 (High-Cost Universal Service Support)
- CC Docket No. 96-45 (Federal-State Joint Board on Universal Service)
- WC Docket No. 99-68 (Intercarrier Compensation for ISP-Bound Traffic)
- WC Docket No. 07-135 (Establishing Just and Reasonable Rates for Local Exchange Carriers)
- WC Docket No. 04-36 (IP-Enabled Services)
- WC Docket No. 06-122 (Universal Service Contribution Methodology)

meaningful analysis for comment on its merits, particularly on the accelerated schedule or basis the company requests.

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Accordingly, the UTC urges the Commission to reject the Petition and focus its efforts on moving forward with the reform proposals already before it in existing proceedings affecting intercarrier compensation.

Respectfully submitted this 21st day of August, 2008

By: _____
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