

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

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing an Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-up	)	WC Docket No. 03-109

**COMMENTS OF THE VOICE ON THE NET COALITION**

The Voice on the Net Coalition (“VON”)<sup>1</sup> hereby submits these comments in response to the Further Notice of Proposed Rulemaking (“ICC FNPRM”) issued in the above-referenced proceeding.<sup>2</sup> In this proceeding, the Commission seeks comment on issues presented in the *Notice of Proposed Rulemaking* (“ICC NPRM”) where the record was insufficient<sup>3</sup>. These issues include how the Commission should manage the transition for originating access charges.<sup>4</sup>

---

<sup>1</sup> The VON Coalition works to advance regulatory policies that enable Americans to take advantage of the promise and potential of IP-enabled communications. VON Coalition members include AT&T, Broadvox, BT, Cloud Communications Alliance, Google, iBasis, Microsoft, Nextiva, Skype, Vonage and Yahoo!.

<sup>2</sup> See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 at para. 1404 (rel. Nov. 18, 2011) (“*ICC FNPRM*”)

<sup>3</sup> *ICC FNPRM*, Section XVII, Part A, ¶ 1028-30.

<sup>4</sup> *ICC FNPRM* ¶1298-1300.

The VON Coalition commends the Commission for implementing a framework for VoIP that recognizes the immense benefits of a transition from the legacy public switched telephone networks (“PSTN”) to broadband, all-IP networks.<sup>5</sup> This transition will be facilitated by the Commission’s decision to eventually replace the current convoluted, economically inefficient intercarrier compensation regime with a bill-and-keep system that more closely resembles the successful traffic exchange that has facilitated the growth of the Internet.<sup>6</sup> This transition will bring significant economic and social benefits to the public.

### **THE COMMISSION SHOULD IMMEDIATELY IMPLEMENT A BILL-AND-KEEP FRAMEWORK FOR ORIGINATING ACCESS**

VON agrees that establishing separate transitions for different intercarrier charges invites opportunities for arbitrage.<sup>7</sup> Unlike its calculated transition schedule for terminating access, the Commission did not implement a framework for originating access reform based on the fact that the risk of network inefficiencies with originating access was “less pressing” than terminating access.<sup>8</sup> VON disagrees, noting that originating access charges continue to offer opportunities for arbitrage and prevent deployment of IP networks.<sup>9</sup> As such, the Commission should immediately eliminate originating access charges and implement a bill-and-keep framework. In the alternative, the Commission should mirror the six year transition established for terminating access rates.

---

<sup>5</sup> *ICC FNPRM* ¶ 34 (noting that a bill-and-keep framework “is consistent with and promotes deployment of IP networks; will eliminate competitive distortions between wireline and wireless services; and best promotes our overall goals of modernizing our rules and facilitating the transition to IP.”)

<sup>6</sup> VON Coalition Comments, CC Docket 01-92, at 5, filed April 1, 2011.

<sup>7</sup> *FNPRM* ¶ (“Providing a uniform national transition and recovery framework, to be implemented in partnership with the states, will achieve the benefits of a uniform system and realize the goals of reducing arbitrage and promoting investment in IP networks as quickly as possible. By transitioning all traffic in a coordinated manner, we will minimize opportunities for arbitrage that could be presented by disparate intrastate rates.”).

<sup>8</sup> *FNPRM* ¶ 777

<sup>9</sup> iBasis Comments, CC Docket 01-92, at 3-4, filed August 24, 2011 (“Maintaining the current inefficient access regime for originating traffic preserves the ‘perverse incentive’ to ‘maintain and invest in legacy, circuit switch-based, time division multiplexing (TDM) networks’ simply to continue collecting access charges.”).

VON is concerned that any regulatory imposed payment mechanism that rewards the inefficiency of TDM networks will simply forestall the ultimate transition to IP networks. Whether a call originates or terminates on broadband, neither the VoIP provider nor its CLEC partner should be required to pay any access charges; but never required to pay intrastate access charges.

The Commission must be diligent in its position to exert jurisdiction over both originating and terminating access. Having the states take any role in determining these rates will certainly cause disruption and confusion in the marketplace. A national regulatory structure will benefit customers and providers who can make technology decisions based on market efficiencies and not regulatory inefficiency that might favor certain classes of service providers.

## CONCLUSION

The transition to IP networks and services is moving apace, and all traffic eventually will be packet-switched, originating and terminating on broadband networks. VON urges the Commission to implement provisions that will encourage the deployment of IP networks and interconnection between those networks. The VON Coalition looks forward to working with the Commission to implement an intercarrier compensation system that will encourage all participants in the communications ecosystem to hasten that transition.

Respectfully submitted,

VOICE ON THE NET COALITION

\_\_\_\_\_  
/s/

Glenn S. Richards  
Executive Director  
2300 N Street NW  
Washington D.C. 20037  
glenn.richards@pillsburylaw.com  
(202) 663-8215

February 24, 2012