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**Subject:** Docket No. 090538-TP - BullsEye Request for Official Notice  
**Attachments:** Docket 090538-TP - BullsEye Request for Official Notice.pdf

Attached for electronic filing in the above-referenced docket, please find the *BullsEye Telecom, Inc. Request for Official Notice*. If you have any questions, please do not hesitate to contact us.

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b. Docket No.: 090538-TP – Amended Complaint of Qwest Communications Company, LLC against MCImetro Access, et al.

c. Filed on behalf of: BullsEye Telecom, Inc.

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10/19/2012

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

Amended Complaint of QWEST  
COMMUNICATIONS COMPANY, LLC,  
Against MCIMETRO ACCESS  
TRANSMISSION SERVICES, LLC (D/B/A  
VERIZON ACCESS TRANSMISSION  
SERVICES), TW TELECOM OF FLORIDA,  
L.P., GRANITE TELECOMMUNICATIONS,  
LLC, BROADWING COMMUNICATIONS,  
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LLC, PAETEC COMMUNICATIONS, INC.,  
SATURN TELECOMMUNICATIONS  
SERVICES, INC. (D/B/A EARTHLINK  
BUSINESS), US LEC OF FLORIDA, LLC,  
WINDSTREAM NUVOX, INC., AND JOHN  
DOES 1 THROUGH 50.

Docket No. 090538-TP

Filed: October 19, 2012

**BULLSEYE TELECOM, INC.'S REQUEST FOR OFFICIAL NOTICE**

Pursuant to the Order Establishing Procedure and as permitted by the Administrative Procedures Act, BullsEye Telecom, Inc. ("BullsEye") respectfully requests that for the hearing record in the above-captioned case the Commission take official notice of the following:

1. BullsEye Telecom, Inc.'s Access Services Price List (Florida Price List No. 2) on file with the Commission, including both the front and back of all pages.
2. The comments filed on behalf of CenturyLink on July 16, 2012, in Federal Communications Commission Docket No. 12-105. For convenience, a copy of this document is attached.

All of the above matters are official records of a branch of government and are publicly available.

Dated this 19<sup>th</sup> day of October, 2012.

Respectfully submitted,

/s/ Andrew M. Klein

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**CERTIFICATE OF SERVICE  
DOCKET NO. 090538-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by electronic delivery and/or U.S. Mail this 19<sup>th</sup> day of October, 2012, to the following:

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

In the Matter of	)	
	)	
Petition of Sprint for Declaratory Ruling	)	WC Docket No. 12-105
Regarding Application of CenturyLink's	)	
Access Tariffs to VoIP Originated Traffic	)	
Pursuant to Primary Jurisdiction Referral	)	

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July 16, 2012

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

In the Matter of	)	
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Petition of Sprint for Declaratory Ruling	)	WC Docket No. 12-105
Regarding Application of CenturyLink's	)	
Access Tariffs to VoIP Originated Traffic	)	
Pursuant to Primary Jurisdiction Referral	)	

**CENTURYLINK REPLY COMMENTS**

**I. INTRODUCTION AND SUMMARY**

The initial round of filings in this proceeding confirms that Sprint's petition for declaratory ruling is a futile attempt to justify its financially opportunistic, asymmetrical disregard of the Commission's intercarrier compensation rules and policies.<sup>1</sup> The Commission should promptly deny Sprint's petition. In addition, it should advise the referring court that the VoIP-PSTN traffic delivered to CenturyLink was always subject to tariffed access charges under the rules in effect prior to the *USF/ICC Transformation Order*.<sup>2</sup>

Sprint claims that it was not subject to access charges for VoIP-PSTN traffic delivered to CenturyLink before the effective date of the *USF/ICC Transformation Order*. On the contrary,

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<sup>1</sup> See Petition for Declaratory Ruling, *In the Matter of Petition of Sprint for Declaratory Ruling Regarding Application of CenturyLink's Access Tariffs To VoIP Originated Traffic Pursuant to Primary Jurisdiction Referral*, WC Docket No. 12-105 (filed. Apr. 5, 2012); *Wireline Competition Bureau Seeks Comment on Sprint Petition for Declaratory Ruling on VoIP Originated Traffic*, Public Notice, WC Docket No. 12-105, DA 12-681 (Apr. 30, 2012).

<sup>2</sup> As discussed in CenturyLink's Comments in Opposition, the lawsuit that prompted Sprint's petition was initiated by CenturyLink's CenturyTel local operating companies. In these reply comments, "CenturyLink" refers to those CenturyTel operating companies. Also, unless otherwise specified, "VoIP-PSTN traffic" refers to interstate toll traffic that was originated in VoIP, then converted by Sprint to Time-Division Multiplexing (TDM) format and delivered to CenturyLink or other local exchange carriers (LECs) for termination to the Public Switched Telephone Network over local exchange facilities.

as CenturyLink detailed in its comments, Sprint's position is contradicted by the *Order* itself,<sup>3</sup> by the language of CenturyLink's federal access tariffs, and by existing law prior to the *Order*.<sup>4</sup>

Nearly all other commenters -- representing a broad cross section of the industry -- join CenturyLink in opposing Sprint's petition. These parties include six carrier associations, the nation's largest carrier, a state commission, and one of the leading cable companies that generate VoIP-originated toll traffic. All agree that Sprint's petition is flatly inconsistent with the Commission's rules and policies and urge the Commission to deny Sprint's "unlawful self-help efforts."<sup>5</sup> This broad opposition to Sprint's petition illustrates that an overwhelming majority of carriers have long complied with tariffed access charges on VoIP-PSTN traffic.

Sprint's sole support comes from Verizon. That is not surprising since Verizon began withholding payments to carriers that terminate traffic in VoIP approximately one year prior to the *Order*, forcing them to exchange VoIP-PSTN traffic at \$0.0007. However, both of the

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<sup>3</sup> *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 an 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, 26 FCC Rcd 17663 (rel. Nov. 18, 2011) (*USF/ICC Transformation Order*), *Order Clarifying Rules*, 27 FCC Rcd 605 (rel. Feb. 3, 2012) (*Clarification Order*), Erratum to *USF/ICC Transformation Order* (rel. Feb. 6, 2012), Application for Review pending, USCC, *et al.*, filed Mar. 5, 2012, *Further Clarification Order*, DA 12-298, 27 FCC Rcd 2142 (2012), Erratum to *Clarification Order* (rel. Mar. 30, 2012), Second Erratum to *USF/ICC Transformation Order*, DA 12-594 (rel. Apr. 16, 2012), *pets. for recon. granted in part and denied in part*, Second Order on Recon., FCC 12-47 (rel. Apr. 25, 2012), Third Order on Recon., FCC 12-52 (rel. May 14, 2012), Erratum to *Second Order on Recon.* (rel. June 1, 2012), *Order Clarifying Rules*, DA 12-870 (rel. June 5, 2012), Erratum to *Order Clarifying Rules* (rel. June 12, 2012), Second Report and Order, FCC 12-70 (rel. June 27, 2012), *pets. for rev. of USF/ICC Transformation Order pending, sub nom. In re: FCC 11-161* (10th Cir. No. 11-9900, Dec. 16, 2011).

<sup>4</sup> CenturyLink's Comments in Opposition at 21-32 (filed June 14, 2012) (CenturyLink Opposition).

<sup>5</sup> Cox at 1.

declarations sought by Verizon -- that VoIP is exclusively interstate for jurisdictional purposes and that it is an information service -- are clearly beyond the scope of this proceeding.

Regardless, Verizon's filing suffers the same weaknesses as Sprint's petition by confusing the unresolved regulatory status of *retail* VoIP services with the clear intercarrier compensation obligations that apply to the provider of *wholesale* telecommunication services to VoIP providers. The *Order* disavowed the notion that lies at the center of Verizon's comments here -- that the *Vonage Order* was dispositive of intercarrier compensation disputes<sup>6</sup> -- and summarily dismissed Verizon's position to the contrary:

Some commenters contend that, under the analysis of the *Vonage Order*, VoIP services are subject to exclusive federal jurisdiction. *As a threshold matter, the Vonage Order addressed a retail VoIP service.* By contrast, VoIP-PSTN intercarrier compensation typically involves the exchange of traffic between two carriers [and] not the retail VoIP service itself.<sup>7</sup>

Even Verizon does not attempt to defend Sprint's unilateral, asymmetrical approach to intercarrier compensation charges for VoIP-PSTN traffic, which included re-rating tariffed access charges going forward and unlawfully clawing back access charges that Sprint had already paid over the prior years. In the words of a federal district court in Virginia, Sprint's access-withholding scheme was based on "efforts to cut costs" after its wholesale cable telephony business started "tanking," rather being based "on a legitimately held belief" that it

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<sup>6</sup> See *Vonage Holdings Corporation Petition for Declaratory Ruling Concerning an Order of the Minnesota Public Utilities Commission*, Memorandum Opinion and Order, 19 FCC Rcd 22404 (2004) (*Vonage Order*).

<sup>7</sup> *ICC/USF Transformation Order*, 26 FCC Rcd at 18017-18 ¶ 959 (citing two Verizon filings) (emphasis added).

was not required to pay access charges. The court concluded that Sprint's claims were "founded on post hoc rationalizations" that were "not at all credible."<sup>8</sup>

Moreover, Sprint continued to charge CenturyLink and other carriers full access charge rates for VoIP-terminated toll traffic, even while paying CenturyLink only \$0.0007 for VoIP-originated toll traffic -- a fact that further undermines the credibility of its petition.<sup>9</sup> AT&T notes that "Sprint has never explained to the Commission why allowing *other LECs* to collect access charges on VoIP traffic would [according to Sprint] be 'legally unfounded,' 'unreasonable and arbitrary,' and 'bad public policy,' but permitting Sprint to do the very same thing would be just fine."<sup>10</sup> Other parties agreed. It would reward irresponsible and anticompetitive behavior, breed further disputes and litigation, and "disrupt decisions made by multiple state regulatory commissions."<sup>11</sup> For all these reasons, the Commission should deny Sprint's petition. It should instead confirm that the VoIP-PSTN traffic Sprint delivered to CenturyLink in TDM format was properly subject to interstate access charges. Resolving this important issue is long overdue,<sup>12</sup> and the Commission should act expeditiously.<sup>13</sup> The Commission need not reach the other counts in CenturyLink's court complaint, as they do not require interpretation of federal access

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<sup>8</sup> *Central Telephone Co. of Va. v. Sprint Communications Co.*, 759 F. Supp. 2d 789, 792, 796-97 (E.D. Va. 2011), *appeal pending*, No. 12-1322 (4<sup>th</sup> Cir. 2012) (*Central Tel. of Va.*). See CenturyLink Opposition at 7-14 (describing Sprint's self-serving scheme to reduce its intercarrier compensation payments and the resulting litigation).

<sup>9</sup> In reality, Sprint stopped making any intercarrier compensation payments at all for this traffic in 2009, until it had exhausted its self-declared credit for earlier access payments.

<sup>10</sup> AT&T at 9-10 (emphasis in original; footnote omitted).

<sup>11</sup> Iowa Board at 3.

<sup>12</sup> The district court judge granted Sprint's request for referral in January 2011. Sprint did not file its petition until April 2012.

<sup>13</sup> See AT&T at 3-4.

tariffs, and the Court can take judicial notice of the Commission's finding that VoIP-PSTN traffic is not subject to exclusive federal jurisdiction.

## **II. SPRINT IS REQUIRED TO PAY ACCESS CHARGES FOR THE VOIP-ORIGINATED TRAFFIC IN QUESTION.**

CenturyLink agrees with Cox that the declarations sought by Sprint "contradict important access charge principles established by the Commission's *USF-ICC Transformation Order* and would result in a massive windfall for Sprint and other carriers that already have used tariffed access services and now ask the FCC to create a regulatory loophole that will allow them to avoid paying for those services."<sup>14</sup> Sprint's request also conflicts with CenturyLink's tariff and the Commission's pre-*Order* rules and decisions.

### **A. Sprint's Arguments Have Been Foreclosed by the *USF/ICC Transformation Order*.**

Sprint's key arguments -- indeed the very foundation of its petition -- have been foreclosed by the *USF/ICC Transformation Order*. As accurately summarized by the Iowa Board, "the requested declaratory rulings would be logically inconsistent with the Commission's treatment of prospective payment obligations for VoIP originated long distance calls."<sup>15</sup>

In particular, Sprint asks the Commission to condone, after-the-fact, its unilateral flash cut to a \$0.0007 rate for VoIP-originated traffic delivered to CenturyLink *prior* to the *USF/ICC Transformation Order*, even though the Commission specifically declined to establish such a flash cut for such traffic exchanged *after* the *Order*.<sup>16</sup> Instead, the Commission established a transition that gradually reduces access rates to \$0.0007 and ultimately zero over several years,

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<sup>14</sup> Cox at 1 (citation omitted).

<sup>15</sup> Iowa Board at 3.

<sup>16</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 18012-13 ¶ 952; CenturyLink Opposition at 16.

in order to minimize disruption and provide certainty and stability to consumers and service providers.<sup>17</sup> Granting Sprint's petition would lead to a plainly irrational, roller-coaster transition to bill-and-keep, by setting VoIP-PSTN rates at \$0.0007 for pre-*Order* traffic, then bumping the rates up to interstate access levels rates for the initial post-*Order* transition, only to then reduce them back to \$0.0007 and ultimately to bill-and-keep.<sup>18</sup> In declining to move rates immediately to reciprocal compensation or bill-and-keep rates -- notwithstanding Sprint's advocacy in that docket -- the Commission effectively rejected the ruling now sought by Sprint's petition.<sup>19</sup>

The petition also relies heavily on Sprint's claim that access charges are inapplicable to VoIP-originated traffic because that traffic, including the voice services offered by Sprint's cable company customers, is ostensibly an "information service." However, the Commission already explicitly rejected that argument, too. It expressly found that LECs are entitled to compensation for exchange access services provided to an IXC, whether the VoIP services carried by that IXC are telecommunications services or information services.<sup>20</sup> As Cox, itself a cable company, emphasizes, interexchange VoIP-PSTN traffic "is subject to the access charge regime regardless of whether the underlying communication contained information-service elements."<sup>21</sup> CenturyLink agrees with other commenters that the regulatory classification of particular retail VoIP services is irrelevant.<sup>22</sup>

The commenters also rightly note that the Commission expressly rejected Sprint's argument that section 251(g) did not preserve switched access charges applicable to IXCs that

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<sup>17</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17932-33 ¶ 798.

<sup>18</sup> *See Cox* at 4.

<sup>19</sup> *Cox* at 4.

<sup>20</sup> *Id.* at 4-5 (citing *USF/ICC Transformation Order*, 26 FCC Rcd at 18015-16 ¶ 957).

<sup>21</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 18016 n. 1955.

<sup>22</sup> *AT&T* at 8; *Cox* at 6.

carry VoIP traffic. On the contrary, the Commission found that Sprint's argument "flows from a mistaken interpretation of section 251(g)."<sup>23</sup> Indeed, the Commission had long-established rules governing the payment of access charges for all PSTN-originated and PSTN-terminated interexchange traffic.<sup>24</sup>

Finally, Sprint's one-sided approach to intercarrier compensation plainly conflicts with the symmetrical framework adopted in the *Order*.<sup>25</sup> If permitted to stand, Sprint's anticompetitive conduct would result in the very "marketplace distortions" that the Commission properly sought to avoid through a symmetrical compensation framework.<sup>26</sup>

**B. Even Before the *USF/ICC Transformation Order*, CenturyLink's Tariffs and the Commission's Rules and Decisions Required Sprint to Pay Access Charges on its VoIP-Originated Toll Traffic.**

As CenturyLink detailed in its comments, CenturyLink's tariffs and the Commission's pre-*Order* rules and decisions required Sprint to pay access charges on VoIP-originated toll traffic delivered to CenturyLink.<sup>27</sup>

CenturyLink's interstate access tariffs contain no exemption for VoIP-originated interexchange traffic, particularly given that such traffic uses CenturyLink's access facilities just like the traffic of any other IXC purchasing terminating exchange access service.<sup>28</sup> Under such

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<sup>23</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 18015 ¶ 956. See Cox at 5 n.12; ITTA at 7-8.

<sup>24</sup> AT&T at 5-6. Sprint's implicit reliance on the ESP Exemption also is incompatible with the Commission's decision not to adopt "the equivalent of the ESP Exemption" in determining prospective intercarrier compensation obligations for VoIP-PSTN traffic. *USF/ICC Transformation Order*, 26 FCC Rcd at 18008-09 ¶ 945, n. 1905.

<sup>25</sup> Sprint has publicly acknowledged its asymmetrical approach to intercarrier compensation for VoIP-PSTN traffic, which CenturyLink confirmed through its records. See CenturyLink Opposition at 15-16.

<sup>26</sup> See *USF/ICC Transformation Order*, 26 FCC Rcd at 18007-08 ¶ 942.

<sup>27</sup> See CenturyLink Opposition at 18-32.

<sup>28</sup> See *id.* at 18-19; Associations at 5; ITTA at 3.

tariffs, as ITTA notes, it is irrelevant whether a calling party received a telecommunications service from its VoIP provider.<sup>29</sup> Cox emphasizes that the service a LEC “renders and the benefits that other carriers receive is identical regardless of whether the traffic at issue is TDM or VoIP-originated.”<sup>30</sup> These carriers therefore “have no reasonable expectation that different rates will apply to VoIP- versus TDM-originated traffic.”<sup>31</sup>

The Commission’s pre-Order rules also authorized CenturyLink to assess interstate access charges on Sprint’s VoIP-PSTN traffic, regardless of the regulatory classification of the retail VoIP services provided by third parties or of the VoIP-PSTN traffic itself.<sup>32</sup> It therefore is unnecessary for the Commission to address in this proceeding Verizon’s request to classify VoIP as an information service.<sup>33</sup> The service that Sprint provided “falls squarely within Section 69.5,”<sup>34</sup> because it is a telecommunications service -- just as Sprint told this Commission in the proceeding that led to the 2007 *Time Warner Cable Order*.<sup>35</sup> In that decision, the Commission reaffirmed the obligation of wholesale providers like Sprint to pay appropriate intercarrier compensation for traffic sent for termination.<sup>36</sup>

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<sup>29</sup> See ITTA at 4.

<sup>30</sup> Cox at 7-8.

<sup>31</sup> *Id.* at 8.

<sup>32</sup> CenturyLink Opposition at 21-25; ITTA at 7.

<sup>33</sup> See Verizon at 6-10.

<sup>34</sup> Cox at 6.

<sup>35</sup> See AT&T at 7-8.

<sup>36</sup> *Time Warner Cable Request for Declaratory Ruling that Competitive Local Exchange Carriers May Obtain Interconnection Under Section 251 of the Communications Act of 1934, as Amended, to Provide Wholesale Telecommunications Services to VoIP Providers*, Memorandum Opinion and Order, 22 FCC Rcd 3513, 3523 ¶ 17 (2007); Associations at 8. The *Time Warner Cable Order*’s declaratory ruling focused particularly on VoIP- and TDM-originated traffic handled by Sprint and other wholesale carriers for cable company customers.



The ESP Exemption likewise has no relevance in this dispute.<sup>37</sup> Acting as an IXC, Sprint handed off traffic to a LEC for termination to a POTS customer, and therefore Sprint is required to pay the access rates required under the LEC's tariff. Cox accurately points out that the Commission has never exempted information service providers, much less their underlying wholesale carriers, from paying access charges for interexchange traffic.<sup>38</sup>

Verizon, the sole outlier in this debate, wishfully asserts that "in the absence of governing rules" for intercarrier compensation for VoIP-PSTN traffic, Sprint's rate of \$0.0007 per minute was "commercially reasonable,"<sup>39</sup> because it was based on the rate adopted for interstate ISP-bound traffic and is now widely used in the industry for the exchange of various types of traffic.<sup>40</sup> As discussed, however, there was no "absence of governing rules" for the VoIP-PSTN traffic that Sprint delivered to CenturyLink. It has been long established, and was reaffirmed in the *Time Warner Cable Order*, that an IXC providing wholesale telecommunications services has an obligation to pay interstate access charges on long distance traffic terminated to the PSTN.<sup>41</sup> Indeed, Sprint itself had acknowledged this obligation.<sup>42</sup> Nothing in the Commission's rules permits a telecommunications carrier to elect unilaterally and *post hoc* to pay a rate of \$0.0007

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<sup>37</sup> CenturyLink Opposition at 27-31; Cox at 6-7; AT&T at 6; Associations at 5; ITTA at 5-6.

<sup>38</sup> See Cox at 6. Moreover, the *USF/ICC Transformation Order* (at 18008-09 ¶ 945) found the ESP Exemption neither "relevant or applicable prospectively in determining the intercarrier compensation obligations for VoIP-PSTN traffic." It is implausible that the exemption could be relevant or applicable retroactively, and Sprint's petition does not mention it.

<sup>39</sup> Verizon at 1.

<sup>40</sup> In its comments to the Commission in the *USF/ICC Transformation* proceeding, Verizon urged the Commission to implement a rate of \$0.0007 per minute. Comments of Verizon and Verizon Wireless, WC Docket No. 10-90, *et al.* at 4 (dated Apr. 18, 2011) ("[T]he Commission should immediately establish a single low rate of \$0.0007 for all VoIP traffic that connects with the PSTN."). After considering Verizon's position, however, the Commission declined to adopt it. *USF/ICC Transformation Order*, 26 FCC Rcd at 17926-27 ¶¶ 784-85.

<sup>41</sup> See CenturyLink Opposition at 22-25.

<sup>42</sup> See *id.* at 8-12.

per minute for traffic that is subject to access charges under the terminating LEC's tariff and the Commission's applicable rules and decisions.<sup>43</sup>

Like Sprint, Verizon has improperly sought to exploit purported regulatory uncertainty to try to force LECs to accept lower access payments. A few years ago, Verizon began short-paying LECs for alleged IP-originated traffic, arguing that VoIP is purely interstate in nature. That prompted several lawsuits.<sup>44</sup> Today, LECs -- including CenturyLink -- now have growing disputes with Verizon Business for new access short-payment practices. In comments on interim intercarrier compensation issues, for example, CBeyond attached a copy of its latest complaint filed against Verizon for failure to pay the CLEC's tariffed access charges.<sup>45</sup>

Now, Verizon wants the Commission to endorse Sprint's misconduct and, by extrapolation, its own. The Commission should decline that request. As pointed out by Cox and the Iowa Board, granting Sprint's petition would "not only ratify Sprint's (and other carriers')

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<sup>43</sup> Nor does the Commission have discretion to give Sprint a pass retroactively because of ostensible "uncertainty" about its rules. See *Qwest Services Corp. v. FCC*, 509 F.3d 531 (D.C. Cir. 2007).

<sup>44</sup> See, e.g., *CenturyTel of Alabama, et al. v. MCI Communications Services*, No. 1:2009cv009 (E.D. Va. filed Jan. 06, 2009); *Central Tel. Co. of Virginia, et al. v. MCI Communications Services, et al.*, No. 1:2008cv00875 (E.D. Va. filed Aug. 27, 2008); *Windstream Communications, et al. v. MCI Communications Services*, No. 1:2008cv00384 (E.D. Va. filed Apr. 23, 2008); *Citizens Tel. Co. of California, et al. v. MCI Communications Services*, No. 1:2007cv01265 (E.D. Va. filed Dec. 18, 2007); *Complaint by Bright House Networks Information Services (Florida), LLC Against Verizon Florida, LLC and MCI Communications Services, Inc. d/b/a Verizon Business Services for Failure to Pay Intrastate Access Charges*, Florida Public Service Commission Docket No. 110056-TP (filed February 22, 2011); *Armstrong Telecommunications Inc. v Verizon Pennsylvania Inc., Verizon North LLC, MCI Metro Access Transmission, Services, LLC, d/b/a Verizon Access Transmission Services and MCI Communications Services Inc.*, Pennsylvania Public Utility Commission Docket Nos. C-2010-2216205, C-2010-2216311, C-2010-2216325 and C-2010-2216293 (complaint filed December 16, 2010). Verizon subsequently settled each of the cases.

<sup>45</sup> See Comments of CBeyond, Inc., Integra Telecom, Inc., and TW Telecom Inc. (filed Apr. 1, 2011), *In the Matter of Connect America Fund*, CC Docket No. 01-92, WC Docket Nos. 10-90, 07-135, 05-337, GN Docket No. 09-51.

past misconduct, but also would encourage carriers to engage in similar regulatory gaming schemes in the future,”<sup>46</sup> resulting in further litigation and undermining the authority and work of state commissions.<sup>47</sup>

### **III. THE COMMISSION NEED NOT REACH THE OTHER ISSUES PENDING BEFORE THE DISTRICT COURT.**

There is no need for the Commission to address the other issues pending before the referring court, because those issues do not require the interpretation of federal access tariffs.<sup>48</sup> For the same reason, the Commission need not address Verizon’s assertion that VoIP is “an inherently, inseverable interstate service for purposes of jurisdiction.”<sup>49</sup>

Notably, Verizon’s argument relies almost exclusively on the *Vonage Order*,<sup>50</sup> which the Commission explicitly distinguished in the *USF/ICC Transformation Order*. In doing so, the Commission found that the *Vonage Order* dealt with a “retail VoIP service,” whereas “VoIP-PSTN intercarrier compensation typically involves the exchange of traffic between two carriers, one (or both) of which are providing wholesale inputs to a retail VoIP service -- not the retail VoIP service itself.”<sup>51</sup> Similarly, Sprint’s petition -- and CenturyLink’s underlying lawsuit -- relate to the applicability of interstate access charges to VoIP-PSTN traffic, not the regulatory framework applicable to retail VoIP services. The Commission’s decisions in the *USF/ICC Transformation Order* and *Second Reconsideration Order* further undermine Verizon’s (and Sprint’s) request to declare that VoIP, or VoIP-PSTN traffic, is exclusively interstate. In

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<sup>46</sup> Cox at 3.

<sup>47</sup> *Id.*; Iowa Board at 3.

<sup>48</sup> See CenturyLink Opposition at 34-37.

<sup>49</sup> See Verizon at 3.

<sup>50</sup> *Vonage Order*, 19 FCC Rcd at 22406-08 ¶¶ 4-9 (2004).

<sup>51</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 18017-18 ¶ 959.

particular, the *Second Reconsideration Order* permitted LECs to charge until 2014 a rate equal to their *intrastate* originating access rates when they originate intrastate toll VoIP-PSTN traffic -- a result contrary to the ruling sought by Sprint and Verizon.<sup>52</sup> This request also would be contrary to the Iowa Board's settled decision in *Sprint v. Iowa Telecom*, which rightly found Sprint obligated to pay intrastate access charges for VoIP-originated intrastate long distance calls.<sup>53</sup>

#### IV. CONCLUSION.

For too long, Sprint has unlawfully profited by ignoring its access obligations under LEC tariffs and interconnection agreements. The Commission should put a stop to it. For all the reasons set out in opposition comments filed by CenturyLink and nine of ten other parties, the Commission should deny Sprint's request, and should instead confirm that VoIP-PSTN traffic was always subject to the same intercarrier compensation charges -- intrastate access, interstate access, and reciprocal compensation -- as other voice telephone service.

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<sup>52</sup> *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, Second Order on Reconsideration*, 27 FCC Rcd 4648, 4661-62 ¶ 34 (2012) (subsequent history omitted). See also *USF/ICC Transformation Order*, 26 FCC Rcd at 18002-03 ¶ 934 (permitting tariffing of charges for toll VoIP-PSTN traffic in both federal and state tariffs).

<sup>53</sup> Iowa Board at 2.

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