

# *Where Have All The Minutes Gone?*



***NARUC Annual Meeting  
Tom McCabe TDS Telecom –  
External Affairs for FL, GA, & VA***

# Access Avoidance Issues

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- IT'S COMPLICATED
- Phantom Traffic/VoIP
- Interconnection/Disconnection
- Blocking/Customer Complaints
- Tandem Records
- TDS' State Petitions

# IT'S COMPLICATED

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- Yesterday's Telecom Market
  - With the exception of IXC's the number of certificated carriers were relatively small, and you knew the companies
- Today's Telecom Market
  - Hundreds of certificated CLECs many of which you know very little about

# Access Avoidance

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- Phantom Traffic/VoIP Access
  - What is it?
  - Arbitrage
  - Access revenues are an essential revenue stream for rural carriers
  - State Access Reform



# Interconnection Agreements: Impact on Rural ILECs

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- The vast majority of interconnection/arbitration agreements are between a large LEC and CLEC
- Agreements protect or at least minimize the large LEC from financial harm
- These interconnection agreements or state arbitration decisions do not take into account the potential negative financial impact these agreements may have on rural carriers
- FCC Order prohibits the blocking of traffic
- Rural LECs can not simply disconnect other carriers for non-payment



# Blocking/Customer Complaints

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- Rural Carriers are seeing an increase in the number of interexchange calls that fail to terminate on the network
- Impacts to rural LECs
  - Loss of access revenue
  - Customer complaints
  - Frustrations by State Public Utility Commissions on rural ILECs
  - Concerns over service quality
  - Loss of customer loyalty
- Impact to Customer
  - Dissatisfaction

# Billing Records

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- Rural carriers are deeply concerned about the ability to receive adequate billing records
- Poor billing records result in lost revenue to the ILEC
- ILECs depend on the tandem provider to provide billable records
  - Problems occur when:
    - originating carriers or carriers carrier strip or do not pass originating numbers; or
    - The tandem provider replaces the originating number with a bill-to-number.



# Local Usage

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- Over 1 million local minutes from Atlanta Tandem to Nelson-Ball Ground
  - Access Intergrated Networks
  - AT&T
  - AT&T Media Processing Center
  - Broadriver Communications Corp
  - Cavalier Communications
  - CBeyond Communications
  - Charter Fiberlink
  - Cingular
  - Comcast Phone
  - CommPartners
  - Deltacom
  - Florida Digital Network
  - Global Crossing Local Services
  - Globe Telecommunications
  - Level 3
  - MCI WorldCom
  - Nuvox
  - Paetec
  - Sprint
  - Sprint Spectrum
  - TDS Long Distance
- Telecove
  - T-Mobile
  - Verizon Wireless
  - WCom/VZB
  - Witel



# EMI SNAPSHOT

110101	06	05	01	404	795	0000	706	258	0012	2	0228	5133	1.156667
110101	06	05	01	404	795	0000	706	258	0012	2	0228	5133	3.056667
110101	06	05	01	404	795	0000	706	258	0012	2	0228	5133	0.826667
110101	06	05	01	404	795	0000	706	258	0012	2	0228	5133	2.631667
110101	06	05	01	404	795	0000	706	258	0012	2	0228	5133	3.148333
110101	06	05	01	404	795	0000	706	258	0012	2	0228	5133	6.708333
110101	06	05	01	404	795	0000	706	258	0012	2	0228	5133	4.395
110101	06	05	01	404	795	0000	706	258	0012	2	0228	5133	0.203333
110101	06	05	01	404	795	0000	706	258	0012	2	0228	5133	7.103333



## Certificated CLECs/Least Cost Routers

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- The conduit of access avoidance appears to be with CLECs that offer “least cost routing” (LCR)
- Carriers are using LCR to reduce terminating cost
- Carriers offering LCR rely on the FCC’s lack of clarity regard to access charges applying on VoIP traffic
- Carriers offering LCR claim traffic to be VoIP regardless of the format in which the call originated
- Certain carriers providing LCR have been disconnected in some states which may be the cause of call blocking or calls not being completed



## Amounts Disputed Through September 2010 Billing

Carrier	Amounts Disputed		
	InterState	Intrastate	Total Disputed
Global Naps IL/GA/ME/NH/NY/VT	\$667,103	\$1,094,764	\$1,761,867
CommPartners AZ/CA/CO/GA/PA	\$ 61,011	\$ 437,549	\$ 498,561
Verizon Business FL/OH	\$ 0	\$ 103,327	\$ 103,327
Cavalier MI	\$ 500	\$ 58,265	\$ 58,764
Bandwidth AL/GA/IL/MI/MN/MS/NY/TN/WI	\$ 924	\$ 32,336	\$ 33,261
InfoTelecom CA/IL	\$ 0	\$ 7,118	\$ 7,118
360 Networks MN	\$ 445	\$ 4,553	\$ 4,998
Callis Communications AL	\$ 0	\$ 602	\$ 602
Grand Totals:	\$729,983	\$1,738,514	\$2,468,497



## Amounts Disputed (7/01/10 - 09/30/10)

Carrier	Amounts Disputed		
	InterState	Intrastate	Total Disputed
CommPartners AZ/CA/CO/GA/PA	\$ 4,629	\$ 91,157	\$ 96,586
Global Naps IL/GA/ME/NH/NY/VT	\$ 12,724	\$ 13,922	\$ 26,645
InfoTelecom CA/IL	\$ 0	\$ 782	\$ 782
Cavalier MI	\$ 0	\$ 259	\$ 259
360 Networks MN	\$ 110	\$ 57	\$ 167
Bandwidth AL/GA/IL/MI/MN/MS/NY/TN/WI	\$ 0	\$ 102	\$ 102
Callis Communications AL	\$ 0	\$ 64	\$ 64
Grand Totals:	\$ 17,462	\$ 107,142	\$ 124,605



# TDS Carrier Complaints

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- Over the past several years TDS has been involved in various state proceedings seeking disconnection of carriers for failure to pay
- Complaints filed against Global NAPs in Georgia, Vermont and New Hampshire
- Complaint filed against CommPartners in Georgia

# GA GNAP Complaint

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- GNAPs basically had two claims as to why they were not responsible for paying access
  - All of the traffic was IP-enabled traffic exempt from access charges relying on the FCC Vonage Order
  - GNAPs did not originate the traffic
- Review of EMI records and SS7 studies were performed on the traffic delivered from the Atlanta tandem to Blue Ridge GA.
- Used SS7 data to identify the originating number, then determined the owner of the originating number
- Verified with the owners (LEC) of the originating number whether or not they provide VoIP service



# Global NAPs Traffic

Orig OCN	OCN_NAME	CATEGORY
121	FRONTIER TELEPHONE OF ROCHESTER INC	ICO
161	COMMONWEALTH TELEPHONE COMPANY	ICO
169	VERIZON NORTH INC.-PA	RBOC
209	UNITED TEL CO. OF PENNSYLVANIA	ICO
254	CENTRAL TEL. CO. OF VIRGINIA	ICO
255	SBC LONG DISTANCE, LLC DBA AT&T LONG DISTANCE - VA	CLEC
283	BRINDLEE MOUNTAIN TELEPHONE CO.	ICO
314	PEOPLES TELEPHONE CO., INC.	ICO
328	VERIZON FLORIDA INC.	RBOC
340	EMBARQ FLORIDA INC. (CENTRAL)	ICO
346	BLUE RIDGE TELEPHONE CO.	ICO
351	CAMDEN TELEPHONE & TELEGRAPH CO., INC.	ICO
395	WINDSTREAM ACCUCOMM TELECOMMUNICATIONS, INC.	ICO
2322	HORNITOS TELEPHONE CO.	ICO
2348	CENTRAL TEL. CO. - NV	ICO
2518	LUCRE, INC.	CLEC
2547	GLOBAL CROSSING LOCAL SERVICES, INC.-FL	CLEC



# Global NAPs Traffic

Orig OCN	OCN_NAME	CATEGORY
4139	INTEGRA TELECOM OF MINNESOTA, INC.	CLEC
4152	PAETEC COMMUNICATIONS, INC. - NY	CLEC
4536	XO MASSACHUSETTS, INC.	CLEC
4604	GLOBALCOM, INC.-IL	CLEC
4621	DELTACOM, INC. - SC	CLEC
4839	US LEC OF ALABAMA, INC.	CLEC
4860	TELCOVE OF VIRGINIA, LLC - VA	CLEC
5156	GLOBAL NAPS GEORGIA, INC. - GA	CLEC
5256	LEVEL 3 COMMUNICATIONS, LLC-MN	CLEC
5373	ALLTEL WIRELESS HOLDINGS, LLC - FL	WIRELESS
5562	METRO PCS, INC.	PCS
6219	BELLSOUTH PERSONAL COMMUNICATIONS, LLC - TN	WIRELESS
6232	NEXTEL COMMUNICATIONS, INC.	WIRELESS
6298	ALLTEL COMMUNICATIONS, INC. - GA	WIRELESS
6324	CELLCO PARTNERSHIP DBA VERIZON WIRELESS - NC	WIRELESS
7074	TIME WARNER COMMUNICATIONS OF HOUSTON, L.P.	CLEC
7139	TELEPORT COMMUNICATIONS GROUP - LOS ANGELES	CLEC
7140	TELEPORT COMMUNICATIONS GROUP - NY	CLEC
7170	COMCAST PHONE OF GEORGIA, LLC - GA	CLEC
7192	COX CABLE OKLAHOMA CITY INC.	CLEC

# GAPSC Decision

- GA PSC ruled in favor of TDS and five other rural LECs that were parties to the Petition;
- Specifically the Commission found:
  - “While the decision in this proceeding is limited to intrastate traffic, the public policy pronouncement of the FCC that no carrier should, in effect, receive a “free ride” on the PSTN should be acknowledged and followed. While ....the FCC has summarized this policy as follows in a relatively recent proceeding addressing new methods of delivering traffic to the PSTN. Quoting the FCC NPRM
  - “[A]s a policy matter, we believe that any service provider that sends traffic to the PSTN should be subject to similar compensation obligations, irrespective of whether the traffic originates on the PSTN, on an IP network, or on a cable network. We maintain that the cost of the PSTN should be borne equitably among those that use it in similar ways.” (In the Matter of IP-Enabled Services, NPRM, WC Docket No. 04-36, FCC 04-28, released March 10, 2004 at para. 33



# GA PSC Decision

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- The Commission further found that the factual record demonstrated that the traffic in question was not ESP traffic;
- Despite the Commission's decision GNAPs has not paid any of the ILECs
- Prior to the conclusion of our complaint, AT&T disconnected GNAPs under the terms of their interconnection agreement for non-payment



## CommPartners Complaint / GA PSC

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- Beginning in 2006 TDS Blue Ridge began receiving traffic from CommPartners
- In several responses to TDS' demand for payment, CommPartners claimed that the traffic in question was IP and exempt from access charges. CommPartners did state in their responses that 10% of the traffic was traditional TDM subject to access charges.
- As a result of CommPartners refusal to pay our lawfully billed access charges, filed petition seeking disconnection in June 2010.
- I believe 3 days after filing the complaint with the GA PSC, CommPartners filed for bankruptcy.



## CommPartners Amounts Disputed (7/01/10 - 09/30/10)

CommPartners	Amounts Disputed		
	InterState	Intrastate	Total Disputed
GA	\$ 0	\$ 72,468	\$ 72,468
CA	\$ 0	\$ 19,368	\$ 19,368
CO	\$ 4,612	\$ 114	\$ 4,726
PA	\$ 17	\$ 7	\$ 24
AZ	\$ 0	\$ 0	\$ 0
Grand Totals:	\$ 4,629	\$ 91,157	\$ 96,586

# Solutions

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- Affirm that all IP-enabled traffic is required to pay proper jurisdictional compensation for originating and terminating traffic, states should follow the lead of the GA PSC
- Require tandem providers to pass originating numbers in order to accurately bill access on all toll traffic
- Take actions to weed out bad actors



TDS



**Thank you**