

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of: )  
)  
Level 3 Communications, LLC )  
)  
) WC Docket No. 03-266  
Petition for Forbearance Under )  
47 U.S.C. § 160 (c) from )  
Enforcement of 47 U.S.C. )  
§ 251 (g), Rule 51.701 (b)(1), )  
and Rule 69.5 (b) )

Comments of the ICORE Companies

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The consulting firm of ICORE, Inc. (ICORE), on behalf of a number of small, rural incumbent local exchange carriers (ILECs),<sup>1</sup> offers these comments in the above-captioned proceeding. ICORE provides a variety of consulting, regulated and network-related services to many

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<sup>1</sup> ILECs participating in this filing include: Baraga Telephone Company, Baraga, MI; Barry County Telephone Company, Delton, MI; Bloomingdale Home Telephone Company, Bloomingdale, IN; Citizens Telephone Corporation, Warren, IN; Cooperative Telephone Company, Victor, IA; Doylestown Telephone Company, Doylestown, OH; Dunbarton Telephone Company, Dunbarton, NH; Harmony Telephone Company, Harmony, MN; Hayneville Telephone Company, Hayneville, AL; Heartland Telecommunications Company of Iowa, Inc., Mankato, MN; Hershey Cooperative Telephone Company, Hershey, NE; Hot Springs Telephone Company, Kalispell, MT; Interstate Communications, Truro, IA; Ironton Telephone Company, Coplay, PA; Le-Ru Telephone Company, Stella, MO; Lexcom Telephone Company, Lexington, NC; Mankato Citizens Telephone Company, Mankato, MN; McClure Telephone Company, McClure, OH; Mid Communications, Inc., Mankato, MN; New Lisbon Telephone Company, New Lisbon, IN; Northwest Iowa Telephone Company, Sergeant Bluff, IA; Nova Telephone Company, Nova, OH; Pennsylvania Telephone Company, Jersey Shore, PA; Prairie Grove Telephone Company, Prairie Grove, AR; Redwood County Telephone Company, Wabasso, MN; Ronan Telephone Company, Ronan, MT; Southern Montana Telephone Company, Wisdom, MT; State Telephone Company, Coxsackie, NY; Summit Telephone Company, Fairbanks, AK; Swayzee Telephone Company, Swayzee, IN; Sycamore Telephone Company, Sycamore, OH; Van Horne Telephone Company, Van Horne, IA; WSTA – Small Company Committee, Madison, WI; Yukon-Waltz Telephone Company, Yukon, PA.

## **I. INTRODUCTION**

At the outset, the ICORE companies understand that the Level 3 petition<sup>2</sup> “excludes from this forbearance request areas other than those served by an incumbent local exchange carrier (“ILEC”) that is exempt from 251(c) pursuant to Section 251(f)(1).”<sup>3</sup> Some of the companies participating in this filing are thus excluded from Level 3’s petition.

However, all of the ICORE companies – whether included in or excluded from the forbearance provisions of this petition – consider any Commission action on Level 3’s request to be of major importance to the proper application of access charges, their future revenues, and their ability to recover their lawful costs in the long term. In other words, the Commission’s disposition of this petition will set precedents that will ultimately affect all ILECs, to a very significant degree.

The Comments that follow will demonstrate that Level 3’s VoIP toll services,<sup>4</sup> as well as the toll services of other VoIP providers for which Level 3 also requests forbearance, are the exact functional equivalent of circuit switched toll services. VoIP toll is directly substitutable for (functionally equivalent to) circuit switched toll, and therefore must be defined as a telecommunications – not an information – service. As such, access charges must apply.

We will also debunk a number of specious arguments contained in Level 3’s petition, arguments that dissolve when exposed to even a few drops of logic.

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<sup>2</sup> Petition for Forbearance Under 47 U.S.C. § 160 (c) from Enforcement of 47 U.S.C § 251 (g), Rule 51.701 (b)(1), and Rule 69.5 (b) (filed Dec. 23, 2003) (Level 3 Petition), iv.

<sup>3</sup> Id, at iv.

<sup>4</sup> VoIP toll services, or VoIP toll, as used herein refer to the most common Internet toll applications, i.e. those using the public switched telephone network to originate, terminate or in part transmit VoIP toll traffic.

For instance, Level 3 continually uses the concept of “uncertainty”<sup>5</sup> as a major reason for the Commission to forbear from enforcing its access charge rules in the case of VoIP toll. But this uncertainty argument flies in the face of common sense. The proper application of lawful, long standing access charge rules to VoIP toll will end any such uncertainty just as quickly and concisely as forbearance will.

Actually, there will be far more certainty with regard to the ability of VoIP technology to stand on its own, to compete fairly, and to succeed in the marketplace if the responsibility of VoIP toll providers to pay the same access charges that circuit switch toll providers must pay is affirmed. VoIP already has the distinct advantages that accrue to every new technology. If it is given the additional, discriminatory advantage of free or discounted access, it will be impossible to determine how much of the success of VoIP toll is attributable to technological superiority, and how much to regulatory favoritism.

Any technology, including cans and string, will perform relatively better in the marketplace if it is unburdened of a significant amount of the costs that competing technologies are obliged to pay. It is especially difficult to understand how such a wonderful new technology as VoIP toll needs preferential and discriminatory regulatory treatment to grow and prosper.

Because Level 3 is in essence requesting that the Commission favor a technology instead of a service, they are doing nothing more than asking for preferential and discriminatory treatment of VoIP toll. They ask the Commission to discriminate against huge segments of industry – ILECs, CLECs and IXCs – in order that VoIP providers be protected from those lawful and non-discriminatory access charges that apply to the very same services when provided by the rest of the industry.

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<sup>5</sup> Level 3 Petition, first raised at iv.

If, as the result of VoIP toll being given a free, or at least discounted, pass on access, affected ILECs and CLECs experience revenue shortfalls, Level 3 cavalierly suggests they file waivers, make above-band rate filings, initiate state rate cases, or pursue state or federal lawsuits alleging confiscatory takings.<sup>6</sup>

In other words, according to Level 3, those carriers harmed by the discriminatory treatment of VoIP toll have any number of recourses. They can take a variety of extraordinary, costly and resource-burning measures in an attempt to recover the much needed revenues that would have been theirs in the first place, if only VoIP toll providers had been required to pay the lawful and compensatory access charges that apply to the same functionally equivalent toll services.

Further, Level 3's "forbearance" petition is not really an attempt to decrease regulation, but rather is an attempt to increase the level of regulation to which Level 3's suppliers are subject. The result sought by Level 3 is an order compelling its ILEC suppliers to provide the same access service at lower rates set by governmental regulation (either rates set at zero or at reciprocal compensation rates that are lower than current access rates). As described in more detail below, such tightened regulation of ILEC pricing is not a form of "relief" available to Level 3 under the forbearance statute, which exists to promote deregulation only.

In sum, Level 3's arguments are completely without merit.

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<sup>6</sup> Level 3 Petition, at 47.

## **II. THE COMMISSION’S LONG STANDING ACCESS CHARGE RULES AND REGULATIONS ARE STILL LAWFUL**

One of Level 3’s favorite arguments for exempting VoIP toll from access charges is that access charges are a temporary mechanism, to be replaced by Reciprocal Compensation arrangements for the long term.<sup>7</sup>

Stripped down to its plain meaning, this argument says, “Access charges may be replaced someday. So why bother with them now?”

Level 3’s premise totally ignores the fact that it may be years before access charges are melded into some unified intercarrier compensation regime, if ever. It totally ignores the fact that billions of dollars in access charges are billed each year from access providers to circuit switched toll providers, and that billions of tax dollars in turn flow to federal coffers.

Most importantly, it totally ignores the fact that right now, today, access rules and regulations form the only lawful mechanism by which toll providers must compensate access providers for the use of their facilities.

In reality, Level 3 cannot ignore these facts. That is why, in this petition, it must ask the Commission to forbear from enforcing Section 251(g) of the Telecommunications Act of 1996, plus Parts 51.701(b)(1) and 69.5(b) of the Commission’s own Rules. These Congressional mandates and FCC Rules require VoIP toll to adhere to the same access provisions as any other toll service. And Level 3 knows it.

But Level 3 wants to avoid its legal obligation to pay access charges when its toll services use the originating and terminating facilities of ILECs and others. What easier

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<sup>7</sup> Level 3 Petition, at 31.

way to sweep the Commission's long-standing access rules and regulations under the rug, than suggesting that because they may one day be replaced, they are not relevant now.

There are, in the industry today, two separate and distinct forms of compensation mechanisms relative to the interexchange of traffic between carriers. Access charges apply when toll providers use the originating and terminating facilities of access providers. Reciprocal compensation arrangements apply to other types of traffic exchanged, e.g., between ILECs and CLECs, or ILECs and wireless providers. Both forms of compensation have been prescribed by this Commission.

But Level 3 would have its toll traffic totally misclassified and made exempt from access charges, simply because those access charges may be replaced by reciprocal compensation arrangements in the future. ICORE fails to see any relevance in this argument.

VoIP toll traffic must be properly classified and treated under existing rules and regulations, not by what might be. It is toll, and access charges lawfully apply, despite what may or may not happen to access in the future. When, or if, access charges become part of a unified intercarrier compensation regime, where the present reciprocal compensation arrangements and access charges are merged, VoIP toll - just like circuit switched toll - can be easily moved to the new system.

Level 3's trivialization of lawful access charge rules and regulations, which have governed compensation between access providers and toll providers for over 20 years - and may continue for several more - should have no bearing on the Commission's disposition of the petition before it.



Access charges are lawful. They should be applied in a fair and equitable manner to all toll providers.

### **III. VoIP TOLL IS THE FUNCTIONAL EQUIVALENT OF CIRCUIT SWITCHED TOLL. ACCESS CHARGES MUST APPLY**

Despite its portrayal as a new, unique, life altering technology, VoIP toll service as offered by Level 3 and others is just that – toll service. While the Internet has spawned, in other areas, wondrous and breathtaking new services that would not be possible without it, VoIP toll is not one of them.

VoIP toll is not some ground breaking, never-before-attempted venture made possible only by the advent of the Internet. It is, rather, traditional long distance telecommunications service using the Internet, instead of the circuit switched network.

The Telecommunications Act confirms this. Congress has defined “telecommunications service” as “the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.” (47 U.S.C. §153 (51)). In turn, the term “telecommunications” is defined as “the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received.”

Here, there is no change in the form or content of the information as sent and received. The person speaking on one end of the call uses his or her voice to transmit the information. The called party on the other end of the call hears that same voice with the same information. An IP-PSTN call is simply a voice call carried through a transmission

medium that involves the Internet. It does not involve anything more complicated than that.

VoIP toll is simply the latest advancement in Long Distance service, which over the years has seen the introduction of many revolutionary technologies (including microwave transmission, satellite transmission, and fiber optics) but has always been treated as Long Distance service. VoIP toll is an alternate, parallel form of toll transmission, one which may ultimately replace the existing circuit switched network. But VoIP toll – like electronic, digital and soft switches, or microwave, satellite and fiber optic transmission facilities – is just the latest of many methods of delivering long distance telephone calls.

VoIP toll is thus the functional equivalent of traditional circuit switched toll. This Commission, in its 1998 Report to Congress, stated that “the classification of service under the 1996 Act depends on the functional nature of the end-user offering.”<sup>8</sup> Here, the end user offering is exactly identical to circuit switched toll, even though the underlying technology is different, at least in part.

When services offered by LECs and IXCs, which are classified as telecommunications services, can be replaced with services using VoIP technology, then the substitute services must also be classified as telecommunications under the Commission’s functionality test.

Level 3 and other VoIP toll providers offer direct substitute services – replacement services – for circuit switched toll, but continue to argue that their offerings are somehow not telecommunications services. The Commission must repudiate these

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<sup>8</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report to Congress, 13 FCC Rcd 11501, 11543 (1998 Report).

arguments, and find that services which provide direct substitutes for each other cannot be subject to different regulatory treatment.

As an identical end user offering, and a directly substitutable service, VoIP toll is both the functional equivalent of circuit switched toll and a telecommunications service. The Commission's long standing access charge rules clearly apply to this traffic, and there is no reason for the Commission to forbear from such application.

In fact, to apply access charges to circuit switched toll, but to exempt from access, or to apply intercarrier compensation rates to its exact functional equivalent – VoIP toll – is illegal and discriminatory. To classify toll service providers differently, based solely on the technology used to transmit those toll messages, would be not only discriminatory, but arbitrary and capricious as well.

As this Commission knows, the use of VoIP technology does not reduce the costs incurred by the ICORE companies and other small ILECs in providing access services for this traffic. The costs of small ILECs to originate and terminate toll calls over the ILEC network is exactly the same, whether other providers involved in carrying other portions of these calls use the circuit switched network or the Internet network.

Access charges must not be a function of, or dependent on, the nature of the technology used by the toll carrier to transmit the toll traffic on its way to or from the ILEC. Rather, access charges must fairly and equitably compensate ILECs for the use of their facilities to originate and terminate a call over the ILEC network, independent of the type of network used by the toll carrier in handling other portions of the call.

The disparate regulatory treatment of VoIP toll and circuit switched toll discriminates not only against carriers providing exactly the same access services to both,

but against carriers providing circuit switched toll as well. Access carriers would be deprived of applying their lawful access rates for the origination and termination of VoIP toll, the same toll service to which they apply full access rates when offered by a circuit switched provider.

Similarly, those circuit switched toll providers would pay to use the originating and terminating facilities of access providers. VoIP toll providers, which use these identical facilities in exactly the same way, would do so for free, or at a substantial reciprocal compensation discount.

Such discriminatory and inequitable regulatory treatment cannot be countenanced by this Commission.

#### **IV. ENFORCEMENT OF LAWFUL ACCESS CHARGE RULES WILL END ALL UNCERTAINTY SURROUNDING VoIP TOLL**

The legal and proper application of access charges to VoIP toll will not only end the legal and marketing uncertainty<sup>9</sup> surrounding VoIP toll, but other uncertainties as well.

As touched on in the Introductory section above, the lawful application of access charges to VoIP toll will remove one very large variable with regard to the ability of this new technology to grow and prosper. VoIP toll already has all of the advantages inherent in any new and exciting technology. To afford it preferential and discriminatory regulatory treatment vis-à-vis its technological rival – the circuit switched network – will make it impossible to judge how much of its success is due to technology, and how much to favorable regulatory treatment.

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<sup>9</sup> Level 3 Petition, at 20.

Just as importantly, ILECs, CLECs and other access providers will be spared the uncertainty of not knowing whether VoIP toll providers will be made to properly compensate them for the use of their facilities. Circuit switched toll providers will also be spared the uncertainty associated with the possibility that their technological competition will be given a free pass on the use of the identical access facilities for which they must pay.

Level 3 would have us believe that only Commission forbearance from enforcing its lawful access rules will bring certainty in this arena. This is nonsense. Certainty will truly be achieved only when the Commission's access rules are applied fairly and equitably to all toll providers in the marketplace, regardless of the technology used to carry that toll.

**V. THE COMMISSION SHOULD REJECT LEVEL 3'S ATEMPT TO IMPOSE MORE STRINGENT REGULATION OF ILEC PRICING**

In reality, Level 3's petition seeks increased regulation of ILECs. As such, Level 3's petition misses the point of forbearance, which is deregulation, and does not qualify procedurally for consideration under the forbearance statute, 47 U.S.C. Sec. 160.

Consistent with the plain meaning of the term "forbearance," a forbearance petition is a request by a regulated entity (here Level 3) to reduce the level of regulation to which it is subject. The forbearance statute, 47 U.S.C. Sec. 160, contains no provision whatsoever authorizing issuance of an order increasing the level of regulation imposed on anyone, including suppliers to the forbearance petitioner such as the ILECs.<sup>10</sup> But Level

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<sup>10</sup> See 47 U.S.C. Sec 160 (authorizing the Commission to "forbear from applying any regulation or any provision of this chapter to a telecommunications carrier or class of telecommunications carriers" if certain conditions are met.

3 seeks to do just that – obtain relief for itself (avoidance of access charges) that consists entirely of imposing more stringent regulatory burdens on its suppliers. ILECs under Level 3’s proposal would presumably be required to provide the same originating and terminating access functions for no compensation at all, or at reciprocal compensation rates that are lower than currently approved access rates. By any definition, requiring an ILEC to supply Level 3 with the same service at a lower or zero price set by a regulator is a form of increased regulation of ILECs.

The Commission should reject Level 3’s attempt to transform the forbearance statute into a vehicle to increase the regulatory burdens imposed on its suppliers. Nothing in the forbearance statute authorizes that it be invoked to increase the burden of regulation on any carrier.<sup>11</sup>

## **VI. THE REQUESTED FORBEARANCE IS NEITHER REQUIRED NOR NECESSARY**

Level 3 tells us that “Section 10 of the Communications Act requires the Commission to forbear from applying any regulation or any provision of the Act to a telecommunications carrier or telecommunications service, or to a class of telecommunications carriers or services, if the Commission determines that three conditions have been satisfied.”<sup>12</sup>

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<sup>11</sup> If Level 3 does not seek to increase the regulatory burden on ILECs, it should state so explicitly and explain in detail how that regulatory burden is not being increased. Presumably Level 3 wants regulatory relief only if the ILECs are placed under a continuing burden of being required to serve Level 3 at some regulated rate more favorable to Level 3 than current access charges. Imposition of new or more stringent regulatory burdens on ILECs should not be done for the policy reasons stated elsewhere in these comments, and cannot lawfully be done without compliance with the Administrative Procedure Act’s provisions governing rulemaking proceedings, 5 U.S.C. Sec 553.

<sup>12</sup> Level 3 Petition, at 35 (citing 47 U.S.C. Sec. 160, Sec. 10 of the Communications Act as amended) (emphasis added).

Unfortunately for Level 3, forbearance fails to satisfy any of those three conditions. In fact, forbearance violates them in several areas.

Level 3 states in regard to the first condition that “the obligation to forbear arises when (1) enforcing the regulation or provision in question is not necessary to ensure that the charges and practices of carriers are just and reasonable and are not unjustly or unreasonably discriminatory.”<sup>13</sup>

Here, the forbearance itself will cause the ILECs and CLECS to engage in unjust and discriminatory practices and charges. Only the proper enforcement of access charge rules and regulations will ensure just, reasonable and nondiscriminatory behavior.

If ILECs and CLECs are required to apply access charges to circuit switched toll carriers, but to allow VoIP toll carriers to use the same facilities and services, for the same purpose, at no charge, the circuit switched carriers will have been treated unjustly and with extreme prejudice. Access charges are one of the major components of a circuit switched toll provider’s cost of doing business. To exempt a competing technology – VoIP toll – from these very same costs gives VoIP a huge, discriminatory advantage.

This first condition, which deals with the ensurance of “just and reasonable practices and charges” can never be met if the Commission abandons its principles of competitive and technological neutrality. Grant of this petition would mean that two competing technologies use exactly the same access facilities in exactly the same way. One pays for the use of those facilities. The other does not. It is difficult to understand how such a regulatory regime, if adopted, would ensure just and nondiscriminatory practices.

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<sup>13</sup> Level 3 Petition, at 36.

Forbearance also fails the second condition, that “enforcing the regulation or provision is not necessary for the protection of consumers,”<sup>14</sup> just as miserably.

Certainly, the consumers of circuit switched toll will be harmed. Their rates will include the costs of their carriers paying access charges to ILECs and CLECs, while consumers of VoIP toll will pay lower rates – rates that are unburdened of the necessity to pay for access.

Worse, customers of ILECs and CLECs will be severely harmed. Their local carriers will be deprived of their rightful access charges, which account for a large portion of their total revenue.

Small ILECs, for example, receive a significant portion of their total revenue from access charges. Local rates and, to a far lesser extent, reciprocal compensation arrangements account for most of the remainder. When access charges are eroded, but costs remain the same, there is upward pressure on other rate elements.

While Level 3 would have us believe that the revenue shortfalls occasioned by the loss of access revenues to free riding VoIP toll are easily recovered, such is not the case. And all recommended remedies entail higher rates for ILEC customers.

Level 3 suggests that if forbearance precludes an ILEC from legally recovering its costs, it can: file a waiver to raise the cap on subscriber line charges; make above band filings; file for increased state rates; or have state or federal retail rate limits set aside as confiscatory takings.<sup>15</sup>

In other words, ILECs can spend immense amounts of time and money to file waivers with state commissions and the FCC, initiate local rate cases, or access charge

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<sup>14</sup> Level 3 Petition, at 36.

<sup>15</sup> Id, at 47.



proceedings on the state level, or file a takings case under the 5<sup>th</sup> Amendment to the U.S. Constitution, in order to raise rates to attempt to compensate for lost access revenues.

The ICORE companies find this argument to be absurd. There would be no need for ILECs to initiate any of these extraordinary efforts which, even if successful, will simply raise rates for their consumers, if only VoIP toll providers were made to pay their fair, equitable and lawful access rates.

Thus, the enforcement of access rules and regulations is necessary, to protect the consumers of access providers. Otherwise, they will pay higher rates for other services, not because those services have been improved or their costs have gone up, but because VoIP toll has been exempted from paying for the use of access facilities.

The third condition which must be satisfied under Section 10 of the Act is consistency “with the public interest.”<sup>16</sup> Having failed the first two conditions, it is impossible for forbearance to pass this third – and most important – test.

But even if the Commission were to somehow find that forbearance meets the first two conditions, it fails the public interest standard on other grounds.

ILECs have invested billions of dollars to build the massive infrastructure of the public switched telephone network (PSTN). They have met, over many years, all of the Commission’s basic universal service requirements. They have been required by law or regulation to incur, in recent years, the very real and substantial costs of everything from 911 service, to CALEA to LNP.

ILECs and CLECs are allowed to recover a significant portion of their infrastructure costs through the application of access charges to toll providers. To exempt an entire class of toll providers – VoIP carriers – from paying lawful access

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<sup>16</sup> Level 3 Petition, at 36.

charges, puts ILEC and CLEC cost recovery at serious risk. The alternative, higher local rates or subscriber line charges, unfairly and unjustly makes ILEC and CLEC customers pay for VoIP toll access.

The VoIP traffic discussed in these comments cannot be carried without the PSTN. ILECs have invested heavily – for the good of all telecommunications consumers – in the PSTN. To exempt one set of consumers – those of VoIP providers – from paying lawful access charges, shifts those costs to all other consumers in a discriminatory manner.

Forbearance would give VoIP toll providers and their customers a distinct discriminatory advantage over circuit switched toll providers and their customers. It would be neither competitively or technologically neutral. It would allow VoIP toll to use for free the PSTN which is absolutely necessary for its success, while requiring circuit switched toll to pay fully for identical services.

Such discriminatory treatment would also put ILECs' legal and appropriate cost recovery at risk. The only way to make up for the revenue shortfalls caused by this kind of regulatory favoritism would be to shift access costs to local rates and subscriber line charges, so that ILEC customers pay for VoIP customers' toll access.

This sort of discriminatory treatment is never in the public interest.

**VII. IF FORBEARANCE IS GRANTED, ILECS MUST BE ALLOWED TO USE VoIP FACILITIES ON AN EQUAL BASIS**

Grant of Level 3's Petition, allowing VoIP toll providers to originate and terminate their traffic using ILEC facilities at no charge, must give rise to ILEC use of

VoIP facilities on the same basis. For there is, in addition to all other matters raised here, the issue of fundamental fairness.

That is, if ILECs are expected – in many cases, required – to invest heavily in PSTN infrastructure, but then be forced to allow competing, for-profit carriers to use their PSTN facilities for free, ILECs must be compensated in some other manner.

It would only be fair, if the FCC requires ILEC's to allow VoIP carriers unlimited access to the entire ILEC network, including transit to another carrier's network, at no charge, that the FCC would also require the VoIP carriers to provide ILECs unlimited access to the VoIP carrier's network, including transit to other carrier's network, at no charge.

## **VIII. CONCLUSION**

Level 3 would have the Commission forbear from enforcing its access charge rules on VoIP toll, even though the exact same toll service, when offered over the circuit switched network, has been subject to these same access rules for over twenty years.

The idea that access charges may someday be made part of a unified intercarrier compensation regime is absolutely no reason to ignore them now. Commission prescribed access rules and regulations have long been, and continue to be, the only lawful mechanism governing the use of access facilities by toll providers.

VoIP toll is the exact functional equivalent of circuit switched toll. It is a directly substitutable service, one that uses the same ILEC access facilities in exactly the same way.

Yet Level 3 requests disparate regulatory treatment for its toll service, in violation of long standing Commission principles of competitive and technological neutrality.

Exempting VoIP toll from lawful access charges puts ILEC cost recovery at risk. It allows competing, for-profit carriers to use ILEC infrastructure for free, infrastructure in which ILECs have invested heavily. It inappropriately shifts costs from VoIP toll providers, who are responsible for those costs, to ILEC customers, who are not.

The requested forbearance is discriminatory and prejudicial, and totally fails to meet any of the three conditions contained in Section 10 of the Telecommunications Act. Forbearance is most definitely not in the public interest.

The Commission should end the uncertainty regarding the application of lawful access charges to VoIP toll, and fairly and equitably enforce its access rules, regardless of the technology used to carry that toll traffic.

For all of these reasons, Level 3's Petition should be denied.

Respectfully submitted,  
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