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COMPTEL Comments on ILEC Proposal to Reform
Intercarrier Compensation and Universal Service Funding

WASHINGTON, D.C. – Today six companies—AT&T, CenturyLink, FairPoint, Frontier, Verizon and Windstream—submitted a proposal to the Federal Communications Commission (FCC) that they claim will modernize the federal Universal Service Fund (USF) and reform the intercarrier compensation (ICC) system that governs how communications companies bill one another for handling traffic.

COMPTEL CEO Jerry James commented on the proposal:

“COMPTEL appreciates the work these six companies have done to create a proposal for addressing intercarrier compensation and universal service reform. While COMPTEL does not agree with the proposal in full, we support the recommendation to bring all transport and termination under Section 251(b)(5) of the Communications Act, so that a single regulatory regime, interconnection agreement and set of rates can apply.

Other features of the proposal, however, are one-sided and unlawful. For one, the proposal does not treat termination and transport of traffic consistently as required by the Act. Moreover, the proposed $0.0007 rate violates the statute’s mandate that state commissions determine a cost-based rate by applying the FCC’s methodology. The proposal also is inconsistent with the Act in its treatment of IP-to-IP interconnection, which clearly falls under Sections 251 and 252 of the Act. COMPTEL looks forward to working with the Commission to address these issues and reach a balanced transition to a future defined by IP technology.”

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About COMPTEL
Based in Washington, D.C., COMPTEL is the leading industry association representing competitive communications service providers and their supplier partners. COMPTEL members are entrepreneurial companies driving technological innovation and creating economic growth through competitive voice, video, and data offerings and the development and deployment of next-generation, IP-based networks and services. COMPTEL advances its members’ interests through
trade shows, networking, education, and policy advocacy before Congress, the Federal Communications Commission and the courts. COMPTEL works to ensure that competitive communications providers can continue to offer lower prices, better service, and greater innovation to consumers. For more information, visit www.comptel.org.