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	)	WC Docket No. 07-135
Exchange Carriers	)	
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing a Unified Intercarrier Compensation	)	CC Docket No. 01-92
Regime	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109

Reply Comments of the
Michigan Public Service Commission

Introduction

On February 8, 2011, the Federal Communications Commission (FCC) adopted a Notice of Proposed Rulemaking (NPRM) requesting comments on numerous issues related to universal service fund and intercarrier compensation reform. The Michigan Public Service Commission (MPSC) filed initial comments on Section XV of the NPRM on April 1, 2011. The MPSC files the following reply comments in response to other parties' comments on the three key issues in Section XV of the NPRM. These issues relate to intercarrier compensation obligations for VoIP traffic, rules to address phantom traffic, and rules to reduce access stimulation. The MPSC herein reiterates the positions taken in its comments filed April 1, 2011.

Intercarrier Compensation Obligations for VoIP Traffic

As stated in the comments filed April 1, the MPSC recommends that the FCC find that VoIP traffic is currently subject to existing intercarrier compensation rates, both inter- and intrastate access and reciprocal compensation charges. It is important that all terminating providers receive compensation for terminating traffic on their networks at present and during any transition period. Terminating providers need to maintain the cost of the network used to terminate traffic of all types, including VoIP traffic. In the context of greater reform, the MPSC respectfully suggests that adding another separate category specifically for VoIP intercarrier compensation obligations will add needless further complexity and opportunity for arbitrage into the already complex intercarrier compensation system.

Rules to Address Phantom Traffic

To deter providers from not identifying or misidentifying traffic, the FCC has drafted proposals to ensure that all traffic is identifiable for proper billing. As stated in comments filed April 1, 2011, the MPSC continues to advocate for rules to address phantom traffic. Multiple other states including California,[1] Kansas,[2] Pennsylvania,[3] Ohio[4] and Washington[5] agree that the use of the calling parties telephone number (CPN) or charge numbers (CN) would assist the terminating carrier in determining the originating carrier and costs associated with terminating each call. However, the MPSC

---

[1] Comments of the California Public Utilities Commission and the People of the State of California on Section XV of the NPRM, p 7.
[2] Comments of the Corporation Commission of the State of Kansas on NPRM Section XV, p. 17.
[3] Comments of the Pennsylvania Public Utilities Commission (Section XV), pp. 14-15.
[4]Comments submitted on behalf of The Public Utilities Commission of Ohio, p. 10.
[5] Comments of the Washington Utilities and Transportation Commission, pp. 9-10.

continues to have concerns over how rules related to phantom traffic would be enforced. For example, in order for a terminating provider to bring a complaint against an originating provider for unidentified traffic, it would need to be able to identify the originating carrier. However, without identifying information attached to the call, this is often not possible for a terminating carrier. A call may be transmitted through the networks of multiple intermediaries before being handed off to the terminating provider; thus, the terminating carrier has no way to establish the originating carrier. The MPSC continues to be concerned that changes in FCC rules, or industry standards, may only be effective if non-compliance is linked to a sanction, such as higher terminating rates or the inability to use telephone numbering resources for their customers.

Rules to Reduce Access Stimulation

While not aware of any such cases in Michigan, the MSPC remains supportive of FCC action to prevent arbitrage opportunities under the current intercarrier compensation system, including those specifically related to arrangements that generate elevated traffic volumes without corresponding lower minute-of-use rates. In its initial comments the MPSC described two important steps Michigan has taken to reduce the incentive to enter into access stimulation arrangements. The MPSC informally contacts carriers that request a CO Code, or more than two thousands blocks of telephone numbers at one time. This extra step at the state commission level can deter providers who may be attempting to pursue access stimulation arrangements. Additionally, intrastate access reform, such as Michigan and other states have undertaken, leaves less incentive for providers to enter into an access stimulation arrangement because intrastate access rates are at or moving toward levels no higher than corresponding interstate rates.

The MPSC remains supportive of the FCC's action to discourage and/or prevent access stimulation including the use of a trigger mechanism as described in the NPRM. Furthermore, the MPSC also continues to advocate for a numbering process that does not allow for self-certification of large requests for numbering resources.

Conclusion

The MPSC is grateful for the opportunity to comment on the issues addressed in Section XV of the NPRM. Again, the MPSC encourages the FCC to adopt rules to address these issues with one eye on the greater context of reform. As such, the MPSC urges the FCC to find that current intercarrier compensation obligations are applicable to VoIP traffic and is generally supportive of the FCC's proposed rules to address phantom traffic and access stimulation.

Respectfully submitted,

Robin P. Ancona

Robin P. Ancona, Director
Telecommunications Division
6545 Mercantile Way, Suite 14
P.O. Box 30221
Lansing, MI 48909
(517) 241-6200

April 18, 2011