



August 31, 2020

VIA ECFS

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: 8YY Access Charge Reform, WC Docket No. 18-156

Dear Ms. Dortch:

On Friday, August 28, 2020, the undersigned on behalf of NTCA–The Rural Broadband Association (“NTCA”) spoke via telephone with Allison Baker, economic advisor to Chairman Ajit Pai, and Lisa Hone, deputy chief of the Wireline Competition Bureau, regarding matters in the above-referenced proceeding.

NTCA first raised concerns that parties may seek to leverage migration of intercarrier compensation rates to bill-and-keep as a basis for shifting interconnection responsibilities and foisting additional costs upon rural local exchange carriers (“RLECs”). For these reasons, building upon a comparable rule established in 2011, NTCA urged adoption of a default rule to preclude parties from unilaterally dictating changes to existing financial responsibilities for interconnection and transport. *See, e.g., Ex Parte* Letter from Michael R. Romano, Sr. Vice President, NTCA, to Marlene H. Dortch, Secretary, Federal Communications Commission (the “Commission”), WC Docket No. 18-156, *et al.* (filed August 25, 2020); *see also* 47 C.F.R. § 51.709(c); *Connect America Fund, et al.*, WC Docket No. 10-90, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 18040 (2011), at ¶¶ 999-1000.

NTCA emphasized that merely stating that the Commission did not intend for the adoption of a bill-and-keep rate regime to result in changes to interconnection responsibilities would be insufficient, as certain parties may still see the absence of an express prohibition on shifting such transport responsibilities as an opening to dictate such changes from RLECs nonetheless. I therefore urged the Commission at the very least to make explicit in any upcoming order with respect to 8YY traffic that, in the absence of mutual agreement, no party may force a change to any RLEC’s existing interconnection points that define financial responsibility for interconnection and transport of calls pursuant to any tariff, contract, or other arrangement even if the intercarrier compensation rates applicable under such vehicles may be altered by a Commission order. *See Updating the Intercarrier Compensation Regime to Eliminate Access Arbitrage*, WC Docket No. 18-155, Report and Order and Modification of Section 214 Authorizations, 34 FCC Rcd 9035, 9049 (2019), at ¶ 34; *Northern Valley Communications, LLC*, Memorandum Opinion and Order, 35 FCC Rcd 6198, 6213 (2020), at ¶ 30.

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NTCA also addressed the reductions in access revenues that would arise out of any such transition. In the first instance, NTCA continues to underscore the importance of explicit alternative cost recovery mechanisms for RLECs that depend upon such revenues in delivering universal service in rural areas. To the extent that the Commission may nonetheless ultimately determine that the unique need for urgent action to address arbitrage in the 8YY marketplace necessitates changes to rates without modifying existing alternative cost recovery mechanisms to accommodate originating intrastate revenue impacts, even as the total revenue amounts at issue in the case of originating intrastate 8YY access specifically may be relatively *de minimis* when measured across hundreds of carriers, NTCA urged the Commission to ensure that any such reforms in the future will not have a negative precedential impact on reasonable cost recovery and critical universal service objectives.

Thank you for your attention to this correspondence. Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS.

Sincerely,

/s/ Michael R. Romano

Michael R. Romano

Senior Vice President –

Industry Affairs & Business Development

NTCA–The Rural Broadband Association

cc: Allison Baker
Lisa Hone