

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Neutral Tandem-Missouri,)
LLC's Filing to Introduce Its Access)
Services Tariff P.S.C. Mo.-No. 3.)

**AT&T'S MOTION TO SUSPEND
AND INVESTIGATE TARIFF**

AT&T Communications and AT&T Missouri (collectively, the "AT&T Companies"),¹ pursuant to 4 CSR 240-2.065(3) and 4 CSR 240.2-075(2), respectfully request the Missouri Public Service Commission ("Commission") to suspend and investigate the Access Services Tariff filed by Neutral Tandem-Missouri, LLC ("Neutral Tandem").

With this filing, Neutral Tandem seeks to insert alternative access tandem switches into the telecommunications network in Missouri. This proposal potentially represents a radical redesign of the carrier access system that has reliably served the State for well over 25 years. And it will impact all telecommunications companies in the State, from the largest like the AT&T Companies to the smallest single exchange companies that serve the most rural areas of Missouri.

The AT&T Companies do not oppose the general concept of increasing the level of competitions in the telecommunications field. However, it is essential to ensure that such new entrants are required to comply with established industry standards. These standards were developed to ensure seamless connectivity between carriers and the timely exchange of accurate carrier access billing records that enable all carriers on a call's path to receive appropriate compensation for the services each provides. As the Commission is aware, years of litigation concerning unidentified traffic and other intercompany compensation issues were resolved

¹ AT&T Communications of the Southwest, Inc. will be referred to in this pleading as "AT&T Communications;" and Southwestern Bell Telephone Company, d/b/a AT&T Missouri, will be referred to in this pleading as "AT&T Missouri."

through the Commission's promulgation of the Missouri Enhanced Records Exchange Rules. Instead of allowing Neutral Tandem's proposed switched access tariff to become effective, the Commission should suspend it for investigation to ensure compliance with the Commission's Enhanced Records Exchange Rules and other applicable industry standards.

1. Background on Movants. AT&T Communications is a Delaware corporation, duly authorized to conduct business in Missouri with its principal Missouri office located at 2121 East 63rd Street, Kansas City, Missouri 64130. AT&T Communications is an "interexchange telecommunications company," an "alternative local exchange telecommunications company," and a "public utility," and is duly authorized to provide "telecommunications service" within the State of Missouri as each of those phrases is defined in Section 386.020 RSMo (2006 C. Supp.).

2. AT&T Missouri is a Missouri corporation duly authorized to conduct business in Missouri with its principal Missouri office located at One AT&T Center, 35th Floor, St. Louis, Missouri 63101. AT&T Missouri is a "local exchange telecommunications company" and a "public utility," and is duly authorized to provide "telecommunications service" within the State of Missouri as each of those phrases is defined in Section 386.020 RSMo (2006 C. Supp.).

3. All correspondence, pleadings, orders, decisions and communications regarding this proceeding should be sent to:

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Attorneys for AT&T Communications of the Southwest, Inc.; and
Southwestern Bell Telephone Company, d/b/a AT&T Missouri
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St. Louis, Missouri 63101

4. Neutral Tandem's Tariff Filing. On September 8, 2009, Neutral Tandem filed tariff sheets to introduce its Access Services Tariff, P.S.C. Mo.-No. 3.² Through this tariff filing,

² A copy of Neutral Tandem's proposed tariff filing is appended as Attachment 1.

Neutral Tandem seeks authority to provide, as an access tandem provider, intrastate switched access services. The access tandem services Neutral Tandem would provide would be offered as an alternative to those offered by other local exchange carriers in the state.

5. Currently, access tandem services in Missouri are provided by various local exchange providers, such as AT&T Missouri, the CenturyLink affiliates, Chariton Valley, Grand River Mutual, Northeast Missouri Rural, Windstream and Missouri Network Alliance (MNA). In providing access tandem services, the current providers all follow very detailed industry standards, such as the Local Exchange Routing Guide (“LERG”) and the Ordering and Billing Forum’s (“OBF’s”) Multiple Exchange Carrier Access Billing (“MECAB”) Guidelines to ensure that telecommunications traffic is appropriately and efficiently routed between carriers and that industry standard billing records are created and exchanged between carriers to ensure that appropriate intercompany compensation is received by all carriers participating in the delivery of a call.

6. The AT&T Companies do not object to other carriers seeking to provide alternative access tandem services. It is essential, however, that any carrier wishing to provide this telecommunications function comply with the mandates of the LERG and the MECAB guidelines. As the Commission is aware, the telecommunications industry in Missouri has endured years of litigation over interconnection and intercompany compensation issues that culminated in the adoption of the Commission’s Enhanced Record Exchange Rules.

7. As the Commission well knows, the present intercompany compensation system is broken and has long been in need of reform. The FCC has been investigating intercompany compensation issues for years but has yet to make any meaningful changes. While a state’s

ability to reform intercompany compensation is limited by its jurisdictional nature³, states do maintain an important role to do what they can to ensure matters do not get worse while work continues on broad reform. Neutral Tandem's proposed filing may make matters worse and, as such, should be investigated.

8. An important point about access services is that companies have general requirements to interconnect with other companies and to accept traffic arriving from these networks. Unlike end user customers who can choose service providers, companies along a call path do not have this same ability to select among competing providers. For example, a company at the end of a call routing through Neutral Tandem's access service has little choice but to accept the call. As such, it is important for industry processes to be followed so calls are accurately delivered and appropriate records and compensation are provided to all impacted companies. Neutral Tandem presents a new approach for access tandem services and it is unclear that this arrangement will lead to accurate call delivery, appropriate record distribution and compensation/bill validation processing.

9. Upon an initial review, Neutral Tandem's filing raises at least the following issues and concerns:

(a) Use of Industry Standard MECAB Billing Guidelines.

AT&T's first concern relates to the need to ensure that accurate and timely access billing records are provided by Neutral Tandem in accordance with industry standards when it provides intrastate switched access service. Neutral Tandem needs to make clear in its proposed tariff that in providing intrastate access services, it will comply with industry standards, specifically the Ordering and Billing Forum's Multiple Exchange Carrier Access Billing ("MECAB") Guidelines. Neutral

³ States can, however, address compensation issues within their jurisdiction. For example, states can address intrastate switched access reform to reduce and eliminate the implicit subsidies that are no longer sustainable in intrastate switched access charges.

Tandem must also confirm that the third Party providers will comply with MECAB. According to the MECAB guidelines, all providers on the route must agree to comply with MECAB prior to implementation. Lack of agreement with the third Parties will likely result in inaccurate billing and allow such third Parties to send traffic originating outside the LATA and/or state to the AT&T Incumbent Local Exchange Carrier (“ILEC”), in this case AT&T Missouri, for hand-off to an IXC, which is in clear violation of AT&T’s switched access tariff.

In addition, when Neutral Tandem is jointly providing this service with more than one LEC, it is important that all involved LECs agree on a billing arrangement which is consistent with MECAB guidelines and AT&T’s switched access tariff.⁴ Moreover, the Proposed Tariff needs to be revised to make clear that there should be coordination and record exchange requirements among the LECs involved in jointly provisioning switched access under the Proposed Tariff. Since such calls can take multiple tandem routes, Neutral Tandem needs to explain how the carrier making the recordings will identify each carrier on the path for accurate record distribution. Furthermore, it should describe how Access Customers will be able to validate their bills when multiple routes are utilized.⁵ The tariff should also contain call flow diagrams to show how the responsibilities of all carriers providing service on the call route are delineated, and which one is entitled to payment for each function performed on the call route.

(b) Network Aggregation.

In principle, network traffic aggregation can reduce costs for carriers and should benefit end users. It is an attractive alternative to reduce costs that mitigates establishing multiple points

⁴ See Section 2.4.5, et seq., of AT&T Missouri’s Access Services Tariff, P.S.C. Mo.-No. 36, effective April 11, 1993.

⁵ For example, under the MECAB Guidelines, the end office is the official recording company for 1+ originating IXC traffic and is responsible for creating and distributing call records to carriers on the call path. If an alternative tandem is inserted into the network, AT&T is unclear on how the end office company will know how the call was routed for the distribution of the call records to the LECs involved. Providing records to LECs that were not involved will create inaccurate billing and billing disputes.

of interface and the supporting interconnection facilities in and across LATAs between carriers. However, Neutral Tandem's proposal appears to result in the imposition of additional costs on LECs to implement the new network architecture and on IXC's to connect to multiple tandems to ensure their calls are completed.

(c) ICB Pricing References for Common Access Services.

Common switched access services are usually not based on and/or subject to ICB pricing. AT&T questions the appropriateness of ICB based pricing associated with this tariff and the references made therein. Further definition and specific element pricing is required to ensure the accuracy of the rates and services provided in this filing.

(d) Jurisdiction Discernment for Aggregated 8YY Calls.

The filing appears to anticipate the transport of toll free 8YY traffic. However, it does not include any information to ensure Intrastate 8YY toll free calls are accurately jurisdictionalized and billed correctly. When a carrier, such as Neutral Tandem, aggregates toll-free calls, it does not know the destination of that call. It therefore cannot determine the jurisdiction of calls from its own call records whether a toll-free call is Interstate or Intrastate. This issue exists for all toll-free traffic across the industry. Neutral Tandem must rely on jurisdictional reports provided by AT&T, an 8YY service provider, to classify traffic and bill appropriate Intrastate rates.

Jurisdictional reports produced by AT&T for Neutral Tandem will not include any third party aggregated 8YY traffic associated with this new service. Call records for 8YY originated traffic only identify the originating carrier of a call. As a result, toll-free traffic aggregated from other carriers in or out of the state of Missouri will not be reflected accurately in Neutral Tandem jurisdictional reports.

This filing must define how Neutral Tandem will accurately account for and jurisdictionalize third party Intrastate 8YY aggregated traffic supported by this service, so that intrastate 8YY rates are not applied to interstate traffic. The tariff also needs to explain how 8YY query rates will be applied to other carriers relative to the 8YY traffic they handle.

(e) Tariff Definitions.

Neutral Tandem's proposed tariff, at page 12, introduces the terms *on net* and *off net*. The definitions of these terms do not make clear what is intended. Additional detail is needed to understand the terms in relation to Neutral Tandem's end users and customers.

(f) Rate Calculations.

Neutral Tandem's proposed tariff, at page 62, sets out its tandem switch transport termination rates. Further explanation is needed to understand how the rate was calculated. Unlike many carriers' rates for similar services, Neutral Tandem's rate is not mileage banded. Neutral Tandem needs to explain how this rate will be applied relative to other carriers.

(g) Open Industry Issues.

Significant work has begun at various industry forums to explore and develop standards to accommodate the addition of alternate tandems into the telecommunications network. For example, the Network Inter-Operability Committee of the Network Interconnection Interoperability Forum (NIIF NIOC) has opened issues on the need to explore and identify if there are routing, operational, prioritization, or methods and procedures changes that would have to be addressed if there were alternate tandems or switch homing arrangements prior to any type of implementation; and if there are any other technical limitations, prioritization, or changes that would need to be identified in any of the current operational systems. Other open industry issues are being addressed at the at Telcordia (e.g., the Common Interest Group and Rating and

Routing), and correspondence has been sent to the Ordering and Billing Forum of the Alliance for Telecommunications Industry Solutions (ATIS OBF) to identify OBF concerns. The Commission should question the prudence of proceeding with the implementation of alternative tandems in the state before appropriate industry standards and procedures to accommodate them have been developed.

10. The AT&T Companies' interests as telecommunications service providers differ from those of the general public. When Neutral Tandem begins providing service, the AT&T Companies will need to exchange both traffic and intercompany billing records with it. Moreover, AT&T Communications will pay Neutral Tandem both originating and terminating intrastate switched access rates on intrastate interexchange calls placed by their customers. AT&T Missouri will pay Neutral Tandem intrastate terminating switched access rates to terminate intrastate interexchange calls placed by AT&T Missouri's customers and may be required to pay originating intrastate switched access under the proposed tariffs. The AT&T Companies have a significant financial interest in ensuring that Neutral Tandem's intrastate switched access rates are lawful and appropriate. No other party to this proceeding will adequately protect the AT&T Companies' interests.

11. Granting of this intervention will be in the public interest because the AT&T Companies will bring to this proceeding their experience as telecommunications providers and their expertise in analyzing tariffs, which should assist the Commission in its review of Neutral Tandem's filing.

WHEREFORE the AT&T Companies respectfully request the Commission to suspend Neutral Tandem's proposed tariff filing for investigation.

Respectfully submitted,

AT&T COMMUNICATIONS OF THE SOUTHWEST
INC., and
SOUTHWESTERN BELL TELEPHONE COMPANY,
D/B/A AT&T MISSOURI

BY  _____

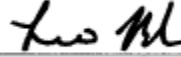
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CERTIFICATE OF SERVICE

Copies of this document were served on the following parties by e-mail on September 18, 2009.



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