

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

In the Matter of)	
)	
Interior Telephone Company, Inc.)	WC Docket No. 07-102
Petition for Declaratory Ruling on the Scope of)	
the Duty of a Rural Local Exchange Carrier to)	
Provide Interim Interconnection)	

**REPLY COMMENTS OF THE
NATIONAL CABLE & TELECOMMUNICATIONS ASSOCIATION**

The National Cable & Telecommunications Association (NCTA) hereby submits its reply comments in the above-captioned proceeding.¹ As explained below, NCTA opposes the requested ruling because it would hinder the ability of cable operators to provide competitive voice services.

INTRODUCTION AND SUMMARY

NCTA is the principal trade association representing the cable television industry in the United States. Its members include cable operators serving more than 90 percent of the nation's cable television subscribers, as well as more than 200 cable programming networks and services. The cable industry is also the nation's largest provider of high-speed Internet access after investing over \$110 billion since 1996 to build out a two-way interactive network with fiber optic technology.

Cable operators also are providing voice services to their customers. The cable industry currently serves over 10 million voice subscribers and that number continues to grow rapidly. Facilities-based competition from cable operators offers tremendous benefits for consumers.

¹ Public Notice, *Comment Sought on Petition for Declaratory Ruling; Pleading Cycle Established*, DA 07-2067 (rel. May 16, 2007).

According to a 2006 J.D. Power report, cable voice customers are saving over \$10 a month on their bills.²

In this proceeding, Interior Telephone Company (Interior), a rural incumbent local exchange carrier (ILEC) in Alaska, requests a ruling that it has no obligation under Section 51.715 of the Commission's Rules to enter into an interim interconnection arrangement with a requesting carrier if it has not yet reached a final agreement on all non-pricing issues raised by the requesting carrier.³ The narrow reading of Section 51.715 advocated by Interior is inconsistent with the pro-competitive purpose of the 1996 Act and would delay entry by cable operators into the market for voice services. Accordingly, NCTA opposes the requested ruling.

**THE REQUESTED RULING SHOULD BE DENIED BECAUSE IT
UNNECESSARILY HINDERS FACILITIES-BASED COMPETITION**

As NCTA has explained in numerous proceedings, interconnection with incumbent LECs under the Section 251 framework established by Congress is absolutely essential if facilities-based competition is to succeed.⁴ Congress recognized that ILECs would have no incentive to facilitate entry by competitive providers and that facilities-based competition never would materialize without mandatory interconnection obligations. Consistent with the pro-competitive principles underlying the 1996 Act, the Commission consistently has taken steps to facilitate

² Press Release, J.D. Power and Associates Reports: Cable Companies Dominate Customer Satisfaction Rankings for Local and Long Distance Telephone Service (July 12, 2006).

³ See Petition for Declaratory Ruling of Interior Telephone Company, Inc., WC Docket No. 07-102 (filed May 3, 2007) (Petition).

⁴ See, e.g., Comments of the National Cable & Telecommunications Association, WC Docket No. 06-54 (filed Apr. 10, 2006) at 5 (“Even facilities-based competitors must be able to exchange traffic with incumbents on an economic basis and without impediments and delays.”); see also Comments of the National Cable & Telecommunications Association, WC Docket No. 06-172 (filed Mar. 5, 2007) at 11.

interconnection, most recently in the Wireline Competition Bureau's decision granting Time Warner's declaratory ruling petition.⁵

The situation presented by Interior in the Petition demonstrates the lengths to which incumbent LECs will go to avoid competing with cable operators. GCI is ready, willing, and able to begin providing competitive voice service to the residents of Seward, Alaska.⁶ The only thing standing in its way is Interior's unwillingness to enter into an interim interconnection arrangement.

The Commission anticipated exactly this type of scenario in 1996 when it established procedures by which new entrants could obtain interim interconnection arrangements and begin providing service to end users. As GCI explains in its opposition, the plain language of Section 51.715 compels Interior to provide the requested interim interconnection arrangement: "Upon request from a telecommunications carrier without an existing interconnection arrangement with an incumbent LEC, the incumbent LEC shall provide transport and termination of telecommunications traffic immediately under an interim arrangement."⁷ This language, which requires an ILEC "immediately" to provide "transport and termination of traffic," plainly contemplates the exchange of traffic between a requesting carrier and the ILEC, and is not limited to mere pricing as Interior has argued.

⁵ See *Time Warner Cable Request for Declaratory Ruling that Competitive Local Exchange Carriers May Obtain Interconnection Under Section 251 of the Communications Act of 1934, as amended, to Provide Wholesale Telecommunications Services to VoIP Providers*, Memorandum Opinion and Order, WC Docket No. 06-55, 22 FCC Rcd 3513, ¶ 1 (2007) ("We conclude that state commission decisions denying wholesale telecommunications service providers the right to interconnect with incumbent LECs pursuant to sections 251(a) and (b) of the Act are inconsistent with the Act and would frustrate the development of competition and broadband deployment."); see also *Petition of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160 in the Omaha Metropolitan Statistical Area*, Memorandum Opinion and Order, 20 FCC Rcd 19415, 194578, ¶ 86 (2005).

⁶ See Opposition of General Communication, Inc. at 6 (GCI Opposition).

⁷ GCI Opposition at 8-9, citing 47 C.F.R. § 51.715.

Interior's reading of Section 51.715 is fundamentally inconsistent with the Commission's goal of fostering competitive entry. The Commission explained that it adopted Section 51.715 because it was "concerned that some new entrants that do not already have interconnection arrangements with incumbent LECs may face delays in initiating service solely because of the need to negotiate transport and termination arrangements with the incumbent LEC."⁸ A rule that merely requires interim rates for transport and termination, and not the interconnection necessary to achieve transport and termination, would not address the Commission's concern.

Interior argues that Section 51.715 is limited to pricing because the rule is discussed along with other pricing rules in the *Local Competition Order*.⁹ But discussion of Section 51.715 in the same context with pricing cannot trump the plain language of the rule or the Commission's expressed purpose of facilitating interim entry. In any event, the fact that the Commission discussed pricing when addressing interim interconnection arrangements is hardly surprising, as it anticipated that pricing often would be a central source of disagreement in establishing such arrangements. The Commission's discussion of pricing along with interim interconnection likewise reflects the necessarily close relationship between rates for the exchange of traffic and actual exchange of traffic, and certainly should not suggest the rule should be interpreted to mandate interim pricing but not interim traffic exchange.

Interior's contention that Section 51.715 is inconsistent with Sections 251 and 252 also is unpersuasive.¹⁰ The rule expressly harmonizes the interim process it requires with Sections 251 and 252, as any interim arrangement under Section 51.715 remains in place only until "resolution

⁸ *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, First Report and Order, 11 FCC Rcd. 15499, 16029, ¶ 1065 (1996) (*Local Competition Order*).

⁹ Petition at 7-12.

¹⁰ Petition at 12-13.

of negotiation or arbitration regarding transport and termination rates and approval of such rates by a state commission under Sections 251 and 252 of the Act.”¹¹ Interior’s approach, which would delay competitive entry until the completion of the negotiation and arbitration process, would rob the Commission’s “interim” rule of any practical effect and therefore runs directly counter to the pro-competitive purpose of the 1996 Telecommunications Act.¹²

In support of Interior’s petition, Qwest argues that ILECs should have no obligation to enter into interim interconnection arrangements under Section 51.715 if there is a dispute about the physical interconnection arrangement the two companies will use.¹³ As an initial matter, Qwest’s concern is not relevant to the dispute between Interior and GCI because the networks of those two companies already are interconnected.¹⁴ More generally, Qwest’s concern is easily resolved. All incumbent LECs provide switched access services pursuant to tariffs that set forth all the terms and conditions under which they will connect networks with other carriers and terminate calls. In addition, as noted by Qwest, most ILECs also have a set of standard physical interconnection arrangements they use when interconnecting with CLECs.¹⁵ As long as a requesting carrier is willing to use one of these options during the interim period, and the parties agree to bring such an arrangement into compliance with the terms of the final interconnection (with true-up as of its effective date), an ILEC should not be permitted to avoid the Section 51.715 obligation to enter into interim interconnection arrangements.

¹¹ 47 C.F.R. § 51.715.

¹² H.R. Rep. No. 104-458, at 1 (1996) (Conf. Rep.).

¹³ See Comments of Qwest Corporation at 3-4 (Qwest Comments).

¹⁴ GCI Opposition at 6.

¹⁵ Qwest Comments at 3.

CONCLUSION

For all the reasons explained herein, the Commission should deny the requested ruling and clarify that Section 51.715 requires Interior to provide GCI with an interim interconnection arrangement.

Respectfully submitted,

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