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**BY HAND AND ELECTRONIC MAIL**

July 30, 2013

Ms. Catrice Williams  
Secretary  
Massachusetts Department of Telecommunications and Cable  
1000 Washington Street  
8<sup>th</sup> Floor  
Suite 820  
Boston, Massachusetts 02118-6500

Re: ICC Reform Inquiry—D.T.C. 13-7

Dear Ms. Williams:

Enclosed are an original and three copies of the Comments of AT&T Corp. on the Department of Telecommunications and Cable's Request for Comment and Notice of Technical Workshop. Please call me, if you have any questions regarding the filing.

Sincerely yours,

A handwritten signature in cursive script that reads "Nancy J. Hertel".

Nancy J. Hertel

Enclosures

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

Inquiry by the Department on its Own Motion into )  
the Intrastate Intercarrier Compensation Rate Reductions ) D.T.C. 13-7  
Mandated by the Federal Communications Commission )

COMMENTS OF AT&T CORP. ON THE DEPARTMENT OF TELECOMMUNICATIONS  
AND CABLE'S REQUEST FOR  
COMMENT AND NOTICE OF TECHNICAL WORKSHOP

AT&T Corp. ("AT&T") submits these comments in response to the Request for Comment and Notice of Technical Workshop issued by the Department of Telecommunications and Cable ("Department") on June 24, 2013. The Request for Comment states that "[t]o ensure a smooth transition and more efficient process for carriers implementing the rate reductions established by the FCC,<sup>1</sup> and in preparation for tariff and ICA filings submitted to the Department as a result of these reforms going forward, the Department seeks input from carriers, members of industry, and any other interested parties on how best to implement these changes." Request for Comment, p. 1. The Department has long been a pioneer in access charge policy and reform as evidenced by the Department's earlier orders in D.T.C. 07-9<sup>2</sup> in which it required competitive local exchange carriers in Massachusetts to reduce their intrastate switched access rates to the levels of Verizon's intrastate switched access rates. AT&T supports the Department's continuing interest in access charge reform and the implementation of the *ICC Transformation Order*.

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<sup>1</sup> *In re: Connect America Fund*, WC Docket No. 10-90 et al., *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161 (rel. Nov. 18, 2011) ("*ICC Transformation Order*"), as amended, appeals pending.

<sup>2</sup> *Petition of Verizon New England, Inc., MCI metro Access Transmission Services of Massachusetts, Inc., d/b/a Verizon Access Transmission Services, MCI Communications Services, Inc., d/b/a Verizon Business Services, Bell Atlantic Communications, Inc., d/b/a Verizon Long Distance, and Verizon Select Services, Inc., for Investigation under Chapter 159, Section 14 of the Intrastate Access Rates of Competitive Local Exchange Carriers*.

AT&T submits the following comments in response to the Department's Request for Comment.

***General Topic:***

**1. What measures can the Department take to facilitate and simplify the transition process?**

**AT&T Response:** One of the steps that the Department could take is to make filings by carriers more readily available so that other carriers seeking to verify whether carriers have complied with the *ICC Transformation Order* can easily do so. AT&T recognizes that Department Staff reviews such filings, but carriers affected by those tariff changes should also be able to review those filings along with any supporting information (subject to appropriate non-disclosure agreements where necessary). Giving carriers the ability to conduct a review could further ensure compliance with the mandates of the *ICC Transformation Order*. Depending upon whether it is feasible, it might be appropriate to have links on the Department website to the tariffs and non-proprietary materials made in support of the filings.

***Tariff-Filing Requirements:***

**1. How can the Department best align the Department's existing tariff-filing requirements with the FCC's requirements?**

**AT&T Response:** See Response to 2, below.

**2. *References to Outside Documents.* With limited exception, the Department does not currently permit references to outside documents, including interstate tariffs, in carriers' intrastate tariffs. How can the Department best alleviate the burden on carriers without eliminating this requirement?**

**AT&T Response:** It would be most helpful to carriers if the Department modified its current practice of not permitting references to outside documents and instead permitted carriers to reference their interstate tariffs in conjunction with filings related to the implementation of the *ICC*

*Transformation Order*. Many states permit carriers to reference their interstate tariffs in their intrastate tariffs. This alleviates the necessity of making additional intrastate filings each time the carrier makes a change to its interstate tariff. It is consistent with the public interest because the intrastate tariff references the interstate tariff, which is readily available. Even if the Department does not want to change its general requirement that outside documents may not be referenced in the Massachusetts tariffs, it could make an exception for intrastate access tariff filings that, beginning in Step 2 are required to maintain parity in rate levels and rate structure with the interstate terminating access tariff under the *ICC Transformation Order*<sup>3</sup>. This approach would be the least burdensome for carriers and provides the best assurance of compliance and intrastate/interstate synchronization of effective dates. Under this approach, there would be no need for multiple Massachusetts rate filings. Rather, the new rates would go into effect on the dates specified in the interstate tariff as required by the implementation of the *ICC Transformation Order's* terminating access reductions.<sup>4</sup>

**3. Supporting Materials. Should the Department require specific material in support of carriers' proposed tariff reductions and/or develop a specific template according to which the carriers would be required to file their rate reductions? If so, what material and/or what format should the Department require?**

**AT&T Response:** Yes. The "Step 3" filing, which is due on July 1, 2014, basically has two requirements: 1) to continue to maintain Step 2 parity rates for Tandem and Transport; and 2) to take

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<sup>3</sup> See 47 CFR § 51.907(c)(1) and § 51.909(c)(1), which states in part that: "Transitional Intrastate Access Service rates shall be no higher than the Price Cap Carrier's interstate access rates. Once the Price Cap Carrier's Transitional Intrastate Access Service rates are equal to its functionally equivalent interstate access rates, **they shall be subject to the same rate structure and all subsequent rate and rate structure modifications.** [emphasis added]."

<sup>4</sup> The effective dates required for terminating access rate reductions for Step 1 and Step 2 of the FCC's original *ICC Transformation Order* changed in subsequent FCC orders, from July 1, 2012 and July 1, 2013 in the original order to July 3, 2012 and July 2, 2013, respectively. See 47CFR § 51.909(b) and § 51.905(b). See also *July 3, 2012 Annual Access Charge Tariff Filings*, WCB/Pricing No. 12-07, Order, 27 FCC Rcd 2981, 2982, para. 3 (Pric. Pol. Div. 2012) (*2012 Annual Access Tariff Procedures Order*) and FCC Order released on March 26, 2013, *In the Matter of July 2, 2013 Annual Access Charge Tariff Filings*, WC Docket No. 13-76, DA 13-553 page 2. These date changes for the past two filing steps highlight the importance of efficiently synchronizing effective dates for interstate/intrastate access tariff changes to ensure compliance.

Terminating End Office Access services rates—interstate and intrastate—down toward target rates. See 47 CFR § 51.907(d)(2) and § 51.909(d)(2). The first requirement is simply maintaining the status quo. For the second requirement, all carriers will be required to create composite Terminating End Office (EO) rates—baseline and target—for both intrastate as well as interstate. Once those target EO rates are set, then carriers have flexibility in their rate making to ensure filed rate elements “on a composite basis” fall at or below those EO target rates. The Department should require both Price Cap and Rate of Return carriers to file data that shows how those target EO composite rates are developed and demonstrate that their filed Terminating EO rates are below that “composite target.” In addition, all Reciprocal Compensation rates, if they are higher, should also be reduced to those Terminating EO composite target rates.

There is not yet a specific format or description of what materials need to be provided to show that a carrier has demonstrated that their Terminating EO rates are below the composite target. Several Price Cap carriers are developing such a format for the federal filing and that format could then be adopted for individual state filings. Additionally, it should be noted that the process for developing the Step 3 Terminating EO composite targets and actual rates is the same for Price Cap and Rate of Return carriers. The main difference is in the Step 5 target rates that carriers are required to use in their calculations to arrive at their 2014, 2015, and 2016 (Steps 3 to 5) target rates. It is \$0.0007 for Price Cap carriers and \$0.005 for Rate of Return carriers.

***Tariffed Rate Reductions and Rate Elements:***

**1. Should the Department mandate specific intrastate rate reduction requirements involving switched access charges, VoIP-PSTN, or reciprocal compensation rates?**

**AT&T Response:** Per the *ICC Transformation Order* and a subsequent FCC Order released on April 25, 2012, the FCC has already set the transition path for intrastate terminating switched access charges, VoIP-PSTN and reciprocal compensation rates.

**2. Does the Department need to take any action involving competitive local exchange carrier rates that benchmark to Verizon's rates?**

**AT&T Response:** Yes. In the Final Order in D.T.C. 07-9, the Department ordered all CLECs in Massachusetts to cap their rates at Verizon's intrastate access rates. Verizon's intrastate access rates were in turn previously set at interstate rate levels in 2002<sup>5</sup>. Under the *ICC Transformation Order*, the rates of each competitive local exchange carrier must mirror its own interstate rates, and the Department should ensure that these CLEC intrastate access rates in turn do not exceed Verizon's intrastate access rates.

**3. Whether and how should the Department address originating switched access rate reform prior to FCC action?**

**AT&T Response:** Pursuant to the Department's Order in D.T.C. 07-9, each CLEC's intrastate originating switched access rates are currently at the level of Verizon's originating switched access rates. The Department may want to explore the issue at the August 15 workshop whether there is a procedural vehicle simpler than a full-blown hearing process for reducing the originating switched access charges of all carriers in Massachusetts to their respective interstate levels.

***Interconnection Agreements***

**1. What, if any, are the anticipated issues involving ICAs on file or to be filed with the Department? Similarly, should the Department expect an increase in ICA amendments or in ICA pricing disputes?**

**AT&T Response:** No. In its Request for Comment, the Department indicated that "[b]ecause the Department has a pending docket involving IP-IP interconnections, it does not seek comment on that issue here." (Request for Comment, p. 3, fn. 6) so AT&T is not addressing that issue here.

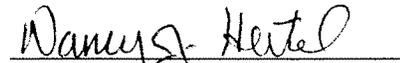
Assuming that most existing interconnection agreements reference interstate tariffs and/or have

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<sup>5</sup> *Investigation by the Department of Telecommunications and Energy on its Own Motion into the Appropriate Regulatory Plan to Succeed Price Cap Regulation for Verizon New England, Inc. etc.*, 2002 Mass. PUC Lexis 10 (May 8, 2002), at 36.

change of law provisions, AT&T does not anticipate that there would be an increase in ICA amendments or ICA pricing disputes as a result of the *ICC Transformation Order*.

Respectfully submitted,

  
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Nancy J. Hertel

Dated: July 30, 2013

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