



January 6, 2012

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
P.O Box 3265  
Harrisburg, Pennsylvania 17105-3265

**Re: Responses to data request**

Dear Ms. Chiavetta

Attached is our response to the data request that Frontier received on 12/28/11.

If you have additional questions or concerns please call me at (585) 777-4717 or email me at [leslie.zink@ftr.com](mailto:leslie.zink@ftr.com).

Respectfully Submitted

*/s/ Leslie Zink*

Leslie Zink  
Manager, Pricing and Tariffs

Enclosure

1. The FCC Order definition for the traffic that is the subject of the Companies' tariff submissions states that " 'VoIP-PSTN' traffic' is 'traffic exchanged over PSTN facilities that originates and/or terminates in IP [Internet protocol] format' ." FCC Order ¶ 940, at 343. The FCC's new rule that defines the "Transition for VoIP-PSTN Traffic" states the following:

47 C.F.R. § 51.913(a) — Access reciprocal compensation [telecommunications traffic exchanged between telecommunications service providers that is interstate or intrastate exchange access, information access, or exchange services for such access, other than special access per new 47 C.F.R. § 51.903(h)] subject to this subpart exchanged between a local exchange carrier and another telecommunications carrier in Time Division Multiplexing (TDM) format that originates and/or terminates in IP format shall be subject to a rate equal to the relevant interstate access charges specified by this subpart. Telecommunications traffic originates and/or terminates in IP format if it originates from and/or terminates to an end-user consumer of a service that requires Internet protocol-compatible customer premises equipment [CPE]." FCC Order at 515-516.

47 C.F.R. § 51.913(b) — ... This rule does not permit a local exchange carrier to charge for functions not performed by the local exchange carrier itself or the affiliated or unaffiliated provider of interconnected VoIP service or non-interconnected VoIP service. For purposes of this provision, functions provided by a LEC as part of transmitting telecommunications between designated points using, in whole or in part, technology other than TDM transmission in a manner that is comparable to a service offered by a local exchange carrier constitutes the functional equivalent of the incumbent local exchange carrier access service.

The Frontier tariffs at issue state: "VoIP-PSTN Traffic is defined as traffic exchanged between a *Telephone Company end-user* and the customer *in time division multiplexing ("TDM") format* that originates and/or terminates in Internet protocol ("IP") format. (Frontier PA Proposed Supplement 18 to Tariff Pa PUC No. 15, Section 2, First Revised Sheet 17 at 2.3.17.A.1; Frontier Commonwealth Proposed Supplement 5 to Tariff Pa PUC No. 26 Original Page 2-26.1, Section 2.3.13.A.1)

Please provide answers and explanations to the following inquiries:

1.a Is the Frontier definition of VoIP traffic narrower than what the FCC is stating in its Order? For example, the term "end-user" is not implicated in the main text of the FCC Order itself, and it is specifically referenced in the FCC's final regulation only with a focus on origination from and/or termination to IP-compatible CPE. Please provide an explanation justifying the proposed Frontier tariff language with appropriate references to the FCC Order including the new FCC regulations.

**Response: The term "end-user" in the Frontier tariff has the same meaning as the term "end-user customer" in the §51.913(a). It is used in the tariff to distinguish between a retail customer on Frontier's network (the end-user) and an access customer (the customer) in the tariff language cited above. The cited tariff language is equivalent to what the FCC is stating in its Order.**

1.b The proposed Frontier tariff language regarding the exchange of VoIP traffic appears to be exclusively focused on the TDM protocol. Please explain whether the Companies exchange traffic exclusively in the TDM protocol with other telecommunications or communications carriers.

**Response: Frontier exchanges access traffic with other companies exclusively in TDM protocol.**

1.c Address how the “functional equivalent” term included in the new FCC regulation at 47 C.F.R. § 51.913(b) affects the proposed VoIP tariffs?

**Response: The FCC regulation at §51.913(b) allows, but does not require, companies such as Frontier to use technologies other than TDM to provide access reciprocal compensation functions. Most such functions are currently provided using TDM.**

1.d The new FCC regulation language states that this “rule does not permit a local exchange carrier to charge for functions not performed by the local exchange carrier itself or the affiliated or unaffiliated provider of interconnected VoIP service or non-interconnected VoIP service” at 47 C.F.R. § 51.913(b). How does this language affect the proposed VoIP tariffs?

**Response: This language prohibits exchange carriers such as Frontier for charging for access rate elements representing functions not performed. For example, an exchange carrier that does not provide Tandem Switching may not bill for Tandem Switching. This rule makes the billing of access reciprocal compensation follow the same rate structure rules as the billing of interstate switched access.**

1.e Will the Frontier definition for VoIP traffic permit the Companies to impose any type of currently interstate switched access charges on VoIP traffic that transits the Companies’ networks (e.g., originating with carrier A – transiting Frontier tandem switch – terminating at carrier B)? If this is the case, should there be explicit provision in the proposed Frontier VoIP tariffs?

**Response: The Frontier definition contemplates only traffic terminating to a Frontier end-user. By nature, this definition excludes traffic that transits a Frontier tandem and terminates at another carrier.**

2. The proposed Frontier VoIP tariffs rely on a rather complicated mechanism of calculating various factors in ascertaining the appropriate percentage of intrastate VoIP traffic subject to interstate carrier switched access charges. Although the FCC Order permits such an alternative, the FCC Order also states that “individual providers remain free to rely on signaling or call detail information, or other measures...” FCC Order, ¶ 963, at 359.

**Response: Frontier does not agree that its tariffs rely on a "rather complicated mechanism". The PVU factor is no more complicated than the PIU factor, which has been a standard of switched access billing for decades.**

2.a Please provide a detailed explanation indicating why such technical means for identifying VoIP calls and actual VoIP traffic are not being utilized for the purpose of applying the interstate carrier switched access charges on such actual traffic.

**Response: Frontier has no traffic exchanged in TDM format that is originated or terminated in VoIP format on the Frontier side of the call. As a result, all VoIP-PSTN traffic exchanged between Frontier and other carriers is VoIP only on the other carrier's side of the call. There is no technical difference between such traffic and traffic and other traffic exchanged between Frontier and other carriers. Because there is no signaling or call detail information, Frontier is compelled to rely on studies done by its customers to identify VoIP-PSTN traffic.**

2.b If Frontier contends that such a technical solution for identifying and measuring actual intrastate VoIP traffic that will now be subject to the interstate carrier switched access charges is not possible, please provide a detailed explanation how the Companies were technically able to distinguish intrastate IP-based traffic that was subject to the specific \$0.0007/MOU intercarrier reciprocal compensation rate per the existence of numerous operative interconnection agreements between Frontier and other competitive local exchange carriers (CLECs).

**Response: To the extent Frontier has agreements with carriers that specify compensation for VoIP-PSTN traffic that is different from compensation for other traffic, those individual agreements specify how such traffic will be identified or estimated. To the extent such agreements do not specify different compensation for different types of traffic, no such identification is necessary.**

2.c Should the actual identification of the intrastate VoIP traffic subject to the interstate carrier switched access charges be a preferable alternative rather than relying on percentage traffic allocation factors that are continuously variable both for the Companies and the interconnected telecommunications and communications carriers with which Frontier exchanges VoIP call traffic?

**Response: Actual identification would always be preferable to a percentage allocation. However, in this case actual identification is not supported by existing network technology. If network technology were to be redefined to allow call signaling or call detail information to be transmitted by the other carrier to Frontier, that would not change the underlying requirement that Frontier must depend on its customers to identify their VoIP-PSTN traffic.**

3. Explain how and where the various PVU factors will be publicly disclosed and historically maintained so that the periodic reconciliation and verification process contemplated in the proposed VoIP tariffs can be facilitated (e.g., Frontier PA Proposed Supplement 18 to Tariff Pa PUC No. 15, Section 2, Original Sheet 17.2 at 2.3.17.E and F; Frontier Commonwealth Proposed Supplement 5 to Tariff Pa PUC No. 26 Original Page 2-26.3, Section 2.3.13.E and F). For example, will these updated factors be periodically filed with the Commission or otherwise electronically posted at a publicly accessible web site?

**Response: PVU factors will be carrier specific, and public disclosure would not be appropriate. Such factors are disclosed between the individual customer and Frontier. There is no need for public disclosure of PVU factors to implement billing or factor verification. Frontier contemplates maintaining the PVU factors used historically in its internal billing system records, such as Percentage of Interstate Usage (PIU) factors are maintained today. The factors will be reflected on the monthly CABS bill.**

4. The proposed VoIP tariffs (e.g., Frontier PA Proposed Supplement 18 to Tariff Pa PUC No. 15, Section 2, Original Sheet 17.1 at 2.3.17.C.3 and Frontier Commonwealth Proposed Supplement 5 to Tariff Pa PUC No. 26 Original Page 2-26.2, Section 2.3.13.C.3) propose utilizing a PVU factor equal to zero for another carrier if such carrier has not supplied its own PVU-C factor. Why should this zero factor be applied instead of some statewide average that can be derived per the instructions contained in the FCC Order through the use of the FCC's *Local Competition Report*? FCC Order, ¶ 963, at 358. Are Frontier's own VoIP traffic patterns equally applicable to other carriers? Please provide an explanation.

**Response: Frontier has no VoIP originated or VoIP terminated traffic on the Frontier side of the network. Accordingly, zero is the correct PVU for any carrier that exchanges traffic with Frontier that does not originate traffic in VoIP format. It is expected that such carriers would not bother submitting a PVU. Carriers that have VoIP traffic may submit a PVU by April 15, 2012, and have that PVU applied retroactively to the effective date of Frontier's tariff.**

5. The Percent VoIP Usage (PUV) factor will be applied to the "total terminating intrastate access MOU received by the Telephone company from the customer." (Frontier

PA Proposed Supplement 18 to Tariff Pa PUC No. 15, Section 2, Original Sheet 17.1 at 2.3.17.C and Frontier Commonwealth Proposed Supplement 5 to Tariff Pa PUC No. 26 Original Page 2-26.2, Section 2.3.13.C) If the PUV factor is applied on total intrastate access MOU traffic, why are the PUV factors that the customers furnish to Frontier calculated on the basis of **both** intrastate and interstate IP-based traffic? Should the calculation of this customer furnished PVU factor be based on intrastate VoIP traffic alone? Please provide a detailed explanation.

**Response: Carriers that terminate traffic to Frontier already provide a Percent Interstate Usage ("PIU") factor to split the terminating traffic jurisdictionally. Frontier anticipates that carriers will be no more willing or able to identify VoIP-PSTN traffic jurisdictionally than they are total traffic terminating to Frontier. Accordingly, the Frontier tariffs allow for the total traffic to be used in determining the PVU.**

6. The proposed VoIP tariff reconciliation process through updated PVU factors (e.g., Frontier PA Proposed Supplement 18 to Tariff Pa PUC No. 15, Section 2, Original Sheet 17.2 at 2.3.17.E and F; Frontier Commonwealth Proposed Supplement 5 to Tariff Pa PUC No. 26 Original Page 2-26.3, Sections 2.3.13.E and F) will take place on a quarterly basis. Is there any reason why this reconciliation process cannot be accommodated on a more frequent basis, e.g., monthly, since the relevant data will be exchanged electronically between Frontier and other telecommunications or communications carriers?

**Response: Frontier is not aware of any "relevant data" that is exchanged electronically between Frontier and other carriers. Industry standard practice for factors used to split traffic (e.g. percent interstate usage, percent local usage) is to update these factors quarterly. Frontier allows for quarterly updates to the PVU in keeping with the industry standard practice for other factors affecting billing.**

7. Please provide an explanation why the proposed VoIP tariff simply cross-references the Frontier Companies' respective interstates tariff (e.g., Frontier PA Proposed Supplement 18 to Tariff Pa PUC No. 15, Section 2, Original Sheet 17.1 at 2.3.17.B; Frontier Commonwealth Proposed Supplement 5 to Tariff Pa PUC No. 26 Original Page 2-26.1, Sections 2.3.13.B), and does not contain the actual interstate carrier switched access rates that will also be charged for intrastate VoIP traffic. Since such rates are also going to be charged on an intrastate basis and are becoming part of an intrastate tariff subject to the continuous jurisdiction of this Commission, applicable Pa. PUC regulations mandate that such rates be on file with the Commission. Please provide an explanation in this regard.

**Response: Frontier proposes the cross-reference language to promote tariff efficiency; as opposed to including each rate element, cross-referencing prevailing corresponding interstate rates will save both Frontier and PA PUC staff from the administrative burdens associated with filing and maintaining the rates in state access tariffs. Frontier's interstate access tariffs are available on-line and are easily accessible. Frontier believes this to be a reasonable, effective, and less burdensome approach.**

8. In the transmittal letter accompanying each filing, each Frontier Company states that: "Since this filing represents a prospective rate decrease to a non-competitive service, pursuant to its alternative regulation plan and 66 PA C.S. § 3017 (a) Frontier may propose offsetting revenue-neutral recovery from other noncompetitive services; however, no such offsetting revenue changes are proposed at this time." Please provide the following information and explanations:

8.a. Have the Companies served their respective proposed VoIP tariffs to the Office of Consumer Advocate and Office of Small Business Advocate and on what date was such service effectuated?

**Response: Frontier sent copies of its filings to both the Office of Consumer Advocate and Office of Small Business Advocate on December 15, 2011, the date of its filings with the PA PUC.**

8.b. Please reference the relevant parts of the Frontier PA and Frontier Communications Commonwealth Telephone Company Chapter 30 Alternative Regulation and Network Modernization Plans (NMPs) under which the Companies assert this reservation of rights.

**Response: Frontier has filed amended executive overviews on January 5, 2012 with the PA PUC withdrawing its language to preserve revenue-neutral recovery of these changes pursuant to its Chapter 30 Plans and 66 Pa. C.S. § 3017(a).**

8.c. Please provide a detailed explanation of the legal rationale under which the Companies invoke 66 Pa. C.S. § 3017(a) in conjunction with the application of the FCC Order and the Companies' respective Chapter 30 NMPs in asserting this reservation of rights.

**Response: See B above.**

8.d. Commission Staff notes that Verizon PA and Verizon North submitted similar statements regarding the filing of revenue-neutral rate changes in the letters accompanying their respective VOIP Inter-carrier Compensation Tariff filings at R-2011-2276346 and R-2011-2276357. However, the companies have since withdrawn

this statement from their respective filings and have noted that they will not reserve any right to make filings seeking to implement a revenue-neutral offset

**Response: See B above.**