#### BEFORE THE STATE CORPORATION COMMISSION OF THE STATE OF KANSAS

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In the Matter of a General Investigation into Interconnection, Porting, Evolving Technology, and the Impacts on Consumer Choices in Kansas.

Docket No. 20-GIMT-387-GIT

#### **COMMENTS OF IDEATEK TELCOM, LLC**

#### I. INTRODUCTION

1. IdeaTek Telcom, LLC ("IdeaTek")<sup>1</sup> welcomes and appreciates the Kansas Corporation Commission's ("Commission") investigation into these very important issues that impact not only carriers attempting to provide competitive alternative telecommunications services to rural Kansas, but also, and importantly, consumers in rural Kansas areas who often have little if any choice as to providers. The results of this investigation which could lead to clearer guidance for carriers to be able to provide telecommunications and broadband services and for carriers to move customers more seamlessly onto more competitively priced and efficient services. IdeaTek looks forward to actively participating in this investigation and providing the Commission with meaningful and useful information, data, concerns, and solutions.

2. IdeaTek has its roots in Kansas and takes a vital interest in this proceeding to enable it to provide competitive services to consumers in rural Kansas. The company has operated a facilities-based fiber optic telecommunications network since 2005. In March of 2006, IdeaTek, under its former name, "Wildflower Telecommunications,"<sup>2</sup> applied for and was subsequently

<sup>&</sup>lt;sup>1</sup> IdeaTek Telecom, LLC is a Kansas limited liability company, registered to do business in Kansas and in good standing with the Kansas Secretary of State. IdeaTek's principle place of business is 111 Old Mill Lane, Buhler, Kansas 67522.

<sup>&</sup>lt;sup>2</sup> The name on Wildflower's certificates and ETC designations was changed to Ideatek Telecom, LLC in Docket Nos. 14-WLDT-587-CCN and 16-WLDT-487-CCN.

approved for a Certificate of Convenience as a Competitive Local Exchange Carrier in Kansas in Docket No. 06-WLDT-1005-COC ("06-1005 Docket") and a Certificate to provide interexchange and operator services in Docket No. 08-WLDT-1077-COC ("08-1077 Docket").

3. IdeaTek is a telecommunications provider which provides service in Kansas using Voice over Internet Protocol ("VoIP"), and in that respect it operates as an interconnected VoIP service provider as defined under K.S.A. 66-2017. It provides these services directly to consumers and on a wholesale basis within the areas for which it holds a CPCN and also to other locations within the state.<sup>3</sup>

### II. COMMENTS OF IDEATEK

4. The Commission issued its *Order Opening General Investigation into Interconnection, Porting, Evolving Technology, and the Impact on Consumer Choices in Kansas* on March 12, 2020. In that *Order*, the Commission proposed a number of questions relating to competition, policy, and consumer interest issues; many involving the interconnection and porting obligations of incumbent local exchange carrier and electing carriers (collectively, "LECs") with respect to providers of interconnected VoIP services. IdeaTek provides the following responses and looks forward to continued input and dialogue on these issues.

<sup>&</sup>lt;sup>3</sup> See Application of Wildflower Telecommunications, LLC for a Certificate of Convenience and Authority to Provide Local Exchange and Exchange Access Services within the State of Kansas, Order and Certificate, Docket No. 06-WLDT-1005-COC, p. 5, ¶ 16 (rel. May 1, 2006); Order Nunc Pro Tunc, p. 2, ordering paragraph A (rel. Jan 15, 2014).

a. Does the Commission have jurisdiction under the Federal and Kansas Telecommunications Acts to address interconnection issues that include VoIP and IP-enabled technology? What impact does K.S.A. 66-2017 have on the Commission's jurisdiction to address issues related to an Incumbent LEC's and electing carrier obligations for interconnection, including interconnection with providers that use VoIP and IP-enabled technology?

5. Kansas law requires LECs to provide a variety of interconnection options consistent with federal law "including, but not limited to, toll access, access to operator services, access to directory listings and assistance, and access to E-911 service."<sup>4</sup> Kansas consumers also have a legal right to "number portability and local dialing parity" consistent with *national standards* to the extent economically and technically feasible.<sup>5</sup> The Kansas interconnection and porting laws both refer to national obligations, clearly signaling the Kansas Legislature's intention to make these laws consistent with federal law, policy, and standards.

6. The Federal Telecommunications Act of 1996 ("*Federal Act*")<sup>6</sup> expressly mandates interconnection,<sup>7</sup> number portability,<sup>8</sup> and the non-discriminatory offering of services to customers.<sup>9</sup> It also empowers state authorities to enforce and create laws promoting competition<sup>10</sup> and to resolve interconnection and related competitive disputes<sup>11</sup> and preempts state and local laws that impede market entry.<sup>12</sup> The *Federal Act* has remained virtually untouched by Congress for

<sup>&</sup>lt;sup>4</sup> K.S.A. 66-2003(d) (emphasis added).

<sup>&</sup>lt;sup>5</sup> K.S.A. 66-2003(e) (emphasis added).

<sup>&</sup>lt;sup>6</sup> Pub. L. 104-104, 110 Stat. 56 (1996).

<sup>&</sup>lt;sup>7</sup> 47 U.S.C. § 251(a).

<sup>&</sup>lt;sup>8</sup> 47 U.S.C. § 251(b)(2).

<sup>&</sup>lt;sup>9</sup> 47 U.S.C. § 202(a).

<sup>&</sup>lt;sup>10</sup> 47 U.S.C. § 261(c) Additional State requirements. Nothing in this part precludes a State from imposing requirements on a telecommunications carrier for intrastate services that are necessary to further competition in the provision of telephone exchange service or exchange access, as long as the State's requirements are not inconsistent with this part or the Commission's regulations to implement this part.

<sup>&</sup>lt;sup>11</sup> 47 U.S.C. § 252.

<sup>&</sup>lt;sup>12</sup> 47 U.S.C. § 253.

almost a quarter-century during which the technology it addresses has evolved from touch-tone dialing and dialup modems to smartphones and 5G.

7. The Federal Communications Commission ("FCC") has been repeatedly asked to create limits and exceptions to these LEC obligations based on technological distinctions, and it has repeatedly declined to do so.<sup>13</sup> With respect to porting, interconnection, and related matters, the Commission is required to act in a manner that is consistent with federal law.<sup>14</sup> Therefore, it would be inappropriate for the Commission to permit exceptions from its laws based on nuances in call transmission technology that do not give rise to corresponding federal limitations.

8. In a recent Commission proceeding addressing certain issues central to this General Investigation, Commission staff correctly recognized that porting, interconnection, and other fundamental local exchange carrier obligations are not contingent on the call transmission technology used by other service providers.<sup>15</sup> Consistent with that analysis, IdeaTek agrees that the Commission has authority and jurisdiction under the *Federal Act* and pursuant to Kansas laws to address interconnection issues that involve VoIP and IP-enabled technology.

<sup>&</sup>lt;sup>13</sup> In the Matter of Connect America Fund Developing a Unified Intercarrier Compensation Regime, WC Docket No. 10-90, CC Docket No. 01-92, FCC 19-131, ¶7; *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, 18026-27,¶970 (2011) (*Transformation Order*), *aff'd*, *In re FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014), *cert. denied*, 135 S. Ct. 2050, and 135 S. Ct. 2072 (2015); *In the Matter of Numbering Policies for Modern Communications*, WC Docket No. 13-97, rel. June 22, 2015, ¶37 ("Numbering Policies Order") "The interconnected VoIP provider need not demonstrate that the point where it delivers traffic to or accepts traffic from the PSTN is in any particular geographic location so long as it demonstrates that it is ready to provide interconnected VoIP service, which is by definition service that "[p]ermits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network and to terminate calls to the public switched telephone network"; *In the Matter of Time Warner Request for Declaratory Ruling*, WC Docket No. 06-55, rel. March 1, 2007.

<sup>&</sup>lt;sup>14</sup> K.S.A. 66-2003.

<sup>&</sup>lt;sup>15</sup> "The Kansas statutes specifically mandate that customers shall be accorded number portability and that a telecommunications carrier is entitled to interconnection with a local exchange carrier to transmit and route voice traffic regardless of the technology by which the voice traffic is originated by and terminated to a consumer." *Staff's Response to Wamego's Objection to Jurisdiction and Motion for Dismissal for Want of Jurisdiction*, Docket No. 19-WTCT-393-COM (Docket 19-393), ¶4 (April 4, 2019).

9. K.S.A. 66-2017 does not impede the Commission's authority and jurisdiction to address LEC interconnection with VoIP and IP-enabled service providers, because this investigation does not propose "regulation by, supervision of or control by any state agency or political subdivision of the state" with respect to any "VoIP service, IP-enabled service, or any combination thereof."<sup>16</sup>

10. In fact, the plain language of K.S.A. 66-2017 reinforces the Commission's authority to resolve the porting, interconnection, and other competition and consumer interest matters at hand and seems to foreshadow the jurisdictional challenges over carrier-to-carrier matters that we now address. K.S.A. 66-2017(c) states that "[n]o provision of this section shall be construed to modify,"<sup>17</sup> the "commission's authority under 47 U.S.C. §§ 251 and 252,"<sup>18</sup> "the rights and obligations of K.S.A. 66-2005(y)"<sup>19</sup> or "the regulation of any rural telephone company."<sup>20</sup> As such, the jurisdictional limits defined in K.S.A. 66-2017 do not extend beyond interconnected VoIP services or affect the service providers with which VoIP service providers interconnect.

11. A LEC's obligation to interconnect with and deliver its customers' calls to the public switched telecommunications networks ("PSTN") is undoubtedly within the Commission's jurisdiction. The technology that other providers select to serve their customers has no bearing on LEC porting, interconnection, call completion and related regulatory obligations. It is contrary to the *Federal Act* and Kansas law to permit LECs to avoid their obligations by imposing unnecessary and onerous obstacles on their competitors, and doing so is all the more egregious when it infringes

<sup>&</sup>lt;sup>16</sup> K.S.A. 66-2017.

<sup>&</sup>lt;sup>17</sup> K.S.A. 66-2017(c).

<sup>&</sup>lt;sup>18</sup> K.S.A. 66-2017(c)(2).

<sup>&</sup>lt;sup>19</sup> K.S.A. 66-2017(c)(4).

<sup>&</sup>lt;sup>20</sup> K.S.A. 66-2017(c)(5).

consumer rights to port their telephone number to the service provider of their choice and to place calls through the PSTN.<sup>21</sup>

## **b.** What obligations exist for Incumbent LECs or electing carriers to port customers to a VoIP provider? Does an Incumbent LEC or electing carrier have an obligation to ensure it has facilities in place to port numbers to competitive providers?

12. Seamless and efficient telephone number porting is one of the more critical issues that the Commission must address, as it is a significant barrier to carriers providing competitive choices to consumers. All telecommunication carriers must complete valid end-user customer number portability requests "either to or from an interconnected VoIP" provider.<sup>22</sup> This rule is clear, well-established, and is not contingent on the existence of an interconnection agreement, a direct connection, or any other special arrangement between the parties.

13. More than a decade ago, the FCC limited to four items the criteria to establish a "valid number portability request" triggering the mandatory porting obligation.<sup>23</sup> Upon receipt of those four items and confirmation of the request, a "losing" provider must complete the port-out within a specific timeframe. Any effort by a "losing" provider to interfere with the port request or restrict a consumer's ability to port their telephone number is impermissible. In fact, the FCC's

<sup>&</sup>lt;sup>21</sup> As FCC Chairman Pai observed "[w]hen consumers pick up their phones to make a call and dial the number of a friend or loved one on the other side of the country, they probably don't think about whether their call is being carried on traditional copper wires and physical switches on one hand, or sent as packets over modern Internet Protocol-based networks on the other. They don't think about how that call might be routed and handed off between multiple carriers before it's delivered to the person on the other end of the call or how those companies get paid for doing the work of delivering that call to its destination." *FCC Chairman's Statement, Connect America Fund, Order on Remand and Declaratory Ruling*, WC Docket No. 10-90, CC Docket No. 01-92, FCC 19-131, (Dec. 17, 2019).

<sup>&</sup>lt;sup>22</sup> 47 C.F.R. § 52.34(c). Telecommunications carriers must facilitate an end-user customer's valid number portability request either to or from an interconnected VoIP or VRS or IP Relay provider. "Facilitate" is defined as the telecommunication carrier's affirmative legal obligation to take all steps necessary to initiate or allow a port-in or port-out itself, subject to a valid port request, without unreasonable delay or unreasonable procedures that have the effect of delaying or denying porting of the NANP-based telephone number.

<sup>&</sup>lt;sup>23</sup> The four fields are (1) 10-digit telephone number; (2) customer account number; (3) 5-digit zip code, and (4) pass code (if applicable). *See* FCC 07-188 Order, ¶16.

position on porting is so absolute that it has taken pains to simplify porting transactions,<sup>24</sup> obviate unnecessary administrative burdens,<sup>25</sup> and protect porting transactions from anticompetitive manipulation.<sup>26</sup>

14. The FCC has affirmed that LECs must port numbers to and from VoIP providers.<sup>27</sup> Kansas law acknowledges that the obligation to port a number is owed not to a competing provider but to consumers, when it states: "*Customers* shall be accorded number portability and local dialing parity *in conformance with national standards* to the extent economically and technically feasible." K.S.A. 66-2003(e) (emphasis added). The KCC has previously found fault with the wrongful refusal of port requests based on unnecessary criteria<sup>28</sup> including the demand that a wireless provider be first designated an eligible telecommunications carrier ("ETC")<sup>29</sup> and negotiate an interconnection agreement.<sup>30</sup>

 $<sup>^{24}</sup>$  *Id*.

<sup>&</sup>lt;sup>25</sup> The FCC determined that an interconnection agreement is not a prerequisite for porting because the process "can be discharged with a minimal exchange of information." *In the Matter of Telephone Number Portability*, CC Docket No. 95-116, rel. November 10, 2003, ¶34 ("2003 Telephone Number Portability").

<sup>&</sup>lt;sup>26</sup> The FCC prohibits even tangential interference with porting, such as using porting information to trigger customer retention or winback marketing efforts. "[W]e find that, under section 222(b) of the Act, the number-porting/carrier-change information" obtained by a LEC processing a port out request is "proprietary" to the requesting service provider, and may not be used for other purposes, including "marketing efforts." *Memorandum Opinion and Order, Bright House Networks, LLC v. Verizon California Inc.*, File No. EB-08-MD-002, FCC 08-159 at ¶45 (rel. June 23,2008) ("*Bright House Order*").

<sup>&</sup>lt;sup>27</sup> Staff noted that "[N]umber portability - whether to and from an interconnected VoIP provider, LEC, or non-LEC carrier-clearly makes use of telephone numbers, implicating 'facets of numbering administration' under section 251(e)(1) ...." *Staff's Response to Wamego's Objection to Jurisdiction and Motion for Dismissal for Want of Jurisdiction*, Docket No. 19-WTCT-393-COM, at ¶12. Staff cited to *In the Matter of Numbering Policies for Modern Communications*, 30 FCC Rcd. 6839 at ¶¶ 56-57 (2015).

<sup>&</sup>lt;sup>28</sup> In the Matter of the Complaint Regarding the Failure of Rural Telecommunications Company to Provide Interconnection Pursuant to K.S.A. 66-2003 and 47 U.S.C. Section 251(a), KCC Docket No. <u>10-NECZ-515-COM</u> ("10-515 Docket"), "Examiner's Findings of Fact and Recommendations to the Commission", filed March 31, 2010 ("Docket 10-515 Examiner's Findings"), adopted by the Commission in its "Order Adopting Examiner's Finding of Jurisdiction, Findings of Fact and Recommendations to the Commission" issued June 22, 2010 ("Docket 10-515 Order"); *see* Docket 10-515 Examiner's Findings at ¶21.

<sup>&</sup>lt;sup>29</sup> Docket 10-515 Examiner's Findings at ¶17.

<sup>&</sup>lt;sup>30</sup> Docket 10-515 Examiner's Findings at ¶20.

15. The obligation to port numbers to and from interconnected VoIP providers naturally implies that LECs must be prepared to complete calls to all ported numbers — "to *receive* calls that originate on the public switched telephone network and to *terminate* calls to the public switched telephone network and to *terminate* calls to the public switched telephone network and to *terminate* calls to the public switched telephone network and to *terminate* calls to the public switched telephone network."<sup>31</sup> The FCC spoke to this directly in its *Numbering Policies Order*:

The interconnected VoIP provider need not demonstrate that the point where it delivers traffic to or accepts traffic from the PSTN is in any particular geographic location so long as it demonstrates that it is ready to provide interconnected VoIP service, which is by definition service that "[p]ermits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.<sup>32</sup>

This federal facilities availability obligation is subsumed into Kansas law by the plain language of

K.S.A. 66-2003(e).

## c. What responsibilities do Incumbent LECs, electing carriers, and competitive VoIP providers have to ensure their customers' calls are completed to another provider?

16. LECs and interconnected VoIP providers have an equal obligation to ensure that calls originated by their customers are completed to other providers and for ensuring that the calls that they receive from other providers are delivered to their customers. These obligations are well-established under federal law.

17. In the FCC's own words, "the ubiquity and reliability of the nation's telecommunications network is of paramount importance to the explicit goals of the Communications Act of 1934"<sup>33</sup> and "no carriers, including interexchange carriers, may block, choke, reduce or restrict traffic in any way."<sup>34</sup> In its *Rural Call Completion Order*, the FCC made

<sup>&</sup>lt;sup>31</sup> In the Matter of Numbering Policies for Modern Communications, WC Docket No. 13-97, rel. June 22, 2015, ¶37 ("Numbering Policies Order").

<sup>&</sup>lt;sup>32</sup> *Id*.

<sup>&</sup>lt;sup>33</sup> Establishing Just and Reasonable Rates for Local Exchange Carriers; Call Blocking by Carriers, Declaratory Ruling, WC Docket No. 07-135, 22 FCC Rcd. 11629 at ¶1 (2007) ("*Call Blocking Declaratory Ruling*").

<sup>&</sup>lt;sup>34</sup> Call Blocking Declaratory Ruling, 22 FCC Rcd. at 11629, at 11631, ¶6.

its position abundantly clear. "All Americans should have confidence that when a call is made to them, they will receive it" and "call completion . . . failures have serious repercussions, imposing needless economic and personal costs, and potentially threatening public safety in local communities."<sup>35</sup>

18. The seriousness of call blocking cannot be understated. For example, less than a year ago, an elementary school in rural Kansas selected a rural cable company to become its service provider. The cable provider uses IdeaTek as its wholesale interconnected VoIP service provider. Although there was no technical barrier preventing it from doing so, the incumbent LEC serving the exchange in which the school was located refused to complete telephone calls made to the school by its own customers – likely including parents of schoolchildren and school faculty – for several days during which the incumbent LEC demanded additional changes to an existing contractual agreement.

19. Since the early days of telecommunications competition, the FCC has scrutinized and disapproved call blocking and other carrier behaviors that hinder a consumer's ability to complete and receive telephone calls.<sup>36</sup> The FCC actively enforces its rural call completion rules, and has issued several consent decrees in recent years.<sup>37</sup> It has also been particularly critical of

<sup>&</sup>lt;sup>35</sup> In the matter of Rural Call Completion, *Second Report and Order and Third Further Notice of Proposed Rulemaking*, WC Docket No. 13-39, FCC 18-45, Apr. 17, 2018 (*Rural Call Completion Order*) at ¶1.

<sup>&</sup>lt;sup>36</sup> See Telecommunications Research and Action Center and Consumer Action v. Central Corporation et al., File Nos. E-88-104-108, Memorandum Opinion and Order, 4 FCC Rcd. 2157 (1989); "Incumbent LECs have an obligation to complete their customer's calls to the extent technically possible, even if its doing so comes at a financial cost"; *Transformation Order*, 26 FCC Rcd. at, ¶734; "Carriers are generally prohibited from blocking calls." *Id.* at n. 1234. "The Commission has a longstanding prohibition on call blocking." *Id.* at n. 1278. *See* Call Blocking Declaratory Ruling, 22 FCC Rcd. at 11629, 11631, ¶¶1, 6; *see also* Blocking Interstate Traffic in Iowa, Memorandum Opinion and Order, 2 FCC Rcd. 2692 (1987) (denying application for review of Bureau order, which required petitioners to interconnect their facilities with those of an interexchange carrier in order to permit the completion of interstate calls over certain facilities).

<sup>&</sup>lt;sup>37</sup> *See* inContact, Inc., Order and Consent Decree, 31 FCC Rcd. 4329 (2016); Verizon, Adopting Order and Consent Decree, 30 FCC Rcd. 245 (EB 2015); Matrix Telecom, Inc., Order and Consent Decree, 29 FCC Rcd. 5709 (EB 2014); Windstream Corp., Order and Consent Decree, 29 FCC Rcd. 1646 (EB 2014); Level 3 Commc'ns., LLC, Order and Consent Decree, 28 FCC Rcd. 2274 (EB 2013); *see also* RCC 2nd FNPRM, 32 FCC Rcd. at 6051, ¶8.

carriers that "willingly block, reduce or interfere with call traffic as a form of self help."<sup>38</sup> These and similar decisions evince the FCC's opposition to unauthorized call blocking. In its own words "[FCC] precedent provides that no carriers, . . . , may block, choke, reduce or restrict traffic in any way" and doing so "is unjust and unreasonable in violation of Section 201(b) of the Act."<sup>39</sup>

# d. When do the obligations imposed under 47 U.S.C. § 251(b)(2) and (c)(2) require direct interconnection with an Incumbent LEC or electing carrier? When is an Incumbent LEC or electing carrier <u>required to allow</u> indirect interconnection with a VoIP provider?

20. LECs must offer both direct and indirect interconnection to competitors, but it is

the competitor's choice as to which option makes the most sense.

The foundation of competitive interconnection is set forth in 47 U.S.C § 251:

- (a) General duty of telecommunications carriers Each telecommunications carrier has the duty –
  - (1) to interconnect *directly or indirectly* with the facilities and equipment of other telecommunications carriers; and . . .

The FCC's Local Competition Order 1996 established that "telecommunications carriers should be permitted to provide interconnection pursuant to section 251(a) *either directly or indirectly, based upon their most efficient technical and economic choices.*" <sup>40</sup> Contemplating that new competitive entrants would lack market power, the FCC made clear that "indirect connection" was an appropriate option under section 251(a).<sup>41</sup>

21. The right of a competitor in Kansas to interconnect with an incumbent LEC is

simple and consistent with the federal interconnection rule:

K.S.A. 66-2003(d) - As provided in the federal act, . . . , local exchange carriers and electing carriers shall provide the means to interconnect . . . .

<sup>&</sup>lt;sup>38</sup> Call Blocking Declaratory Ruling, 22 FCC Rcd. at 11629 at ¶1.

<sup>&</sup>lt;sup>39</sup> See Call Blocking Declaratory Ruling at ¶6, n. 19 citing to *Telecommunications Research and Action Center and Consumer Action v. Central Corporation et al.*, File Nos. E-88-104-108, Memorandum Opinion and Order, 4 FCC Rcd. 2157 (1989).

<sup>&</sup>lt;sup>40</sup> 1996 Local Competition Order at ¶985.

(Emphasis added.)

22. Kansas law makes clear that (1) there is no relationship between a LEC's interconnection obligations and the call termination strategy that a competing provider employs to originate and terminate calls to consumers,<sup>42</sup> and (2) the Commission must interpret and apply incumbent LEC interconnection obligations ("all substantive and procedural rights") "pursuant to 47 U.S.C. §§ 251 and 252"<sup>43</sup> The plain language of section 251(a) and the FCC's *1996 Local Competition Order* leave no doubt that incumbent LECs must offer *both* direct and indirect interconnection options to competing service providers.<sup>44</sup>

23. Notwithstanding the clear and longstanding obligation under federal and state law to accommodate both direct and indirect interconnection, LECs occasionally attempt to refuse indirect arrangements and coerce their competitors into direct arrangements that are ill-suited to the competitor's needs because they are practically inefficient, costly or otherwise burdensome.

24. A significant example arose in Kansas' neighboring state of Oklahoma when a rural LEC demanded that a wireless provider establish a physical point of direct interconnection to exchange calls with rural landline customers.<sup>45</sup> The controversy ultimately reached the 10<sup>th</sup> Circuit, which held: "[t]he [Rural ILECs] interpret 47 U.S.C. § 251(c) as imposing a requirement of direct connection on a competing carrier. We disagree. . . . the affirmative duty [to engage in direct interconnection upon request] runs *solely* to the ILEC." The "telecommunications carriers' obligation under § 251(a) [is] to interconnect 'directly or indirectly."<sup>46</sup>

<sup>&</sup>lt;sup>42</sup> K.S.A. 2005(y) imposes interconnection and "voice traffic routing" obligations "regardless of the technology by which the voice traffic is originated by and terminated to a consumer."  $^{43}$  *Id.* 

<sup>&</sup>lt;sup>44</sup> 47 U.S.C. § 251(a); 1996 Local Competition Order at ¶985.

<sup>&</sup>lt;sup>45</sup> Atlas Telephone Company v. Oklahoma Corporation Commission, 400 F.3d 1256 (10<sup>th</sup> Cir. 2005) ("Atlas Telephone").

<sup>&</sup>lt;sup>46</sup> Atlas Telephone, at 1268 (emphasis added).

25. Closer to home, NE Colorado Cellular, Inc. d/b/a Viaero Wireless ("Viaero"), a wireless carrier, filed a complaint against Rural Telephone Service Company, Inc. ("Rural Telephone"), an incumbent LEC, alleging that Rural Telephone required that Viaero accept unfavorable interconnection terms as a condition for routing calls to Viaero's subscribers.<sup>47</sup> The Commission determined that Viaero had a right to indirectly connect to Rural Telephone and Rural Telephone's insistence that Viaero accept only direct interconnection was impermissible under 47 U.S.C. § 251(a).<sup>48</sup> In that context, the Commission noted the 8<sup>th</sup> Circuit's observation that "cell-phone companies usually do not choose to connect directly with rural local exchange carriers, because the volume of business does not make it economically advantageous for the cell-phone company to do so."49 The Commission also determined, with reliance on the Atlas Telephone decision, that Viaero's indirect interconnection created no obvious technical difficulties<sup>50</sup> nor would it require a negotiated or arbitrated interconnection agreement with the incumbent LEC.<sup>51</sup> While the context of the Commission's investigation in this docket is focused on the provision of telecommunications and VoIP services, the Commission's analysis in the Viaero decision is equally applicable.

- e. Does the technology used by a competitive provider impact an Incumbent LEC's or electing carrier's obligations to port customers, complete calls, and/or interconnect under Sections 251 and 252? Does an Incumbent LEC's or electing carrier's obligations change when VoIP technology is used? What role, if any, does the technology used by a competitive provider have on its interconnection, porting and call completion obligations?
- 26. A competitor's choice of network technology has no bearing on a LEC's legal

obligations under the Federal Act or Kansas law - and it is vital that the Commission enforce this

<sup>&</sup>lt;sup>47</sup> 10-515 Docket, "Verified Complaint of NE Colorado Cellular, Inc., dba Viaero Wireless, and Request for Interim Relief and/or Expedited Treatment Pursuant to K.S.A. 82-1-220(a)," filed Feb. 10, 2010.

<sup>&</sup>lt;sup>48</sup> Docket 10-515 Examiner's Findings at ¶¶30-34.

 <sup>&</sup>lt;sup>49</sup> *Id.* at ¶31, <u>citing</u> to *Alma Communications Company v. Missouri PSC*, 490 F.3d 619, 622 (8<sup>th</sup> Cir. 2007).
<sup>50</sup> *Id.* at ¶36.

<sup>&</sup>lt;sup>51</sup> *Id.* at ¶¶21-23.

concept in this investigation. LECs must port customers' telephone numbers, complete calls, interconnect (directly or indirectly), meet its other regulatory obligations regardless of their competitor's business and network choices. LECs may not engage in discriminatory self-help that impairs consumer and competitive rights and undermines national policy supporting competition and investment in efficient and advanced network technology. As discussed above, nothing in the *Federal Act* or Kansas law permit a LEC's obligations to change, diminish, or disappear in response to the network technology choices selected by its competitor.

27. It is also well-established that federal law and FCC policy do not embrace regulatory exceptions that undermine technological development. In fact, the opposite is more generally true. For example, the FCC's longstanding support for the transition to IP networks is evident in its 2015 *VoIP Direct Access Order* which applauded the fact that the nation's communications infrastructure was well into its transition from time-division multiplexed ("TDM") circuit-switched voice services to all-Internet Protocol (IP) multi-media services.<sup>52</sup> The FCC went on to recognize several prior proceedings in which it encouraged that transition<sup>53</sup> and celebrated the fact that VoIP services already accounted for over a third of all wireline retail local telephone service connections.<sup>54</sup>

<sup>&</sup>lt;sup>52</sup> VoIP Direct Access Order, at ¶1.

<sup>&</sup>lt;sup>53</sup> *Id.* at ¶1; n. 1 citing *Technology Transitions, et al.*, GN Docket No. 13-5, et al., Order, Report and Order and Further Notice of Proposed Rulemaking, Report and Order, Order and Further Notice of Proposed Rulemaking, Proposal for Ongoing Data Initiative, 29 FCC Rcd. 1433, 1435, ¶1 (2014) (*Technology Transitions Order*); *Ensuring Customer Premises Equipment Backup Power for Continuity of Communications; Technology Transitions; Policies and Rules Governing Retirement Of Copper Loops by Incumbent Local Exchange Carriers; Special Access for Price Cap Local Exchange Carriers; AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services*, PS Docket No. 14-174, GN Docket No. 13-5, RM-11358, WC Docket No. 05-25, RM-10593, Notice of Proposed Rulemaking and Declaratory Ruling, 29 FCC Rcd. 14969 (2014).

<sup>&</sup>lt;sup>54</sup> See Local Telephone Competition: Status as of December 31, 2013, FCC, Wireline Competition Bureau, Industry Analysis and Technology Division, at 3, Fig. 2 (Oct. 16, 2014), https://apps.fcc.gov/edocs\_public/attachmatch/DOC-329975A1.pdf ("Local Telephone Competition Report").

28. Among other steps taken by the FCC to bolster that growth and deployment of interconnected VoIP services is its decision establishing that "the statutory classification of the end-user service, and the classification of VoIP specifically, is not dispositive of the wholesale carrier's rights under section 251."<sup>55</sup> In a later proceeding, the FCC empowered interconnected VoIP service providers to access to telephone number resources directly, freeing them from the need to rely on intermediaries to provide telephone numbers.<sup>56</sup>

29. The FCC has consistently supported regulatory parity and economic efficiency with regard to TDM and interconnected VoIP technologies. For example, the FCC's *VoIP Symmetry Rule* adopted in 2011 enabled service providers to collect intercarrier compensation for VoIP calls "regardless of whether the functions performed or the technology used correspond precisely to those used under a traditional . . . architecture."<sup>57</sup> The FCC's adoption of a "symmetric" framework<sup>58</sup> reflected its "policy goal encouraging migration to an all-IP network . . . advancing competitive and technological neutrality."<sup>59</sup> The FCC made clear that while it sought to promote IP investment, particularly regarding last-mile facilities, its decision was otherwise meant to be "technologically neutral" and to "embrace[]... new and non-traditional functionality," without departing from "the historical standard for functional equivalency that we find represents the best interpretation of the VoIP Symmetry Rule."<sup>60</sup>

<sup>&</sup>lt;sup>55</sup> 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 (rel. Mar. 1, 2007).

<sup>&</sup>lt;sup>56</sup> VoIP Direct Access Order at ¶1.

<sup>&</sup>lt;sup>57</sup> Transformation Order, cert. denied, 135 S. Ct. 2050, and 135 S. Ct. 2072 (2015). The FCC later clarified and reinforced its policy supporting symmetry for VoIP-PSTN traffic *Connect America Fund et al.*, WC Docket No. 10-90, CC Docket No. 01-92, Declaratory Ruling, 30 FCC Rcd. 1587, 1588, ¶2 (2015) (2015 Declaratory Ruling).

<sup>&</sup>lt;sup>58</sup> *Transformation Order*, 26 FCC Rcd. at 18026-28, ¶970-71.

<sup>&</sup>lt;sup>59</sup> *Id.* at 18009-13, ¶¶946-53.

<sup>&</sup>lt;sup>60</sup> 2015 Declaratory Ruling, 30 FCC Rcd. at 1596, ¶20 (citing *Transformation Order*, 26 FCC Rcd. at 1813, 18025, 18026-27, ¶¶953, 956, 970).

30. The FCC has made clear that it is "an unjust and unreasonable practice in violation of section 201 of the Act for a carrier that knows or should know that it is providing degraded service to certain areas to fail to correct the problem or to fail to ensure that Intermediate Providers, least-cost routers, or other entities acting for or employed by the carrier are performing adequately."<sup>61</sup> This declaration by the FCC leaves little room for doubt that the porting, interconnection, call completion and related incumbent LEC obligations supporting the completion of telephone calls made by and to their own customers do not diminish or relax in response to the involvement of competitors or third party intermediaries or the use of various call delivery technologies, including interconnected VoIP.<sup>62</sup>

f. Under what circumstances is a commercial agreement appropriate? Are there other technical arrangements that may be appropriate to ensure an Incumbent LEC or electing carrier can exchange local traffic with a competitive provider and, specifically, VoIP competitors? To assist the Commission, diagrams of the interconnection points may be provided to illustrate each circumstance.

31. Commercial agreements between originating and terminating service providers are not necessary for indirect interconnection. In that context, the need and possible requirements for agreements is determined by each party's arrangement with the intermediary party facilitating the indirect interconnection. As discussed in *b*., above, the duty to port telephone numbers among incumbent LECs, interconnected VoIP, and other service providers may not be made contingent upon the establishment of an agreement or other specific interconnection prerequisites.

32. Commercial agreements that address direct interconnection where both parties agree that the law does not require mandatory oversight may be appropriate when the parties to

<sup>&</sup>lt;sup>61</sup> In the Matter of Developing a Unified Intercarrier Comp. Regime Establishing Just & Reasonable Rates for Local Exch. Carriers, Declaratory Ruling, 27 FCC Rcd. 1351,(2012) ("2012 Declaratory Ruling") at ¶12. Notably, this standard was cited in support of a recent Illinois class action suit alleging malfeasance in completing calls to rural consumers. *Craigville Telephone Co. et al v. T-Mobile USA, Inc. et al*, Case Number 1:19-cv-07190, N.D. Ill. Filed Nov. 1, 2019, *See* ¶¶92-93.

<sup>&</sup>lt;sup>62</sup> 2012 Declaratory Ruling") at ¶12.

that agreement are on equal footing and there is a reasonable expectation of good faith and fair dealing. But privately negotiated commercial agreements may be inequitable when the parties are made unequal by a structural or regulatory advantage. For example, when one party can unilaterally preclude its customers from transacting with the other party (*e.g.*, refusing to port telephone numbers or terminate calls), then private agreements are not likely to be fairly negotiated and regulatory oversight may be helpful.

33. The need for standards and scrutiny increases when the structural or regulatory imbalance creates a risk of harm to consumers who are affected by but are not a party to the agreement. With respect to the instant proceeding, the consumers at risk inhabit rural areas that lack competitive alternatives and are less likely to be served by the advanced, IP-based networks that the FCC seeks to promote. In situations where there are few, if any, competitive alternatives, and technological improvements are rare, consumers may end up paying too much money for out-of-date services and be able to do little about it.

34. One common form of indirect interconnection relies on the use of a third party tandem that acts as a common source of interconnection for a variety of service providers using a variety of technologies:



35. The concept of "indirect interconnection" need not be limited to tandem or other TDM-based conventions. As discussed above, the FCC supports technologically neutral policies that foster, rather than impede innovation. Accordingly, the Commission should favor regulatory solutions that embrace enduring, technology-neutral principles that need not be revised based on discrete technological improvements.

## g. If a competitive provider has an existing agreement for transiting traffic, can the agreement be modified to include local call routing or are new agreements necessary?

36. Although the practical relevance of "local" traffic distinctions has been diminished by the massive shift to IP-based networks and increased use of bill-and-keep, transiting traffic is typically addressed in negotiated interconnection agreements between directly connected service providers.<sup>63</sup>

37. IdeaTek will address additional transiting traffic issues in the context of its response to items *h*. and *k*., below.

### h. When a competitive provider relies on third-party facilities, should verification of the agreement for transiting traffic be provided to an Incumbent LEC or electing carrier upon request to confirm the authorized use of the facilities?

38. Verifying an agreement for transiting traffic between a competitive provider and a

third party would be problematic in multiple respects. As discussed at length above, such agreements are irrelevant to LEC interconnection, as the obligation to provide indirect interconnection is not contingent on a requesting service provider's technological strategy. Therefore, verification would be meaningless and serve only to further impede interconnection. Allowing third-parties to review transit traffic agreements could also undermine the legitimate confidentiality interests of the parties to the agreements.

<sup>&</sup>lt;sup>63</sup> In the Matter of Arbitration Between Level 3 Communications, LLC, and SBC Communications, Inc., KCC Docket 04-L3CT-1046-ARB, "<u>Arbitrator's Order 10: Decision</u>," (Feb. 7, 2005, p. 116, ¶438.

39. IdeaTek will otherwise address transiting traffic issues in the context of its response to item *k*., below.

## i. What impact does evolving technology have on the "technically infeasible" standard?

40. *Atlas Telephone* addressed the impact of 47 USC § 251(c)(2) on the porting and interconnection issues central to this proceeding. In its decision case, the 10<sup>th</sup> Circuit determined that section 251(c)(2) "imposes a duty on the ILECs to provide physical interconnection with requesting carriers at technically feasible points" within their networks and concluded that "this duty only extends to ILECs and is only triggered on request."<sup>64</sup> Technological evolution would likely affect the physical characteristics of available interconnection points. However, that evolution is unlikely to justify changes to the comparative rights and obligations of competitors and LECs. Moreover, efforts to revisit these rights and obligations could be manipulated to "thwart the pro-competitive principles underlying the Act." <sup>65</sup> IdeaTek's position is that a competitive carrier's choice of technology does not affect the requirement that LECs, including rural LECs, must port numbers and provide direct and indirect interconnection to competing carriers.

# j. What costs arise from transiting local traffic between providers? Which provider is responsible for costs for originating local traffic? Are different costs imposed on the respective parties to provide transmission and routing for local exchange service when a provider uses VoIP?

41. The following example presents typical traffic transit, switching and termination cost elements and distinctions. <sup>66</sup>

<sup>&</sup>lt;sup>64</sup> Atlas Telephone Co. v. Oklahoma Corp. Com'n, 400 F.3d 1256, 1265 (10th Cir. 2005).

<sup>&</sup>lt;sup>65</sup> Id.

<sup>&</sup>lt;sup>66</sup> Interconnection Agreement SBC Kansas/Cox Kansas Telecom, L.L.C., Attachment 12: Intercarrier Compensation, at Section 6.6.

https://estar.kcc.ks.gov/estar/ViewFile.aspx/20050907164859.pdf?Id=858660b5-aec4-48a1-9575-040220329539

Transit Compensation	
Transit Rate (tandem switching +	
common transport termination +	
7 X Common Transport	
Facility/mile)	
Zone 3 (Urban)	\$0.000953 (1)
Zone 2 (Suburban)	\$0.000981 (1)
Zone 1 (Rural)	\$0.001027 (1)
Tandem Switching	\$0.000789 (1)
Common Transport Termination	
Facility/mile	
(multiply this by 7 to develop average	
transit rate)	
Zone 3 (Urban)	\$0.000007 (1)
Zone 2 (Suburban)	\$0.000021 (1)
Zone 1 (Rural)	\$0.000042 (1)
Common Transport Termination	
MOU	
Zone 3 (Urban)	\$0.000157 (1)
Zone 2 (Suburban)	\$0.000171 (1)
Zone 1 (Rural)	\$0.000196 (1)

42. In this scenario, the "originating" provider is the LEC or other entity serving the customers who are making outbound telephone calls. That originating provider would pay the appropriate transit fees to the traffic transit service provider in connection with completing those outbound calls to a "terminating" provider directly connected to the transit provider.<sup>67</sup> As discussed in item *k*. below, transit and other intercarrier charges must be calculated and applied without regard to the technology used to originate or terminate a call.

k. What role does the FCC's intercarrier compensation reforms play in the transiting traffic costs? How does the FCC's requirement for all traffic, including VoIP- PSTN traffic, to be subject to Section 251(b)(5) impact the costs arising from transiting local traffic (reciprocal compensation for

<sup>&</sup>lt;sup>67</sup> The transit service provider is often an incumbent LEC but need not always be so. Harrington, John R.; Gavillet, Ronald W.; Basil, Matt D.; and Dickey, Melissa L. (2009) "An Evaluation of the Proposals in the FCC's Intercarrier Compensation Reform Docket Related to Tandem Transit Services," *Federal Communications Law Journal:* Vol. 61: Iss. 2, Article 3. "These services were historically provided, though not always willingly, by incumbent local exchange carriers (ILECs) such as AT&T, Verizon, and Qwest to enable competitive local exchange carriers (CLECs), cable telephone providers and wireless carriers, to complete calls to and from each other's networks. … The state commissions also generally recognized that the originating carrier – not the transiting provider – should continue to maintain responsibility for paying the costs necessary to deliver the call to the terminating carrier's point of interconnection." (Pp. 327-28.) Available at: <u>http://www.repository.law.indiana.edu/fclj/vol61/iss2/3</u>.

## transport and termination of traffic)? What role does bill-and-keep have in the exchange of LEC/electing carrier to VoIP services?

43. Before the 1984 breakup of the former AT&T monopoly, properly allocating local and long distance costs were a matter of the company's internal accounting. After the breakup, the FCC established an intercarrier compensation regime to replace that internal allocation mechanism and fairly distribute costs and revenues among local and long distance telephone companies. This regime was modified and expanded by the Telecommunications Act of 1996 to accommodate local competition. Since then, intercarrier compensation mechanisms have supported dramatic technological changes, including the advent of wireless and interconnected VoIP communications.

44. A major shift in that regime began in 2001, when the FCC proposed that a "bill and keep" approach could be used to correct imbalances in traffic exchanged among interconnected providers and mitigate potential incentives for inefficient behavior under the existing per-minute reciprocal compensation model for traffic subject to section 251(b)(5).<sup>68</sup> The FCC's 2011 USF/ICC Transformation Order established bill-and-keep methodology as "the ultimate end state" for all intercarrier compensation.<sup>69</sup>

45. Also in 2011, recognizing the ongoing evolution of network technologies and capabilities and seeking to promote further growth and investment in efficient IP network technology, the FCC created the "*VoIP Symmetry Rule*," enabling service providers to collect intercarrier compensation for VoIP calls on the same basis as for traditional TDM calls "regardless of whether the functions performed or the technology used correspond precisely to those used under a traditional ... architecture."<sup>70</sup> The FCC has clarified and reinforced its VoIP-PSTN traffic

<sup>&</sup>lt;sup>68</sup> In re Developing a Unified Intercarrier Compensation Regime, Notice of Proposed Rulemaking, CC Docket Nos. 01-92, 99-68, 96-98, FCC 01-132 (rel. April 27, 2001) at ¶69.

<sup>&</sup>lt;sup>69</sup> Transformation Order 26 FCC Rcd. at ¶34.

<sup>&</sup>lt;sup>70</sup> VoIP Symmetry Rule Clarification at ¶8.

symmetry policies<sup>71</sup> and adopted a transitional compensation framework for VoIP-PSTN traffic,<sup>72</sup> which it defined as "traffic exchanged over PSTN facilities that originates and/or terminates in IP format."<sup>73</sup>

46. The FCC intended its "symmetric" approach<sup>74</sup> to "encourage. . . migration to an all-IP network . . . advancing competitive and technological neutrality."<sup>75</sup> The FCC emphasized that its decision was intentionally "technologically neutral" and meant to "embrace . . . new and non-traditional functionality," without departing from "the historical standard for functional equivalency that we find represents the best interpretation of the VoIP Symmetry Rule."<sup>76</sup>

47. The FCC's intercarrier compensation mechanisms began as a tool to redistribute funds among interdependent carriers that used common technology inherited from a monopolistic parent corporation. Decades later, there are numerous competitors using a wide variety of technologies, although they remain interdependent with respect to interconnection, porting, and other fundamentals obligations. All the while, the FCC has looked to the principles of bill and keep and technological neutrality to ensure fairness while incentivizing efficiency.

48. The FCC has promoted the replacement of intercarrier compensation with a bill and keep approach because the latter is fairer to consumers and less susceptible to abuse such as access

<sup>&</sup>lt;sup>71</sup> *Id.*; 2015 Declaratory Ruling 30 FCC Rcd. at 1588, ¶2.

<sup>&</sup>lt;sup>72</sup> See Transformation Order, 26 FCC Rcd. at 18026-27, ¶970; see also 47 C.F.R. §§ 51.913, 61.26(f). Specifically, this framework established default intercarrier compensation rates for toll VoIP-PSTN traffic equal to interstate access rates and default intercarrier compensation rates for other VoIP-PSTN traffic at otherwise applicable reciprocal compensation rates. *See Transformation Order*, 26 FCC Rcd. at 18008, ¶944.

<sup>&</sup>lt;sup>73</sup> *Transformation Order*, 26 FCC Rcd. at 18006-07, ¶941 (internal citations omitted). The Commission specified that the term "VoIP-PSTN" related to "whether the exchange of traffic between a LEC and another carrier occurs in Time-Division Multiplexing (TDM) format (and not in IP format), without specifying the technology used to perform the functions subject to the associated intercarrier compensation charges." *Id.* at 18005-06, ¶940.

<sup>&</sup>lt;sup>74</sup> *Transformation Order*, 26 FCC Rcd. at 18026-28, ¶970-71.

<sup>&</sup>lt;sup>75</sup> *Id.* at 18009-13, ¶¶946-53.

<sup>&</sup>lt;sup>76</sup> 2015 Declaratory Ruling, 30 FCC Rcd. at 1596, ¶20 (citing *Transformation Order*, 26 FCC Rcd. at 1813, 18025, 18026-27, ¶¶953, 956, 970).

stimulation and arbitrage.<sup>77</sup> The FCC explained that under bill and keep, "a carrier generally looks to its own end-users (rather than looking to other carriers and their customers) to pay for the costs of its network." In other words, bill-and-keep rests on the idea that a customer who makes a telephone call pays for that call, and the caller's telephone company has a duty to its own customer to deliver that call to the recipient's service provider. It does not allow the originating provider to demand additional compensation from the terminating provider as a condition for meeting its existing duty to its own customer. In practice, and if given full effect, the incumbent LEC's obligation to terminate its customer's traffic to the PSTN plus the restrictions against demanding direct interconnection or imposing discriminatory costs when doing so should incentivize it to deal in terms that are fair and reasonable to competitive service providers, as doing so would be necessary for it to meet its own legal obligations. The Commission should rely on the same approach and underlying principles in its intrastate intercarrier compensation policymaking.

## 1. What role do the number porting waivers granted to the rural LECs for porting numbers to wireless providers play in today's telecommunications market? Do they remain in effect, should they be voided, or have they been rendered moot through advances in technology?

49. This proceeding is focused on porting, interconnection, and related matters pertinent to interconnected VoIP services. The Commission's temporary number porting waivers were limited to porting issues arising between wireless and wireline services and were issued pending further FCC action.<sup>78</sup> While these waivers are not specifically germane to much of this

<sup>&</sup>lt;sup>77</sup> See Fact Sheet, Updating the Intercarrier Compensation Regime to Eliminate Access Arbitrage, Report and Order and Modification of Section 214 Authorizations, WC Docket No. 18-155, FCC CIRC 1909-02 (rel. Sept. 5, 2019).

<sup>&</sup>lt;sup>78</sup> In the Matter of the Petition of Wamego Telecommunications Company, Inc. for Suspension and Modification of the FCC's Requirement to Provide Local Number Portability, KCC Docket No. 05-WTCT-1093 -MIS, ("05-1093 Docket"), Order Approving Waiver, No. CVT065214 (Jul. 29, 2005). Ordering paragraph A provides, "Wamego Telephone, Inc.'s application for approval of a waiver of the Federal Communications Commission date for making local number portability available to accommodate wireline to wireless porting of numbers is approved in those situations where the requesting wireless carrier does not have a point of interconnection within Wamego's rate center, pending final resolution by the Federal Communications Commission."

proceeding, it is clear that the rationale for granting these waivers no longer exists and they should be abandoned.

50. The waivers issued in the past 14 years have been rendered moot by the FCC's actions and significant technological and regulatory developments.<sup>79</sup> Granted, the FCC's 2003 *Intermodel Portability Order*,<sup>80</sup> which predated the porting waivers, encountered regulatory and judicial challenges that created a period of uncertainty.<sup>81</sup> However, the FCC's 2007 Local Number Portability ("LNP") Order resolved the open questions.<sup>82</sup> The FCC determined that intermodal LNP porting costs did not justify exempting small carriers because such issues were beyond the scope of the proceeding and irrelevant to the LNP obligations defined by the *Federal Act*.<sup>83</sup> Also, the perceived absence of transport capability when a wireless carrier lacked a point of interconnection ("POI") in a rate center and any similar concerns precluding indirect interconnection were made moot almost a decade ago.<sup>84</sup>

<sup>&</sup>lt;sup>79</sup> As noted in Staff's Memorandum in the 05-1093 Docket, the FCC had yet to address matters of "lack of interconnecting, routing, and rating arrangement when the wireless carrier's Point of Interconnection (POI) is outside the petitioner's relevant rate centers." Wamego's 05-1092 Docket, "KCC Staff Memorandum," submitted July 22, 2005, p. 2.

<sup>&</sup>lt;sup>80</sup> In the Matter of Telephone Number Portability, CC Docket No. 95-116, rel. November 10, 2003, ("Intermodal Portability Order").

<sup>&</sup>lt;sup>81</sup> U.S. Telecom Ass'n v. F.C.C, 400 F.3d 29, 43 (D.C. Cir. 2005).

<sup>&</sup>lt;sup>82</sup> Telephone Number Requirements for IP Enabled Services Providers; Local Number Portability Porting Interval and Validation Requirements; IP-Enabled Services; Telephone Number Portability; Numbering Resource Optimization, WC Docket Nos. 07-243, 07-244, 04- 36, CC Docket Nos. 95-116, 99-200, Report and Order, Declaratory Ruling, Order on Remand, and Notice of Proposed Rulemaking, 22 FCC Rcd. 19531 (2007) ("VoIP LNP Order"), aff'd sub nom. National Telecomms. Cooperative Ass'n v. FCC (D.C. Cir. Apr. 28, 2009).

<sup>&</sup>lt;sup>83</sup> VoIP LNPA Order, FRFA ¶4.

<sup>&</sup>lt;sup>84</sup> Docket 10-515 Examiner's Findings at ¶33.

## m. Should the Commission revisit its Rural Entry Guidelines? Are there specific guidelines that should be modified or eliminated? If yes, which ones?

51. While the Commission's Rural Entry Guidelines may warrant examination, the issues relevant to the evaluation of the Commission's rules and processes for authorizing competitive LEC requests for permission to provide telecommunications services in areas currently served by only rural LECs are largely distinguishable from those on which this proceeding is focused. With respect to such proceeding, the Commission should consider cross-subsidization, discriminatory treatment, and other possible risks such as cross-ownership of competitive service providers by incumbent LECs; all of which are separate and distinct from the issues at hand. The Commission should also consider measures to enhance disclosure and accountability to ensure compliance with the rule excluding from the rural exemption LECs that own more than 10% of a competitive LEC.<sup>85</sup> Such cross-ownership, whether direct or indirect, can lead to competitive unfairness and undermines the rationale for maintaining a rural LEC's exemption.

## n. Other issues that may assist the Commission with its determinations in this Docket.

52. The Commission should make clear that rural LECs may not require competitive service providers to purchase or use unnecessary technical and interconnection arrangements. Mandating the use of unnecessary arrangements, (*e.g.*, purchasing Session Initiation Protocol ("SIP") trunks at National Exchange Carrier Association ("NECA") tariffed rates), in place of indirect interconnection arrangements, is contrary to 47 U.S.C § 251(a), K.S.A. 66-2003(d) and K.S.A 66-2005(y), as discussed in item *c*. above. Moreover, imposing on competitive service providers the cost of such unnecessary arrangements not only burdens competition, it is contrary

<sup>&</sup>lt;sup>85</sup> K.S.A. 66-2004(e), "Any restrictions established by the commission for rural entry of competitors or for resale and unbundling of services shall not apply to any service area of a rural telephone company if such company, or an entity in which such company directly or indirectly owns an equity interest of 10% or more, provides local exchange or exchange access service."

to the principles of bill-and-keep, as discussed in item *k*. above. Like all other service providers, rural LECs have a duty to interconnect the outbound calls that their customers originate, and that duty has not diminished, changed or even been made more difficult or expensive because of the advent of interconnected VoIP services and the ever increasing number and variety of third party service providers serving the people whom their customers may wish to call. It would be contrary to consumer interests to allow LECs to refuse to serve their own customers based on a demand for additional compensation from the third party to which they are obligated to deliver their customer's calls.

53. The Commission should also consider the need for uniform practices and review of interconnection and other arms-length agreements involving incumbent LECs and their affiliates, especially those that operate as competitive LECs and service providers. Interconnection agreements involving affiliated entities, like those involving non-affiliated entities, should be subject to uniform Commission review and approval, as well as uniform treatment under the Commission's public disclosure and adoption rules, to preclude unfair and anticompetitive self-dealing,

#### **III. CONCLUSION**

54. This proceeding addresses a number of discrete but important questions that bear upon the opportunity to provide competitive communications in the rural areas of Kansas. The fundamental issues, however, are ultimately of most importance to the people who live in those rural areas. Issues such as porting, intercarrier agreements and direct vs. indirect interconnection would not exist but for the need to communicate and the right of individuals to freely purchase communications services from the provider of their choice, for the purpose of calling whomever they choose to call. The FCC has consistently pursued policies that encourage competition, technological neutrality, and investment in new and better infrastructure and services. It is vital to the public interest, especially with respect to the residents of rural Kansas, that the Commission interpret and enforce its rules to promote these same policies and goals, as the Kansas legislature has encouraged, and in some cases requires, it to do.

Respectfully submitted,

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