



Oklahoma Proposes Statewide Toll Free Calling Plan

The Public Utility Commission of Oklahoma is proposing a new rule chapter that would establish a Statewide Toll Free Calling Plan (TFCP) and eliminate access charges for most intrastate calls. The plan would also: (1) eliminate the Oklahoma High Cost Fund (OHCF); and (2) create a new support fund, the Oklahoma Statewide Toll Free Calling Fund (TFCF) which will have a numbers-based contribution methodology. The TFCF will initially compensate all carriers in a technologically neutral manner for the loss of revenues associated with the TFCP; specifically, switched access revenue, special access revenue, reciprocal compensation, Wide Area Calling Plan (WACP) or Extended Area Service (EAS) additives and OHCF revenues. Thereafter, the TFCF will compensate carriers for the use of their networks through the payment of special access charges. TFCF payments will be based on the provision of connections necessary to originate, terminate, and transport telecommunications traffic rather than the volume of traffic originated, terminated, or transported on a particular network. The TFCP also includes several routing and signaling requirements. The rules would apply to all wireline and wireless carriers and VoIP providers. Comments on the proposed rules are due **February 22, 2010**.

Background

In December 2009, Commission Staff agreed to conduct an economic analysis of four proposals to reform the Oklahoma High Cost Fund and Intercarrier Compensation within the State of Oklahoma. On January 12, 2010, the Commission initiated a rulemaking to consider implementation of an Oklahoma Statewide Toll Free Calling Plan which is a variant on the plan proposed by a coalition of rural LECs.

Establishment of TFCP

The proposed rules would establish the TFCP to be implemented beginning no later than 60 days after the rules become effective. The TFCP would allow calls originating from and terminating to telephone numbers that are rate centered within the State of Oklahoma to send and receive calls without usage sensitive charges being applied to the calling party or called party, with limited exceptions. Intrastate switched access charges could not be applied to calls within the TFCP. Every telecommunications carrier in the state would be required to participate in the plan.

The proposed rules define telecommunications carrier to include any person or entity offering telecommunications services within the state, including but not limited to, Telecommunications Service Providers (TSPs), ILECs, CLECs, IXCs, resellers, wireless providers, and any other person or entity, including VoIP providers, offering “telecommunications services for a fee and subject to the authority and jurisdiction of the Commission regardless of whether the person or entity is required to possess a Certificate of Convenience and Necessity to offer such telecommunications services.”

Effective with the implementation of the TFCP, all 1+ direct dialed intrastate message toll calling, except for 101XXXX, 1+8XX or 1+9XX, which was routed to a customer's presubscribed IXC prior to the implementation of the TFCP would be re-routed so that the calls route instead over intrastate network facilities or other available trunk facilities on a ten-digit dialing basis. Existing WACP and EAS routing between ILECs would remain unchanged, unless otherwise mutually agreed by the

impacted carriers. Local interconnection routing under approved interconnection agreements could change in accordance with the terms of the associated interconnection agreement between the affected parties.

The implementation of the TFCP is not intended to:

- regulate the provision of retail service or rates applicable to any interstate telecommunications service; or
- regulate the provision of wholesale service or rates applicable to any interstate telecommunications service.

Carriers would be required to coordinate with each other and each carrier would have to submit its own implementation schedule to the TFCF Advisory Board which would be established by the rules. The Board would review the plans and submit recommendations to the Commission for its approval.

Tariff amendments

Every carrier whose tariff was inconsistent with the TFCP would have to file a revised tariff at least 20 days prior to its implementation of the TFCP. All WACP or EAS additives would have to be eliminated. TFCF assessments (see below) could be recovered from end users but would have to be tariffed.

Since not all toll calls will be covered by the TFCP, carriers may file a revised access tariff for calls not included in the plan. The revised tariff would have to mirror the carriers' existing interstate tariff applicable to Oklahoma. Carriers would have to maintain parity between their interstate and intrastate access rates. To this end, carriers would be required to file copies of all FCC revisions with the Commission. Unless otherwise ordered by the Commission, such revisions would have to be effective on the intrastate level at the same time they became effective at the federal level.

Reciprocal compensation

Once the TFCP is implemented, a party to an

interconnection agreement (ICA) that includes provisions for reciprocal compensation would be able to request that the Commission determine that the traffic subject to reciprocal compensation is roughly balanced and should be subject to a bill-and-keep arrangement. In instances where there was no agreement covering reciprocal compensation, reciprocal compensation for local and ISP-bound traffic would be bill and keep until otherwise ordered by the Commission.

Traffic not subject to reciprocal compensation would be governed by the following terms:

- intrastate access could not be billed for intrastate calls included in the TFCP,
- all intrastate traffic routed via an IXC (those calls not included in the TFCP) would be billed in accordance with the applicable intrastate access tariff,
- intrastate interMTA traffic could not be billed switched access charges, and
- all interstate interMTA mobile to land calls would be billed by the terminating LEC out of the terminating LEC's interstate switched access tariff.

Interconnection and transport

Requests to establish direct connection of facilities for transport of calls included in the TFCP would be provisioned under the LEC's intrastate special access tariff or a negotiated agreement approved by the Commission. Carriers not regulated by the Commission would also be allowed to recover a fee for the use of their facilities to transport calls within the TFCP. However, such charge could not exceed the applicable intrastate special access tariff rate of the LEC to which it is connected for transporting such calls.

TFCP traffic originated on a LEC network and terminated to a CMRS provider would have to be routed via existing intrastate facilities or other available trunk facilities as part of the TFCP, unless the CMRS provider established a direct connection. The LEC's financial responsibility to transport calls would stop at its

exchange area boundary or at some other mutually agree point, such as the existing meet point between the interconnecting LECs.

TFCF Assessments

The TFCF is intended to promote and ensure the availability of statewide, non-usage sensitive calling. Commission Staff would be responsible for the day to day administration of the fund, with assistance from the Commission and a Statewide Toll Free Calling Fund Advisory Board consisting of volunteer representatives from the telecommunications industry as specified in the rules.

All telecommunications carriers receiving numbering resources from the NANPA or Pooling Administrator would contribute to the Fund. The initial assessment would be set at \$2.00 per month for each assessable number. An assessable number would be defined as a telephone number that is classified as "assigned" or "intermediate" by NANPA or Pooling Administrator. Assessable numbers would not include telephone numbers classified as "reserved," "aging," "administrative," or "available" by NANPA or the Pooling Administrator. The assessed carrier responsible for remitting the TFCF assessment would be the carrier that holds the assignment for the telephone number from NANPA or the Pooling Administrator.

At its option, an assessed carrier would be allowed to pass through the TFCF assessment to its retail or wholesale customers. Carriers subject to the Commission's tariff jurisdiction would have to tariff their recovery mechanism and have it approved by the Commission. Carriers not subject to the Commission's tariff jurisdiction would be allowed to pass through their assessment in any lawful manner.

Recovery from TFCF

Each telecommunications carrier, including VoIP and wireless providers, that experiences a loss in intrastate switched or special access, WACP and/or EAS revenue, and revenue

requirements associated with new facilities necessitated by the implementation of the TFCP would be allowed to recover its lost revenue from the TFCF. Carriers could recover lost revenue as follows:

- Lost Access Revenue - 100% of 2008 billed intrastate switched and special access revenue.
- Reciprocal Compensation Revenue - 100% of net billed 2008 reciprocal compensation revenues (reciprocal compensation received less amount paid).
- Lost WACP and/or EAS Revenue - 100% of WACP and EAS billed revenue for 2008.
- Lost Intrastate Toll Revenue - 100% of the net billed 2008 intrastate toll revenue (retail billed revenue less imputed or billed intrastate originating and terminating charges associated with such revenue).

Carriers would also be allowed to apply for recovery of the additional revenue requirement associated with the facilities necessary to carry the increased volume of calls attributable to the implementation of the TFCP. The recovery amount would be capped at approved intrastate flat rate special access charges, unless the provisioning carrier submitted a cost study.

Beginning 18 months after implementation of the TFCP, carriers seeking to recover their total intrastate revenue requirement shortfall from the TFCF would have to submit cost studies to the Commission. Carriers who chose not to submit a full cost study could still request reimbursement from the TFCF for transport expenses that are directly related to the implementation of the TFCP and that have been previously approved by the Commission as being required facilities to adequately support the traffic resulting from the TFCP.

Call signaling requirements

The proposed rules also include call signaling requirements applicable to all intrastate traffic originating on the PSTN, transiting the PSTN, or destined for the PSTN from other networks.

Originating carriers would have to transmit

signaling information as follows:

- Carriers using SS7 signaling protocol would have to transmit the telephone number assigned to the calling party in either the Calling Party Number (CPN) or Charge Number (CN) parameters. In cases where both CPN and CN parameters were populated, the telephone number assigned to the calling party should be populated in the CN parameter. Additionally, if the originating carrier's switch is number portability capable, the originating carrier must transmit the SS7 Jurisdictional Information Parameter (JIP) consisting of the originating Location Routing Number (LRN) assigned to the originating carrier's switch. For VoIP originated calls, the first switch passing the call onto the PSTN must provide its JIP, if technically capable.
- Carriers using multi-frequency (MF) signaling protocol would have to transmit telephone number signaling information in the Automatic Number Identification (ANI) parameter.
- Carriers using MF signaling protocol for Feature Group D would also have to transmit ANI II information (used to identify the type of originating station for a call).

Intermediate telecommunications carriers would have to transmit without alteration the telephone number information contained in the ANI, ANI II, CPN, CN, and JIP fields they receive from other carriers.

The proposed rules also:

- list exceptions to these requirements for both originating and intermediate carriers; and
- contain an enforcement mechanism to be used by carriers who are unable to bill accurately due to another carrier's failure to provide the required signaling information.

Source: Notice of Proposed Rulemaking, Cause No. RM 201000002, filed January 12, 2010; Proposed Rules, filed January 15, 2010.