

**SEPARATE STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: *Developing a Unified Intercarrier Compensation Regime*, Further Notice of Proposed Rulemaking (CC Docket Nos. 01-92)

Our intercarrier compensation system is Byzantine and broken. We have in place today a scheme under which the direction and amount of payments vary depending on whether carriers route traffic to a local provider, a long distance provider, an Internet provider, a CMRS carrier or a paging provider. In a marketplace defined by convergence and technological change, this hodgepodge of rates looks more like an historical curiosity than a rational compensation system.

Intercarrier compensation is a must-do item for this Commission this year. It should be our number one telecommunications priority. I believe we can do this. If it turns out we cannot and we have to go to Congress, so be it, but for my part—and I'll bet for Congress' part, too—the preference is to resolve this issue here at the Commission. To really get reform done this year, we must have everyone engaged in the intercarrier compensation dialogue. I am pleased that so many groups and individual carriers provided us with detailed proposals. Putting these proposals out in a neutral and open fashion is the best way to ensure the kind of dialogue we need to get the job done. To those who participated in early industry talks and left them, I hope today's Further Notice brings you back to the table. To those who are not yet a part of the discussions, become a part—and remember the old adage that “Decisions without you are very often decisions against you.” I look forward especially to the active participation of our colleagues at the state regulatory level. Their experience, judgment and granular knowledge are essential to any successful outcome. In this regard, let me take a moment to commend my friends at NARUC for the tremendous effort they are putting into convening different parties and varying viewpoints in an attempt to build understanding—maybe even something approaching occasional consensus—on the thorny issues teed up by this discussion. I urge carriers of all types to socialize their plans and ideas with our state counterparts. Their input and insights will be especially important as we map a course that leads us toward a unified rate structure.

Appended to today's Further Notice is a staff report on bill-and-keep. Bill-and-keep has much to recommend it as a theoretical construct. But its operational realities leave me with deep concerns about its impact on communications in rural America. I welcome the opportunity for debate on this issue, but wish to note that the staff appendix is not the product of a Commission vote, nor does it reflect my opinion at this time.

Finally, there is at least one issue that merits prompt resolution that is not a part of today's effort. It is not a part because my sense is that several of us, including me, believe it should be dealt with on a separate but still fast track. Two and a half years ago, a group of wireless carriers jointly filed a petition for declaratory ruling asking the Commission to clarify that wireless termination tariffs are not the right mechanism for establishing reciprocal compensation arrangements for the transport and termination of

traffic. In the intervening years, disagreements have grown and devolved into litigation. We have an opportunity to fix this now. I hope we can seize that opportunity. Were a decision clarifying this issue to cross my desk today, I would vote it today. If it takes longer to reach my office, I will vote it as soon as it does.

Countless individuals in the Wireline Competition and Wireless Telecommunications Bureaus worked long hours to bring us this item. So did our able and dedicated personal staffs. I am impressed with the depth of their knowledge and appreciate their unwavering commitment to finding the right answer. They will remain a tremendous resource for us all in the great press for intercarrier compensation reform. By pulling and hauling together, we can—we must—bring these issues to resolution this year.