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HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

December 17, 2010

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The Honorable Julius Genachowski  
Chairman, Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

Dear Chairman Genachowski:

The National Broadband Plan makes a series of recommendations to reform the Intercarrier Compensation (ICC) system, an important goal with potentially far-reaching impact on the ability of carriers to invest in rural broadband infrastructure. As the Federal Communications Commission evaluates the recommendations in the Plan and moves to take action on ICC reform, we applaud your leadership and your recent comments at the NARUC annual meeting in Atlanta highlighting the need to fix phantom traffic and traffic pumping.

Phantom traffic and traffic pumping, by some conservative estimates, cost carriers billions annually, which is ultimately passed on to our constituents through higher local rates and/or reduced investment in broadband infrastructure. Similarly, disputes over deviations from the long-standing industry practice regarding compensation for traffic that may originate or terminate on the public switched telephone network using Internet Protocol reduce the amount of dollars that carriers could otherwise invest to expand and enhance their underlying networks.

We believe the record is complete on phantom traffic and traffic pumping, and the time to act is now. For example, the Commission issued a public notice in November of 2006 requesting comment on an interim proposal for national uniform treatment of network traffic and call detail record exchange rules.<sup>1</sup> Despite wide support from industry stakeholders, the Commission has not yet established meaningful reform of phantom traffic to stop communications arbitrage from continuing to occur.

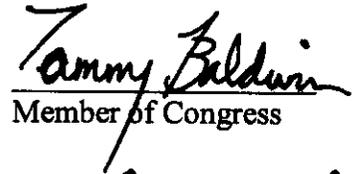
The carriers serving our rural constituents are committed to deploying the next generations of networks and services. By moving forward on these two issues and clarifying the status of IP traffic when it accesses traditional phone networks, incentives and certainty would be created for incumbent carriers to continue to invest in broadband and meet the goals established in the National Broadband Plan. More importantly, taking immediate action in these areas will provide the momentum and building blocks necessary for comprehensive intercarrier compensation reform that can benefit consumers for decades to come.

Sincerely,

  
Member of Congress NE-02

  
Member of Congress

  
Member of Congress

  
Member of Congress

  
Member of Congress

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<sup>1</sup> See Public Notice: *Comment Sought on Missoula Plan Phantom Traffic Interim Process and Call Detail Records Proposal*; CC Docket 01-92, DA 06-2294 (November 8, 2006).