

Congress of the United States

Washington, DC 20515

May 2, 2008

The Honorable Kevin J. Martin, Chairman
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Chairman Martin:

In April 2001, the Commission opened a rulemaking proceeding (CC Docket No. 01-92) on intercarrier compensation, which remains open today. In that proceeding, phantom traffic – voice communications traffic terminated on the public switched telephone network that lacks sufficient information for billing purposes – has emerged as a serious problem for all local telephone companies that own and operate the public switched telephone network. We applaud today's press release stating that the Commission is ready to move forward expeditiously on reform of the intercarrier compensation regime, and we urge you to issue an order which addresses the problem of phantom traffic immediately.

Phantom traffic plagues both small and large carriers. It has been estimated that rural carriers are losing as much as \$600 million annually to phantom traffic. In recent testimony, a representative of a small rural telephone company stated that his company "lost access revenue equal to about \$37 per access line per year" because it was not provided sufficient information to bill for the calls. Large carriers face similar problems.

We take no position on the correct solution to the phantom traffic problem. However, we note that the Commission has before it a seven-year record on intercarrier compensation which includes several industry proposals for addressing phantom traffic. The Commission has a more than adequate record upon which to take prompt action to address the phantom traffic problem, and we urge you to do so at the earliest possible time.

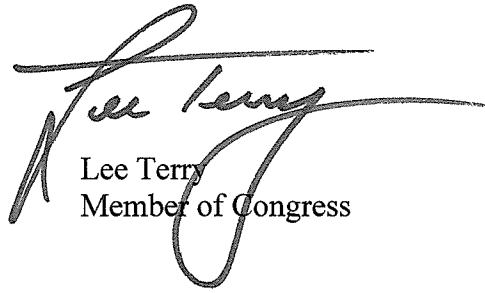
Furthermore, we note that there have been several requests for Congress to intervene and take legislative action to address the phantom traffic problem. We are sympathetic to those requests and are committed to seeing that phantom traffic is addressed soon. We anticipate that further delay in Commission action will result in increased receptivity for a legislative response.

Thanking you for your attention to this matter, we remain

Sincerely,



Rick Boucher
Member of Congress



Lee Terry
Member of Congress

cc: Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell