



One South Wacker, Suite 200
 Chicago, IL 60606
 phone 312.384.8000
 fax 312.346.3276

FILE

RECEIVED-DOCKETING DIV

2007 OCT 12 AM 8:58

PUCO

2

October 12, 2007

Alan R. Schreiber, Chairman
 Rhonda Hartman Fergus, Commissioner
 Donald L. Mason, Commissioner
 Valerie A. Lemmie, Commissioner
 Paul A. Centolella, Commissioner
 The Public Utilities Commission of Ohio
 180 East Broad Street
 Columbus, Ohio 43215-3793

Re: Carrier-to-Carrier Rules
 Case No. 06-1344-TP-ORD

Dear Commissioners:

Neutral Tandem, Inc. (Neutral Tandem) is the telecommunications industry's leading independent provider of tandem transit service – the service that permits a third-party carrier to route calls to the network of another carrier when their networks are not directly connected. Neutral Tandem handles nearly 4 billion minutes of transit traffic per month across the 50 markets it serves in the U.S.

Although Neutral Tandem has not previously participated in the above-referenced rulemaking, Neutral Tandem has a vital interest in the carrier-to-carrier rules that govern transit traffic. Specifically, Neutral Tandem has significant concerns regarding Rule 4901:1-7-13 as adopted by the Commission in its order of August 22, 2007. As it now stands, this rule ignores the realities of the tandem transit market, and purports to impose a TELRIC pricing standard in a setting where it has no legal or logical application. Thus, I am writing on behalf of Neutral Tandem to support the September 21, 2007 application for rehearing filed in this docket by AT&T Ohio to the extent it requests that you revisit this rule.

In Ohio, Neutral Tandem provides transit service to wireless and wireline carriers throughout the state, serving the entire metropolitan areas of Akron, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngtown through its subsidiary, Neutral Tandem-Michigan, LLC, which is duly authorized by this Commission to provide competitive local exchange and interexchange telecommunication services in this state under Certificate of Public Convenience

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
 Technician AM Date Processed 10/12/07

and Necessity No. 90-9283. Neutral Tandem currently terminates traffic to 52 competitive wireless, wireline and broadband switches in Ohio, and is also connected to 11 ILEC tandems in order to provide backup redundancy for call terminations. Neutral Tandem can terminate transit traffic to over 14 million telephone numbers in Ohio, which represents almost 70% of the Ohio telephone numbers served by competitive carriers. The company now terminates over 1.5 billion transit minutes annually in Ohio. Not only does the switching and transport infrastructure Neutral Tandem provides to wireless, wireline, and broadband carriers for exchanging voice traffic eliminate the need for these carriers to rely on ILECs to complete transit calls, but Neutral Tandem provides this service at a substantial discount from the rates charged by the ILECs. Neutral Tandem's facilities also provide significant diversity, thereby improving the homeland security of the PSTN in Ohio. Thus, Neutral Tandem's service clearly represents an important, effective, facilities-based competitive alternative to ILEC tandem transport, and, like all providers of competitive services, Neutral Tandem should be free to negotiate the price of its service with nearly 80 carriers that have elected to utilize Neutral Tandem.

Whether one agrees that ILECs do not have a duty to transport calls between two other carriers as AT&T Ohio asserts, there is no legal basis for the requirement that transit service be priced at TELRIC rates – a pricing methodology, which, even for ILECs, is reserved only for a limited number of ILEC monopoly services – i.e., the provision of unbundled network elements. Transit service, on the other hand, is not one of those identified services. Indeed, transit service is available from multiple suppliers in Ohio. Thus, the need for rate regulation of even ILEC transit service is minimal, at best. Moreover, in the case of a competitive provider such as Neutral Tandem, there is simply no way to apply TELRIC pricing rules. As with other competitive services, the rates for transit service should be market-based (*i.e.*, determined through arm's length negotiations between the carriers involved), not set by a pricing methodology designed to protect customers in instances where no competitive alternative exist.

On behalf of Neutral Tandem, I urge you to grant AT&T's application for rehearing to the extent that it requests that you revisit this issue, and to modify the rule so as to provide and preserve the benefits of competitive pricing to Ohio consumers. At minimum, there should be a provision in the rule explicitly waiving its application in situations where there are facilities-based competitive providers of tandem transit service.

Thank you for your consideration.

Sincerely,



Ronald Gavillet
Executive Vice President

cc: All Parties of Record