

FCC's USF and ICC Reform Order Published in Federal Register and Scheduled to Become Effective (in Part) on Dec. 29, 2011

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The FCC's recent Report and Order (Order) overhauling and reforming the nation's universal service fund (USF) and intercarrier compensation rules was published in the [Federal Register](#) on Nov. 29, 2011. As a result, the Order (and most of the rules promulgated in the Order) will become effective on Dec. 29, 2011.

We provided a detailed discussion of the Order, including the various new rules and requirements it establishes, on Nov. 23, 2011, available [here](#).

Among the rules that will now take effect on Dec. 29, 2011, are the following:

- All intercarrier compensation rates, including switched access rates, will be capped at current levels.
- IntraMTA traffic exchanged between CMRS providers and local exchange carriers will be subject to a default bill-and-keep compensation mechanism.
- Intercarrier compensation for toll traffic that originates or terminates in VoIP, but which is exchanged in TDM format, will be capped at interstate access rates (even if the traffic was otherwise intrastate in nature).
- Compensation for all other VoIP traffic exchanged in TDM format will capped at reciprocal compensation rates.
- Certain rules to combat access stimulation and phantom traffic will go into effect.

While the rules noted above take effect immediately, a number of rules related to these issues, and the administration of the new USF funds (the Connect America Fund and Mobility Fund) will go into effect at a later date, following further review and approval by the Office of Management and Budget. A further notice will be published in the Federal Register announcing the effective day of those rules.

Publication in the Federal Register also opens the window for judicial review of the Order. A petition for review filed within ten days of the Federal Register publication of the rules will determine which federal circuit court of appeals will review the Order, unless multiple petitions are filed within those ten days in different federal circuits around the country. If that occurs, a lottery will be held to determine where all the petitions for review will be consolidated and heard.

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