

Oregon Telco's Access Billing Arbitrage and the Local Telephone Company Challenge

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Carrier billing is no longer a simple process of taking recorded Automatic Message Accounting (AMA) and Exchange Message Interface (EMI) volumes and submitting a CABS bill. To complicate matters, Inter-exchange Carriers or their clients have sophisticated programs that remove or obscure record detail that eliminate billing detail required by the local telecommunications carrier to recover access revenue for terminating access minutes of use (MOU). Efforts to re-direct or block this type of traffic at the local telephone company end office by subject local telcos has resulted in the FCC sending a strong warning shot across the bow of every ILEC "Not To Block Traffic".

Multiple small ILEC's in Oregon are taking proactive approach to isolate this "Unbilled Toll" Traffic, by conducting specialized Switch, AMA/EMI and Signaling System 7 (SS-7) Studies to resolve the problem of:

1. Quantifying the volume of unbilled Traffic
2. Determining the source and ownership of processed AMA/EMI records
3. Developing means to back-bill and recover lost revenue
4. Presenting findings to the State regulatory body for action

Local Telephone Company "Call to Action"

The local telephone carriers of Oregon are facing access billing issues typical of all such carriers anywhere in the nation. Access billing arbitrage is removing the capacity for Telco's to receive appropriate compensation for terminating Inter-exchange carrier service. This is a serious business concern that should be addressed by all ILECs and CLECs that provide voice traffic. One company conducting traffic studies is not powerful enough to stop the reporting problems in their entirety. Collectively however, as more local telephone companies accurately measure their access traffic and enter access billing negotiations with their connecting Inter-exchange carriers, they will achieve an appropriate access billing MOU result. This should be to the benefit of theirs and the industry's bottom line.

Because of available MPi expertise and technology, there appears to be no reason for local telephone carriers to allow the Inter-exchange Carriers an uneven playing field on this matter. As the local telephone carrier success stories increase regarding the achievement of accurate access billing to Inter-exchange carriers, more such companies should be encouraged to measure their traffic for accurate billing. The largest impact will be most felt in the aggregate. All companies participating in State settlements have a



requirement to collect 100% of terminating access revenues to the benefit of themselves, and other pool members. State Regulatory Commissions currently recognize the access billing arbitrage issue. With accurate measurement technology, coupled with the need for fair access billing levels; and the interest of State commissions, this issue should be resolved for the betterment of the telecommunications industry.