

Switched Access is Transitioning to Bill and Keep ... Not so Fast!

In Year 6 of 10 of the FCC's Inter-carrier Compensation Order to move Switched Access charges to Bill and Keep, several more rate milestones must be met.

In July 2017 the first Switched Access Rate category fully transitioned to Bill and Keep (\$0.00 Cost per Minute CPM). Terminating Local Switching Rates for Price Cap Carriers transitioned to \$0.00 CPM.

Several other rate categories are also part of the Switched Access ICC order. The chart below shows the annual transition of Rates that are covered by the FCC's order.

		07/01/2016	07/01/2017	07/01/2018
Price Cap Carriers	Terminating Local Switching	0.0007	Bill and Keep	
	Terminating Tandem Transport (Tandem owner)	No change	0.0007	Bill and Keep
Rate-of-Return Carriers	Terminating Local Switching	0.005	0.0035667	0.0007

But wait — what about the other common Switched Access Rate Categories?

While the Rate elements identified above are heading to \$0.00, many other Rate categories are historically high, and in some cases, increasing over time.

Common Rate categories not addressed in the FCC order are:

- Terminating Tandem Transport Rate Elements for PC carriers who are not the Tandem owner
- Terminating Tandem Transport Rate elements for ROR carriers
- Host/Remote Rate elements
- All Originating Rate Elements including Local Switching and mileage dependent Tandem Transport.
- Database Query Charges

CCMI's NetExpress product has the data and software to analyze all Switched Access Rate elements for every billable End Office in the LERG. The system is updated daily by a team of seasoned tariff analysts.

The system uses an extensive Tariff database, the LERG, NECA data, and many other databases that allow a user to determine the Tandem Switched and Direct Connect CPM for a call.

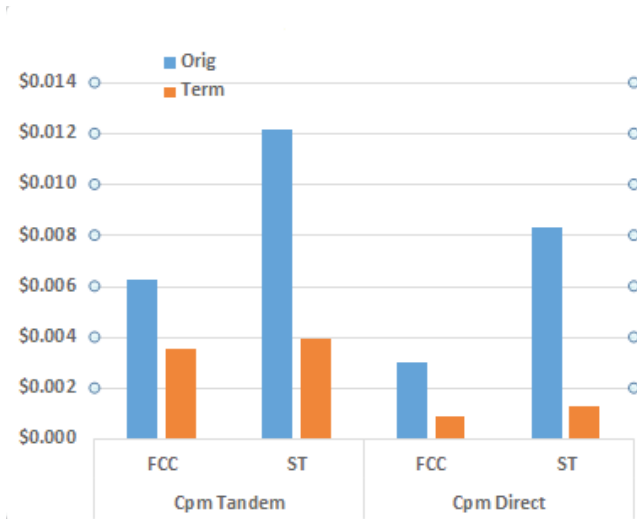
Email support@ccmi.com to request a list of 2017 Price Cap vs. Rate of Return Carriers.

NETEXPRESS

The following is a snapshot of NetExpress showing all the detail needed to validate your invoice. It shows a connection between End Office, LSGTCAXA35E and Tandem Switch, SNTCCA0102T. The connection is jointly provided by Frontier and Pacific Bell (AT&T). Note the BIP percentages of 18% and 82% obtained from the NECA tariff.

Loca	Loc2	Sub Leg	Tariff Used	Item	Unit Cost1	Unit Cost2	Unit2	Distance	BIP	Dis	Total
LSGTCAXA35E	SNTCCA0102T	Frontier	Communications f	Common Trunk EO (term)						100%	
				LS2 (Term)	\$0.000700					100%	\$0.000700
				Tandem Termination (term)						10	100%
				Tandem Transport (term)		\$0.000002	Mile	10	18%		\$0.000004
		Pacific Bell - CA		Common Mux AT (Term)	\$0.000098					100%	\$0.000098
				Tandem Switching (term)	\$0.000440					100%	\$0.000440
				Tandem Transport (term)	\$0.000075	\$0.000015	Mile	10	82%		\$0.000161

A study conducted with NetExpress demonstrates the difference between Originating and Terminating Rates in FCC and (local) State jurisdictions. The Originating Rates are 5x the Terminating Rates. Values used in the graph below include Total CPM Tandem and LS2 plus Muxing CPM Direct.



Study Date 2016 Aug 1st

Values	Juris	Direction		Increase
		Orig	Term	
Cpm Tandem	FCC	\$0.006292	\$0.003535	78%
	ST	\$0.012148	\$0.003978	205%
Cpm Direct	FCC	\$0.003049	\$0.000935	226%
	ST	\$0.008343	\$0.001316	534%

Increase	Value	Percentage
ST over FCC	Cpm Tandem	93%
	Cpm Direct	174%

Email support@ccmi.com today for information on NetExpress and to schedule a quick demo.