


UTEX COMMUNICATIONS CORP.

d/b/a

FeatureGroup 

BACKGROUND AND EXPLANATION LETTER

FOR

**COMPETITIVE INTERSTATE SWITCHED EXCHANGE
ACCESS SERVICES**

AND

“IGI-POP”

SERVICES

Issued January 11, 2005

Effective January 12, 2005

BACKGROUND AND EXPLANATION

UTEX Communications Corporation d/b/a Feature Group IP is filing a Competitive Interstate Switched Exchange Access Services Tariff, pursuant to and in accordance with 47 C.F.R. § 61.26. The terms, conditions and rates are intended to comply with the requirements of that rule and the Commission's order in Seventh Report and Order and Further Notice of Proposed Rulemaking, *In the Matter of Access Charge Reform., Reform of Access Charges Imposed by Competitive Local Exchange Carriers*, CC Docket No. 96-262, FCC 01-146 (Rel. April 27, 2001).

In addition, the Tariff addresses a new, voluntary offering for information access, called Internet Gateway Intermediation – Point of Presence (“IGI-POP”). The IGI-POP Service offering is a competitive response to the recent SBC TIPToP tariff. While the FCC has a stated regulatory light touch policy for VOIP providers, SBC has responded to this FCC light touch policy by filing the TIPToP tariff which interprets VOIP to not include certain types of customers, technologies and traffic and by requiring all VOIP users to pay traditional inter-carrier access charges. Further the restrictive terms in the SBC TIPToP tariff effectively require VOIP providers to apply for state regulatory certification and to become carriers.

Prior to the filing of SBC's TIPToP Tariff, FeatureGroup IP asked SBC to be included in the formation of the SBC tariff so that FeatureGroup IP and SBC's Inter-carrier relationship defined by Interconnection agreements would not be altered. SBC stated affirmatively that the TIPToP tariff would be completely voluntary and that nothing in the TIPToP tariff would affect our Interconnection Agreements and rights. SBC then filed its tariff and the TIPToP Tariff went into operational effect without SBC ever showing it to FeatureGroup IP.

Feature Group IP examined SBC's filed TIPToP tariff and concluded:

- (1) TIPToP is a voluntary offering and thus other similar tariffs such as IGI POP may be filed to present a competitive alternative;
- (2) TIPToP is inconsistent with existing terms in FeatureGroup IP's Interconnection Agreement with SBC; and
- (3) TIPToP is inconsistent with the FCC's “Light Regulatory Touch” policy in that TIPToP requires Voice Over Internet Protocol providers to obtain regulatory certification in order to acquire certain “codes” and “numbers” mandated by TIPToP as a condition of service.

The FeatureGroup IP services in this IGI POP Tariff are voluntary and offered pursuant to FeatureGroup IP's Interconnection rights under the Federal Telecommunications Act of 1996 to interconnect its network(s) with other carriers, including Local Exchange Carriers, for the mutual exchange of traffic. This IGI-POP tariff does not change existing agreements interconnection or traffic exchange agreements that are reached under §§ 201, 251(b) or (c), 252 or 331 of the Communications Act. Feature Group IP will not charge a usage sensitive rate for any traffic which is considered “non-toll” under the definition of this Tariff.

FeatureGroup IP has an existing Interconnection Agreement with SBC-Texas which has a negotiated provision which clearly states that no compensation is due as between SBC and FeatureGroup IP for all traffic to or from the Internet, including VoIP applications. For each LATA where FeatureGroup IP (Which does business in Texas as UTEX Communications Corp.) passes IGI POP traffic with SBC in Texas, UTEX Communications Corp will treat such traffic as having no compensation due as between UTEX and SBC (i.e. “non-toll”).

BACKGROUND AND EXPLANATION (Continued)

Also consistent with the FCC's Regulatory Light Touch policy on Voice Over Internet Protocol, Feature Group IP will offer to all other LECs and CMRS carriers with which it exchanges traffic a "No Compensation Due" arrangement for the mutual exchange of traffic to and from new technology providers.

Restrictions

Consistent with the FCC's Light Regulatory Touch policy, the only current restriction is that in order to be eligible for this service from Feature Group IP, Customer must affirmatively represent that it is an Enhanced Service Provider and entitled to the ESP Exemption and will use IGI-POP service only for applications or services that qualify for the ESP Exemption. Legacy Carriers may not subscribe to this service.

The Tariff is filed on January 11, 2005 and will become effective on January 12, 2005.