

VPS Consulting Memo

# Next Step for Transition of 8YY End Office Access Charges

## CAP ON JOINT TANDEM SWITCHED TRANSPORT AND TRANSITION DATABASE QUERY CHARGES

### Summary

On October 9, 2020, the Federal Communications Commission (FCC) released a Report and Order relating to 8YY Access Charge Reform. The Report and Order announced a transition of 8YY originating end office access charges to bill-and-keep over three years and, a single nationwide tariffed Joint Tandem Switched Transport access service rate cap of \$0.001 per minute. Further, the FCC charges for the 8YY database queries needed to route all 8YY calls to \$0.0002 by July 1, 2023 and prohibit carriers from charging for more than one such query per call. The transition to bill-and-keep for 8YY Access Charges was done by the FCC to curtail abuse of the 8YY intercarrier compensation regime and to preserve the value of toll-free services.

### Key Information

#### Transition of 8YY Access Charges to Bill-and-Keep

The next transition step set forth in the Order for 8YY Access Charges will take place on July 1, 2021:

- All local exchange carriers are required to bring any intrastate originating 8YY end office access rates that exceed the comparable interstate rates into parity with the comparable interstate rates.

## 8YY Joint Tandem Switched Transport Service Rate Cap (JTST)

The next step set forth in the Order for 8YY Joint Tandem Switched Transport (JTST) Access Charges will take place on July 1, 2021:

- A single uniform nationwide rate cap of \$0.001 per minute for originating 8YY tandem switching and transport access charges.

To achieve this nationwide uniform cap, effective July 1, 2021, tandem providers are required to eliminate existing tandem switching charges and transport charges for originating 8YY traffic, and instead subsume charges for both tandem switching and transport into a single Joint Tandem Switched Transport (JTST) access service rate element not to exceed \$0.001 per minute.

To give tandem providers adequate time to implement the rate cap, carriers are required to file tariffs that comply with the interim rate cap for originating 8YY tandem switching and transport rates effective July 1, 2021.

## 8YY Database Query Charges to Transition to a Capped Rate

The next step set forth in the Order for 8YY Database Query Charges will take place on July 1, 2021:

- 8YY Database query rates are capped for each carrier at the national average query rate of \$0.004248. The data base queries will be limited to one charge per toll-call, billed by the LEC that completes the toll-free data base query and the rate will be the same for vertical versus basic-toll-free database queries. (Note: Capped 8YY Database query rates that are lower than \$0.004248 must remain at those lower capped rates.)

## Upcoming Tariff Changes

Carriers should note that each jurisdiction has its own rules on notice provisions and procedures for tariff filings. Therefore, it is important that all carriers begin the next step in the 8YY Access Charges Transition process now to revise and file their Access Service Tariffs. By starting the tariff revision process now, carriers will ensure that they timely comply with the 8YY Access Charges Transition rules, effective July 1, 2021.

## Additional Information

For information on this issue or if you would like VPS guidance with the tariff revision and filing process, please contact these members of the Vantage Point Solutions 8YY Access Charges Transition Team:

**Dodie North** at (830) 895-7220, [Dodie.North@vantagepnt.com](mailto:Dodie.North@vantagepnt.com)

**Wendy Harper** at (605) 995-1756, [Wendy.Harper@vantagepnt.com](mailto:Wendy.Harper@vantagepnt.com)

**Steve Gatto, JD** at (830) 895-7226, [Steve.Gatto@vantagepnt.com](mailto:Steve.Gatto@vantagepnt.com)