

July 25, 2008

## [Southern District of New York Reaches Landmark Ruling for Telecommunications Industry](#)

Yesterday the federal district court for the Southern District of New York reached a landmark ruling for the telecommunications industry, holding that long-distance companies must pay competitive local telephone carriers for accepting traffic destined for teleconference services. *All American Tel. Co., Inc. v. AT&T, Inc.* (Case 07-0861).

Several local telephone companies, led by Womble Carlyle client All American Telephone Company, have sued AT&T for unpaid fees, called "access charges," that accrued when AT&T long-distance customers phoned any of several conference service providers to whom the plaintiff companies provide local service. Each of these companies has filed and obtained approval for their network service list, called a "tariff," that include a per-minute access charge for all long-distance calls that land, or "terminate," on their local networks.

AT&T has resisted paying the access charges on the ground that calls to conference bridges do not actually terminate on the networks of All American or the other plaintiffs. In response to a motion by All American and the other plaintiffs for a judgment that the tariffs apply to teleconference traffic, Judge William Pauley of the Southern District held that terminating calls to teleconference bridges is a service for which access charges are due under the plaintiffs' tariffs.

Judge Pauley rejected claims by AT&T that these companies are "sham entities," holding that such arguments are barred under the "filed tariff doctrine" once a tariff is filed and approved. This opinion is a crucial victory for the plaintiffs, and represents the first court finding that telephone companies serving teleconference companies have the right to collect terminating access charges as would any local carrier that accepts long-distance calls.

The following Womble Carlyle [Telecommunications](#) attorneys were instrumental in securing the federal district court for the Southern District of New York ruling: [Jonathan E. Canis](#), [Paul A. Kaplan](#), and [James W. Gladstone](#).

**IRS CIRCULAR 230 NOTICE:** *To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. tax advice contained in this communication (or in any attachment) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed in this communication (or in any attachment).*