

**Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Rural Call Completion)	WC Docket 13-39
)	
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**REPLY COMMENTS OF VERIZON ON THE
THIRD FURTHER NOTICE OF PROPOSED RULEMAKING**

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The comments in the record widely support the Commission’s continued efforts to improve rural call completion and the newly adopted rules in the *Second R&O*² which will help the Commission more effectively address rural call completion issues. The record confirms that the Commission should take the following steps, consistent with our comments,³ to implement the Improving Rural Call Quality and Reliability Act of 2017 (“RCC Act”) efficiently while promoting further industry collaboration:

- decline to mandate industry best practices and instead adopt flexible service quality standards for intermediate providers;
- eliminate the data recording and retention requirement;
- fully implement the RCC Act and establish all rural call completion rules *before* compliance deadlines become effective; and
- clarify that the RCC Act applies only to rural areas or, in the absence of clarification, forbear from applying the RCC Act to non-rural areas.

¹ The Verizon companies participating in this filing (“Verizon”) are the regulated, wholly-owned subsidiaries of Verizon Communications Inc.

² *Rural Call Completion*, Second Report and Order and Third Notice of Proposed Rulemaking, WC Docket 13-39, FCC 18-45 (Apr. 17, 2018) (“*Second R&O*” or “*Third FNPRM*”).

³ See Verizon Comments at 1.

I. The Commission Should Adopt Flexible Service Quality Standards for Intermediate Providers that Will Account for Differences in Providers' Networks, Processes and Practices

The Commission correctly declined to mandate best practices for covered providers, and it should follow the same approach when establishing service quality standards for intermediate providers.⁴ ATIS, USTelecom, INCOMPAS, West Telecommunications, and ITTA agree the Commission should not mandate specific best practices as the service quality standards for intermediate providers.⁵ Instead, as ITTA explains, “the service quality standards the Commission adopts for intermediate providers should be consistent with those applied to covered providers in the *Second RCC Order*.”⁶ The goal is to improve rural call completion, not to turn the voluntary industry best practices into regulatory requirements.⁷ Instead of adopting a one-size-fits-all approach that does not account for different network environments, the Commission should, as the Committee Report suggests, require “the more general adoption of duties to complete calls analogous to those that already apply to covered providers under prior Commission rules and orders.”⁸

⁴ See *Second R&O* ¶ 19.

⁵ See ATIS Comments at 4 (“ATIS urges the Commission not to mandate the Best Practices from the handbook for intermediate carriers.”); USTelecom at 7 Comments (“[T]he Commission should refrain from mandating specific industry best practices for Intermediate Providers.”); INCOMPAS Comments at 4-5 (“As the Commission seeks to develop implementing requirements that comply with the RCC Act in the FNPRM, it should do so consistent with the flexible approach adopted in the Second Report and Order.”); see also West Telecommunications Comments at 5-9; ITTA Comments at 5-7.

⁶ ITTA Comments at 2.

⁷ Accord West Telecommunications Comments at 7.

⁸ Senate Committee on Commerce, Science, and Transportation, “Improving Rural Call Quality and Reliability Act of 2017,” S. Rep. No. 115-6 on S. 96 at 6 (Mar. 21, 2017), <https://www.gpo.gov/fdsys/pkg/CRPT-115srpt6/pdf/CRPT-115srpt6.pdf> (“Committee Report”).

The comments of Alaska Communications (“ACS”) and ANI Networks (“ANI”) illustrate why new service quality standards need to be flexible and technology neutral. ACS discusses its use of MF signaling technology and, because of specific concerns associated with its networks, proposes it should be exempt from whatever service quality, performance monitoring, recordkeeping, or other requirements the Commission may adopt in this proceeding.⁹ The Commission should reject this proposal which may result in a loophole from the RCC Act and Commission rules for intermediate providers that use MF signaling.¹⁰ Instead of creating technology-based exemptions from service quality standards, the Commission should ensure that the service quality standards it adopts are technology neutral and flexible enough to be implemented across different types of networks.

Similarly, ANI supports the proposed requirement that a provider “crank back” or release a call back to the originating carrier instead of dropping the call,¹¹ but qualifies that support with a lengthy discussion of highly specific, technical requirements that should be included in the “crank back” rule.¹² But the technical requirements that ANI proposes are a good example of micromanagement the Commission should avoid.¹³ In addition, these proposed requirements may not be feasible depending on the unique networks and technologies different carriers

⁹ See ACS Comments at 2, 5. ACS asserts it is infeasible to upgrade MF signaling to SS7 switches because doing so would be cost-prohibitive, and manufacturer support to upgrade certain switching platforms is not available. See *id.* at 4.

¹⁰ ACS is not the only provider that continues to use MF signaling. Verizon has observed MF signaling technology elsewhere as well. For example, as part of Verizon’s investigations under the Verizon consent decree, Verizon investigated low call answer rates to four OCNs in Alaska and two in Louisiana, comprising a total of 30 end offices, all of which utilized MF signaling.

¹¹ See *Third FNPRM* ¶ 87.

¹² See ANI Comments at 5-7 (“ANI urges the Commission to ensure that the requirement is designed in such a way as to prohibit (or at a minimum, not incentivize) improper use of crank back release codes.”).

¹³ *Second R&O* ¶ 18; see also West Telecommunications Comments at 6.

employ. ANI acknowledges as much with respect to other service quality standards and urges the Commission not to mandate more complex service quality standards because providers need flexibility to determine which standards they should adopt based on their individual networks.¹⁴ The Commission should apply this principle to *all* of the service quality standards and decline to mandate them.

The issues ACS and ANI raise are just two examples of why a one-size-fits-all approach to service quality standards would not work for all providers and would not improve rural call completion.¹⁵ As the Commission recognized, each provider has “network-specific demands and customer expectations.”¹⁶ The flexible approach we and others proposed does not exempt an intermediate provider from the registration requirements. Nor does it exempt an intermediate provider from complying with the service quality standards.¹⁷ Instead, this approach implements the RCC Act in a manner that also allows intermediate providers flexibility to choose methods to achieve service quality based on their individual networks.

The Commission should also decline to adopt additional rules “to prevent intermediate providers from manipulating signaling information for calls destined for rural areas[.]”¹⁸ There are already rules in place to prevent that sort of manipulation. Those rules are sufficient, and there is no basis or need for the Commission to adopt additional rules¹⁹ However, the

¹⁴ See ANI Comments at 5.

¹⁵ See *Second R&O* ¶ 18.

¹⁶ *Id.* (quoting ATIS *Second FNPRM* Comments at 3 (Aug. 28, 2017)).

¹⁷ The Commission should not, however, require intermediate providers to file annual certifications that they are complying with the yet-to-be-determined service quality standards, or that they do not transmit covered voice communications to unregistered intermediate providers. *Accord* ITTA Comments at 6-7; cf. NTCA Comments at 4-5.

¹⁸ *Third FNPRM* ¶ 88.

¹⁹ See 47 C.F.R. § 64.1601(a).

Commission should grant the several petitions for limited waiver of the Commission's call signaling rules, which have been pending since 2012.²⁰

II. Most Commenters Support Eliminating the Remaining Recordkeeping and Retention Requirements

There is strong record support for eliminating the remaining data recording and retention requirements. ITTA, CTIA, NCTA, Sprint, and USTelecom support the Commission's proposal to eliminate the remaining recording and retention requirements.²¹ As ITTA noted, "despite acknowledging 'the burdens our data collection efforts place on service providers' and the ineffectiveness of such efforts . . . the Commission nevertheless retained those requirements, without providing any cogent or meaningful explanation as to why."²² There is no reason to retain the current requirements particularly where, as CTIA explains, "the new monitoring rule and the Commission's oversight of intermediate providers pursuant to the RCC Act are targeted to ensure calls are completed to rural areas."²³

²⁰ See Petition for Limited Waiver of Verizon, *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *et al.* (Feb. 10, 2012). The relief Verizon seeks from Section 64.1601(a)(1)-(2) would be limited to the following situations: (i) legacy SS7 network elements used for non-equal access traffic that we would have to upgrade or replace in order to generate and pass the charge number (CN) when it differs from the calling party number; (ii) legacy MF signaling equipment that we would have to replace in order to signal CN and CPN as the rules contemplate; and (iii) limited situations involving VoIP traffic, including when as an intermediate carrier we receive traffic with improperly formatted or unverifiable CPN or CN. See generally Verizon Ex Parte Letter, CC Docket No. 01-92, *et al.* (Jan. 13, 2017).

²¹ See CTIA Comments at 4 ("CTIA urges the Commission to eliminate the recording and retention rules to reduce the substantial, unnecessary costs imposed on covered providers."); ITTA Comments at 7 (urging the Commission to sunset the data recording and retention rules); NCTA Comments at 5 ("NCTA also supports the proposal to eliminate recordkeeping and retention requirements."); Sprint Comments at 3 ("Sprint urges the Commission to eliminate [the recording and retention] rules, effective immediately upon publication of the adopting order in the Federal Register."); USTelecom Comments at 15 ("[T]he Commission should expeditiously sunset the recording and retention rules established in the original 2013 RCC Order.").

²² ITTA Comments at 9 (quoting *Second R&O* ¶ 57).

²³ CTIA Comments at 4.

Only one commenter, NTCA, argues to retain the rules, and the Commission should reject that proposal. NTCA argues that “without record keeping, there is no way to measure or enforce the language of the RCC Act[.]”²⁴ But this has proven untrue; the data was not used to aid enforcement action. As CTIA notes, “the data do not meaningfully assist the Commission’s public policy goals or ‘aid enforcement action when necessary.’”²⁵ The Wireline Competition Bureau concluded “that data quality issues have limited its ability to use the collected data,” and “variations in the format and substance of the provided data have prevented the Commission from using the data to draw firm conclusions about the source of rural call completion problems.”²⁶ Instead of mandating data recording and retention requirements that are burdensome, expensive, and ineffective to address rural call completion issues, the Commission should eliminate the remaining rules and, as Sprint suggests, “leave it to the discretion of the covered carrier to collect whatever information it needs, and to retain that information for as long it needs.”²⁷

III. The Commission Should Establish All of the Rural Call Completion Rules Before the Compliance Deadlines Become Effective

The various concerns about the deadlines for covered providers to comply with the new monitoring rules and RCC Act requirements demonstrate the Commission should establish the full set of rural call completion rules *before* any of the current proposals go into effect. Several commenters support extending the Commission’s proposed deadline for the requirement for

²⁴ NTCA Comments at 6.

²⁵ CTIA Comments at 5 (internal citation omitted).

²⁶ *Second R&O ¶¶* 58-59 (citing *Rural Call Completion*, Report, 32 FCC Rcd 4980 (2017)).

²⁷ Sprint Comments at 4; *accord* Verizon Comments at 15.

covered providers to use only registered intermediate providers.²⁸ Others support extending the deadline for implementing the covered provider monitoring requirement.²⁹ Instead of rolling out piecemeal regulatory mandates, the Commission should first resolve the outstanding issues, and then implement a reasonable timeline for compliance.

As explained in USTelecom’s Petition for Stay, the Commission needs to decide several key issues, including which entities fit the definition of intermediate provider, the intermediate provider registration requirements, and the intermediate provider service quality standards.³⁰ The Commission also needs to determine the meaning of “use” in the context of Section 262(b) and whether to adopt the safe harbor in proposed Rule 64.2107.³¹ The Commission’s decisions on each of these issues will affect how covered and intermediate providers proceed, and without the final rules in place, providers will unnecessarily waste resources that could be used to further the goal of improving rural call completion.

²⁸ Sprint states that the Commission should give covered providers 90 days after the intermediate provider registration deadline to renegotiate contracts with intermediate providers. *See* Sprint Comments at 3. ITTA agrees that 90 days would be appropriate, but only if the Commission interprets “use” in the context of Section 262(b), to mean the first carrier in the call path (*i.e.*, the intermediate provider with a direct contractual relationship with the covered provider). *See* ITTA Comments at 4-5. If the Commission adopts a broader interpretation of “use,” ITTA argues that the Commission “should allocate a minimum of six months” for covered providers to comply with Section 262(b). *Id.* at 5. West Telecommunications suggests that the Commission align the deadline for using registered intermediate providers with the October 17, 2018 deadline for covered provider monitoring requirements, or preferably, the February 26, 2019 deadline for the safe harbor proposed under proposed Rule 64.2107(a)(2). West Comments at 10.

²⁹ *See, e.g.*, Verizon Comments at 13-14; *see also* USTelecom Comments at 8 (“It is unrealistic and counterproductive for the Commission to mandate monitoring requirements for Covered Providers by an arbitrary date before it has established the registration, monitoring, and service quality standards for Intermediate Providers.”).

³⁰ *See generally* USTelecom Petition for Stay, *Rural Call Completion*, WC Docket No. 13-39 (June 11, 2018).

³¹ *See Third FNPRM* ¶¶ 79, 101.

IV. The Commission Should Clarify that the RCC Act Applies Only to Rural Areas or, In the Alternative, Forbear on Its Own Motion From Applying the RCC Act to Non-Rural Areas

The Commission should clarify that the requirements of the RCC Act only apply to covered voice communications to rural areas.³² If the Commission declines to do so, we agree with USTelecom’s request that “[a]bsent the requested clarification, the Commission should forbear on its own motion from applying the monitoring requirements to urban areas.”³³ All three conditions for forbearance are met.

First, enforcing the RCC Act in non-rural areas “is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier are just and reasonable and are not unjustly or unreasonably discriminatory.”³⁴ Neither the Commission nor Congress has articulated a need to address call completion in non-rural areas. The RCC Act was enacted because “[t]he FCC has found that there is a frequent and pervasive inability to properly complete long-distance calls to rural areas.”³⁵ As USTelecom explains, “[g]iven the absence of any call completion issues beyond rural areas, broader application of the rules are therefore unnecessary to ensure reasonable and nondiscriminatory charges and practices.”³⁶

³² See Verizon Comments at 17-20; USTelecom Comments at 10-13.

³³ USTelecom Comments at 13. It is well established that “the Commission has the authority to forbear from applying regulation on its own motion, as well as in response to a petition for forbearance.” See *Promoting Telehealth in Rural America*, Notice of Proposed Rulemaking and Order, 32 FCC Rcd 10,631 ¶ 116 n.182 (2017).

³⁴ 47 U.S.C. § 160(a)(1).

³⁵ Committee Report at 2.

³⁶ USTelecom Comments at 14.

Second, enforcing the RCC Act in non-rural areas “is not necessary for the protection of consumers.”³⁷ The rules adopted by the Commission and the actions taken by covered and intermediate providers in this proceeding have focused on protecting consumers in rural areas. US Telecom correctly notes that “[t]here is no evidence in the record whatsoever that consumers residing outside of [rural] areas have been impacted at all by call completion issues.”³⁸

Third, “forbearance from applying such provision or regulation is consistent with the public interest.”³⁹ The public is better served by providers devoting effort and resources to address rural call completion, rather than regulating call completion in non-rural areas where issues do not exist. Expanding the current and future efforts to non-rural areas would significantly dilute the time and resources that could be spent ensuring call completion in rural areas.

CONCLUSION

The Commission should take the steps we have proposed in our comments and in these reply comments.

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³⁷ 47 U.S.C. § 160(a)(2).

³⁸ USTelecom Comments at 14.

³⁹ 47 U.S.C. § 160(a)(3), (b).