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November 13, 2017

**Ex Parte**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84**

Dear Ms. Dortch:

On November 8, 2017, Roy Litland and I from Verizon and Nicholas Vantzelfde of CMA Strategy Consulting met separately with Jay Schwarz, Wireline Advisor to Chairman Pai; Amy Bender, Wireline Legal Advisor to Commissioner O’Rielly; Claude Aiken, Wireline Legal Advisor to Commissioner Clyburn; Travis Litman, Chief of Staff and Wireline and Public Safety Senior Legal Advisor to Commissioner Rosenworcel; Annick Banoun, Adam Copeland, Lisa Hone, Daniel Kahn, and Michael Ray from the Wireline Competition Bureau, and Paul LaFontaine from the Office of Strategic Planning and Policy Analysis. Will Johnson of Verizon also attended the meeting with Dr. Schwarz. During the meetings we focused on the parts of the Commission’s *Notice* and Draft Order and Draft FNPRM that address pole attachment reforms.<sup>1</sup> Verizon’s remarks were consistent with our prior advocacy in this matter.<sup>2</sup>

Verizon and others have urged the Commission to allow new attachers the option of using a One-Touch Make-Ready (OTMR) process to help speed fiber and small-cell

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<sup>1</sup> See *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment*, Notice of Proposed Rulemaking, Notice of Inquiry, and Request for Comment, 32 FCC Rcd 3266 (2017) (“*Notice*”); *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment*, Report and Order, Declaratory Ruling, and Further Notice of Proposed Rulemaking [*as circulated*], WC Docket No. 17-79, FCCCIRC1711-04 (circ. Oct. 26, 2017).

<sup>2</sup> See, e.g., Verizon Comments, WC Docket No. 17-84 (June 15, 2017) (“Verizon Comments”); Verizon Reply Comments, WC Docket No. 17-84 (July 17, 2017) (“Verizon Reply Comments”).

deployment.<sup>3</sup> We gave a brief overview of our proposal, as outlined in a short video.<sup>4</sup> Our OTMR proposal would allow attachers, as well as pole owners, the option to use pole-owner-approved contractors to coordinate and do all work to add a new attachment or perform other make-ready work. Instead of multiple parties performing sequential make-ready work on the pole, a new attacher could use a single pole-owner-approved contractor to complete all of the work at one time. OTMR thus replaces multiple truck rolls with one, thereby speeding the attachment timeline and reducing aggregate make-ready costs. OTMR also benefits pole owners because in an OTMR structure, the attaching party has the responsibility for obtaining a survey and make-ready estimate and of notifying existing attachers that make-ready work will be performed rather than shifting that responsibility to the pole owner. And, municipalities and residents benefit because there will be reduced closures or disruption of streets and sidewalks for make-ready work. Our proposal would require contractors to be qualified and approved by the pole owner to perform work – either in the communications space, or the electrical space, or both – and to be permitted to complete both simple and complex work in either of those spaces pursuant to their qualifications and any necessary certifications. Under our proposal, the new attacher would be required to correct any deficiencies that the pole owner or existing attachers identify regarding the contractor’s make-ready work and the new attacher and approved contractor would indemnify for any harm caused by such work. Attachers who do not elect to use OTMR would be able to continue to use the existing pole attachment timeframes and processes.

At Verizon’s request, Mr. Vantzelfde reviewed the current system of make-ready work, and assessed its effects on broadband deployment. Mr. Vantzelfde regularly advises senior executives on strategy, regulation, and competition issues in the communications, video, and media sectors. He has worked with service providers, investors, and government agencies to assess the market for new opportunities, anticipate competitive challenges, and implement new technology, and he has participated in numerous regulatory proceedings. In our meetings, Mr. Vantzelfde discussed his conclusion that the current make-ready process is characterized by inefficiencies and unpredictability that together can handicap rapid broadband deployment. He noted that the incentives in the current system are aligned against efficient deployment of new attachments. And he explained that based on his findings, allowing participants the option of using OTMR would remedy those disincentives and cure much of the current delays and lack of predictability.

The attached report summarizes Mr. Vantzelfde’s findings, based on his interviews with construction vendors, fiber network operators, and utilities. Mr. Vantzelfde explained that under the current make-ready framework, it is very difficult to coordinate sequential make-ready performed by different parties. On top of the inherent coordination difficulties, parties’

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<sup>3</sup> See, e.g., Verizon Comments at 4-8; Ex Parte Letter from Katharine Saunders, Verizon, to Marlene Dortch, FCC, WC Docket No. 17-84 (Aug. 25, 2017); Ex Parte Letter from Katharine Saunders, Verizon, to Marlene Dortch, FCC, WT Docket No. 17-79 and WC Docket No. 17-84 (Sept. 11, 2017); Google Fiber Inc. Comments, WC Docket No. 17-84, at 1-4 (June 15, 2017); INCOMPAS Comments, WC Docket No. 17-84, at 5-10 (June 15, 2017).

<sup>4</sup> See <http://www.verizon.com/about/news/simple-rule-can-speed-broadband-build-outs>.

incentives are not aligned. Whereas the new attacher seeks to deploy its facilities as quickly as possible, electric company pole owners generate financial returns by providing electricity, not managing pole attachments, and existing broadband attachers often view make-ready as a resource burden that enables a new competitor. Thus, pole owners and existing attachers often assign the lowest priority to make-ready work, leading to delays. Anticipating these delays, the new attacher routinely budgets a worst-case scenario, which effectively shrinks the new attacher's contemplated deployment radius. Some providers even choose the more expensive option of deploying underground because those deployments can be more predictable.

Mr. Vantzelfde explained that there are some instances in which parties may agree to ad hoc OTMR-like processes that can lead to more efficient and quicker deployment. But these ad hoc processes – where they exist at all – are often not available to new entrants, and regardless are neither uniform nor consistent. Mr. Vantzelfde found a consensus among the interviewed parties that consistently having the option of using a one-touch make-ready framework would substantially improve the make-ready process. Providers would be better able to budget and plan for deployment, and would be able to deploy more quickly and efficiently. Mr. Vantzelfde concluded that there is evidence that these improvements would likely lead to more rapid deployment of broadband, particularly for new entrants, than under the current model.

We concluded that Mr. Vantzelfde's findings provide additional support for the Commission to adopt Verizon's OTMR proposal.

Very truly yours,

A handwritten signature in black ink, appearing to read "Katharine R. Saunders", with a stylized, flowing script.

Katharine R. Saunders

cc: Jay Schwarz  
Amy Bender  
Claude Aiken  
Travis Litman  
Annick Banoun  
Adam Copeland  
Lisa Hone  
Daniel Kahn  
Michael Ray  
Paul LaFontaine