

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

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| In the Matter of |) | |
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| Toll Free Assignment Modernization |) | WC Docket No. 17-192 |
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| Toll Free Service Access Codes |) | CC Docket No. 95-155 |
| |) | |

REPLY COMMENTS OF VERIZON

The record supports a careful, targeted approach to auctioning toll free numbers. Commenters generally agree with Verizon that any method for assigning toll free numbers by auction should ensure that assignments remain prompt, predictable and at reasonable cost to comply with Section 251(e)'s requirements. And any auction should maintain the current restrictions on brokering, hoarding and warehousing except in very limited circumstances involving bona fide, above-board corporate transactions.

As Verizon and other commenters explained, the current first come-first served approach has enabled the Commission to meet its statutory obligations by assigning toll free numbers promptly and efficiently.¹ The Commission should ensure that any auction method does so just as effectively, and commenters representing a cross-section of service providers and RespOrgs have highlighted several aspects of an auction regime that the Commission would need to tailor to meet these objectives.² Verizon and other commenters have described the costs RespOrgs

¹ Verizon Comments at 1, 4; ATIS Comments at 2-3; 800 Response Information Svc. Comments at 4; CenturyLink Comments at 2-3; CSF Corp. Comments at 3.

² See Verizon Comments at 4-8; 800 Response Information Svcs. Comments at 4-6; CenturyLink Comments at 3-4; CSF Comments at 2-4.

would incur should the Commission proceed with auctions,³ the continued need to ensure that toll free number assignments are for the use and benefit of bona fide consumers,⁴ the sensitivity of toll free subscriber database information,⁵ and the interplay between auction and secondary market behavior.⁶ As to the auction method itself, several commenters affirm that reserve bids and uncertainty as to which numbers will be subject to auction⁷ could raise equitable concerns. And treatment of the Toll Free Number Administrator's costs and auction revenues would need to meet the statutory competitive neutrality requirement.⁸

The record likewise supports a very limited exemption from the prohibition on brokering toll free numbers, while otherwise maintaining restrictions against hoarding and warehousing. Brokering restrictions are not required where the toll free number is incidental to other legitimate transactions, or to remedy administrative errors that sometimes arise.⁹ But several commenters otherwise largely share Verizon's concern that those restrictions serve overriding principles of efficient numbering administration tied to the benefit of the consumers who use them.¹⁰

³ See Verizon Comments at 2-4; ATIS Comments at 4; CSF Comments at 2; 800 Response Information Svcs. Comments at 6.

⁴ See Verizon Comments at 6; 800 Response Information Svcs. Comments at 5-6; ATIS Comments at 5-6; CenturyLink Comments at 6.

⁵ See Verizon Comments at 6; 800 Response Information Svcs. Comments at 7; ATIS Comments at 7; ATFP Comments at 8.

⁶ See Verizon Comments at 5-6; 800 Response Information Svcs. Comments at 5; ATIS Comments at 3.

⁷ See Verizon Comments at 5; CSF Corp Comments at 3, 4.

⁸ See Verizon Comments at 8; *see also* CenturyLink Comments at 6 n.13.

⁹ See Verizon Comments at 800 Response Information Svcs. Comments at 8-9; ATIS Comments at 5.

¹⁰ See Verizon Comments at 7; ATIS Comments at 7-8; CenturyLink Comments at 4; CSF Corp. Comments at 4.

Commenters more supportive of a more liberalized secondary market, in contrast, have not addressed the importance of this statutory responsibility despite the potential strain on the spare pool and number exhaust.¹¹

Finally, commenters raised legitimate concerns about the implications of auctions and brokering on toll free customers' ability to protect and manage the use of their brands, and the attendant risk of fueling trademark or branding disputes.¹² That risk would make toll free numbering assignments *less* predictable for business customers, many of whom use them as one of many significant investments in building goodwill and trust among consumers and the general public. Verizon's recommendation that any auction bids be submitted only for the benefit of business customers with a legitimate interest in the number helps mitigate the risk;¹³ it also implements trademark law objectives of protecting the public from marketplace confusion and deceptive and misleading practices. And restricting permission for secondary marketing transactions to "transparent, above-board secondary market transactions that account for legitimate business needs,"¹⁴ while maintaining the current prohibition against hoarding, warehousing, and speculative brokering transactions would serve these objectives as well. Allowing speculative brokering transactions, and marketplace behavior that risks severing the connection between toll free numbers and bona fide customers, risks increasing the frequency of – and costs of resolving – such disputes to legitimate brand and trademark holders. Verizon

¹¹ See ATFP Comments at 6-7; Power Auction Comments at 6-7; RingBoost Comments at 2.

¹² See Comments of 1-800 CONTACTS, Inc. at 4-9; 800 Response Information Svcs. Comments at 10. Verizon expects that many auction participants would own federally registered, and in many cases, well known or famous trademarks, which may be identical or confusingly similar to toll free numbers in some cases.

¹³ Verizon Comments at 4.

¹⁴ Verizon Comments at 6-7.

agrees that the Commission should account for these factors as it considers the merits of any auction and secondary market approach so that it does not inadvertently exacerbate these disputes as a result of this proceeding.

For the foregoing reasons and those discussed in Verizon's comments, any new auction-based method of assigning toll free numbers should preserve the timely and cost-efficient availability of numbers to consumers, while limiting secondary market transactions to non-speculative corporate ownership changes and ensuring that RespOrgs and their subscribers utilize numbers efficiently.

Respectfully submitted,

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December 12, 2017