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December 10, 2015

**Ex Parte**

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

**Re: Petition of USTelecom for Forbearance Under 47 U.S.C. § 160(c) from Obsolete ILEC Regulatory Obligations that Inhibit Deployment of Next-Generation Networks, WC Docket No. 14-192**

Dear Ms. Dortch:

The Commission should grant forbearance from the remaining provisions of section 272<sup>1</sup> in today's competitive marketplace for communications services.

Section 272 is a vestige of days when distinctions between "local" and "long-distance" calls meant something. Today, the idea of separate "local" and "long-distance" markets has lost all meaning. Customers and providers do not distinguish between local and long-distance calls. Today's voice customer overwhelmingly chooses all-distance services that do not differentiate between local and long-distance services. And customers can choose from many different providers competing to provide those all-distance voice services over many different platforms.

Nearly all of section 272 already has sunset.<sup>2</sup> The remaining requirements in section 272(e),<sup>3</sup> including section 272(e)(3)'s imputation requirements for certain charges between the former BOC affiliates, are unnecessary and outdated. With rampant competition to provide voice service to business and residential

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<sup>1</sup> 47 U.S.C. § 272.

<sup>2</sup> 47 U.S.C. § 272(f).

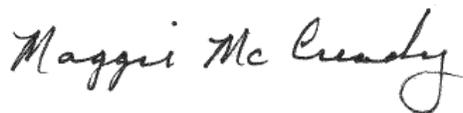
<sup>3</sup> 47 U.S.C. § 272(e).

customers,<sup>4</sup> section 272(e) no longer is needed to protect consumers. The competitive marketplace today provides more than enough protection from whatever potential harms section 272(e) was intended to guard against.

The purpose of the section 272(e)(3) imputation requirement was to prevent a former Bell operating company from conferring an advantage upon an affiliated interexchange carrier in the long-distance market. First, the stand-alone long-distance market has dried up. Second, as switched access rates move to bill-and-keep in accordance with the *Connect America Fund Order*, whatever opportunity there might have been to disadvantage non-affiliate IXCs offering long distance voice services becomes more and more attenuated.

But while section 272(e) has outlived whatever usefulness it once had, it continues to impose costs on companies subject to its requirements. The section 272(e)(3) imputation requirements force companies to dedicate unnecessary accounting resources to comply with them. Companies must train staff, maintain complex accounting systems, and develop detailed accounting records, with no corresponding benefits. In fact, because all of the circuits subject to these requirements are internal to Verizon, there is no business reason for Verizon to track and monitor the usage on those circuits. Verizon thus incurs the cost of tracking usage on these circuits solely for section 272(e) purposes.

Sincerely,



cc: Randy Clarke

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<sup>4</sup> See, e.g., Patrick Brogan, US Telecom Blog, *Landlines No Longer a “Dominant” Service*, Dec. 3, 2015, <http://www.ustelecom.org/blog/landlines-no-longer-%E2%80%9Cdominant%E2%80%9D-service> (describing that less than 50% of households in the U.S. subscribe to a landline service, and projecting that by “the end of 2015, only 15 percent to 20 percent of U.S. households would be using traditional ‘switched’ landlines from a telephone provider.”)