



publicly release business and strategic data obtained through the proposed reporting system.

Rather, as suggested by many of the comments, data may be reported as aggregate information on a state or regional reporting level which eliminates the ability to identify a particular company or service area. *See e.g.* Comments of AT&T Corp. at 17 (describing the information as “extremely competitively sensitive”); Comments of SBC Communications, Inc. at 9 (noting that disclosure would reveal “marketing strategies and . . . strengths and weaknesses”); Comments of Bell Atlantic Mobile, Inc. at 5 (stating that certain information is not “revealed except in limited circumstances and then only under confidentiality arrangements”); Comments of National Cable Television Association at 11 (warning that competition and enterprises “may suffer serious harm” from disclosure.)

The detailed data which the Commission seeks through the proposed reporting system contains information which should be withheld from public disclosure unless true anonymity can be assured to the reporting entity. Companies may suffer greatly if their business, marketing or deployment strategies were revealed as a matter of course. An aggregate reporting scheme, which strips confidential business and geographic data from reports would achieve the goals which the Commission has set out to accomplish, without endangering reporting entities.

#### Burdens upon Companies Promote Using a Different Threshold Standard

Several comments discussed the burden which will be imposed by compliance with the proposed reporting requirements. At this stage, the Commission estimates that reporting will require a minimum of 30 hours and also acknowledges that the burdens will be higher in the initial

periods<sup>2</sup>. The actual burden to reporting entities will likely be greater than estimated and requires a dedication of significant labor hours and resources. For companies which are operating at maximum efficiency with the optimum number of labor hours, the introduction of another regulatory compliance measure serves only to reduce productivity and stifle competitiveness.

Frontier Corporation comments that the proposed additional burdens “run[] counter to recent Commission [action] reducing the reporting requirements on carriers.” Comments of Frontier Corporation at 1. Teligent, Inc. comments that “information derived from smaller carriers by the reporting requirements may be outweighed by the burdens they impose on those carriers.” Comments of Teligent, Inc. at 4. Correlatively, the National Telephone Cooperative Association points out that small carriers “would be subject to the same reporting requirements as a large carrier, despite having a fraction of the staff.” Comments of NTCA at 4.

Roseville agrees with the comments that the burden placed upon small and mid-sized companies is greater than that faced by large companies. In contrast, large companies, who do not face the same labor and resource marginal maximization as other carriers, have commented that the threshold for reporting should be reduced to an impossible level of 10,000 access lines or subscribers. *See* Comments of BellSouth at 3 (claiming 10,000 access lines to be a natural break point for carriers, “at least in the BellSouth serving area.”); Comments of Bell Atlantic at 4 (seeking a reduction of the threshold to 10,000 lines); Comments of U S West at 3 (proposing

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<sup>2</sup> *Local Competition and Broadband Reporting*, Notice of Proposed Rulemaking, CC Docket No. 99-301, FCC 99-283, (rel. Oct. 22, 1999) at para. 85.

that the reporting threshold include all carriers with 10,000 or more lines). The proposal to further reduce the threshold is detrimental to all carriers other those which are very large.

OPASTCO comments that the concept of an exemption merits strong support. Comments of OPASTCO at 3. Roseville earnestly agrees. OPASTCO also notes, and Roseville agrees, that as proposed by the Commission, “the [50,000] threshold remains too restrictive.” *Id.* Indeed, as indicated by Frontier, Teligent and NTCA, *supra*, the burden upon carriers will be great from the proposed reporting system. The 50,000 access line or subscriber threshold creates a prohibitively low level which will create a proportionately heavy burden upon smaller carriers.

The Association for Local Telecommunications Services notes that parties could “quibble about whether 50,000 lines is the appropriate cut-off” for the proposed reporting system. Comments of ALTS at 4. ALTS continues that the Commission should not be concerned “whether 50,000 or 40,000 or 60,000 is the correct number as it can easily change that determination in the future.” *Id.* at 4. The Commission indicated that it relied upon Congressional guidance in developing the 50,000 threshold and specifically, it relied upon Section 251 of the 1996 Act.<sup>3</sup> Roseville believes that the intent of Congress should be followed in this case, however Congressional intent supports a number other than 50,000. Rather than permit carriers to quibble about whether 50,000 lines is appropriate or create a need to revisit the 50,000 benchmark in light of changing circumstances, Congress defined rural carriers as “a local exchange carrier with fewer than 2% of the Nation’s subscriber lines installed in the aggregate nationwide” at Section 251(f)(2). This Congressional benchmark should be followed in this proceeding.

Congress realized that carriers with fewer than 2% of the Nation's subscriber lines face very different burdens than those with greater than 2%. As expressed by Frontier, Teligent, and NTCA, a similar disparity exists with the proposed reporting system. Congress established a flexible percentage, rather than a defined numerical limit, which would accommodate relative changes to the number of Nationwide subscriber lines. The same percentage criteria should be adopted in this proceeding, those local exchange carriers with fewer than 2% of the Nation's subscriber lines should not be required to comply with the additional reporting and data collection regulations which the Commission now proposes.

OPASTCO suggests that the Commission determine its exemption based upon Small Business Administration criteria. Comments of OPASTCO at 4. There is merit to OPASTCO's suggestion, as the Small Business Administration recognizes that small ILECs are those with fewer than 1,500 employees. However, using the Congressionally designated benchmark of fewer than 2% of the Nation's subscriber lines is the appropriate criteria for determination of a small company as it is contained within the very Communications Act which gives rise to the need for a broadband reporting requirement.

#### Reporting Frequency

Roseville supports the overwhelming majority of Comments which state that an annual reporting requirement is the most efficient means for the Commission to obtain information about local competition and broadband deployment. *See e.g.* Comments of Sprint Corporation at 1

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<sup>3</sup> Notice of Proposed Rulemaking at para. 42 and para. 38.

(stating that the provision of data annually is sufficient to satisfy Commission needs.). Quarterly submissions quadruple the reporting requirements faced by both the carriers and Commission staff in processing the data. Moreover, quarterly reporting imposes a regulatory burden upon carriers every three months and is unlikely to reveal any quarter-to-quarter trends or data which would not be recognized from an annual report. Annual reporting is less burdensome and permits carriers partial flexibility in planning for the labor hours and resource dedication to prepare the extensive reports. The Commission should select an annual reporting period.

In sum, Roseville supports the many commenters that have suggested that confidentiality be maintained in the competition and broadband reporting system and that data collection should be conducted on an annual basis. Roseville also supports the commenters who have found the 50,000 access line threshold to be prohibitive and Roseville suggests, in keeping with the expressed intention of the Notice of Proposed Rulemaking, that the Commission adopt the 2 percent threshold which is currently reflected in Section 251(f) of the Communications Act.

Respectfully submitted,  
Roseville Telephone Company

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**CERTIFICATE OF SERVICE**

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