

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

In the Matter of	)	
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Forward-Looking Mechanism for High Cost Support for Non-Rural LECs	)	CC Docket No. 97-160
	)	

**COMMENTS/OPPOSITION OF U S WEST COMMUNICATIONS, INC.**

I. INTRODUCTION

U S WEST Communications, Inc. (“U S WEST”) submits these comments in opposition to AT&T Corp.’s (“AT&T”) Petition for Reconsideration<sup>1</sup> of the Federal Communications Commission’s (“Commission”) Tenth Report and Order.<sup>2</sup>

U S WEST opposes the entirety of AT&T’s Petition. U S WEST rebuts certain arguments made by AT&T herein and adopts the advocacy of GTE Service Corporation and Sprint Corp. on AT&T’s remaining arguments.

II. THE COMMISSION SHOULD REJECT AT&T’S TIRED ARGUMENT TO USE PNR ASSOCIATES’ (“PNR”) CUSTOMER LOCATION DATA

A. PNR UNDULY RESTRICTED ACCESS TO ITS “GEOCODED” DATA

While U S WEST cannot quantify the level of access available for each piece of data to verify this claim, AT&T’s claim of openness is ridiculous on its face.

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<sup>1</sup> AT&T Petition for Reconsideration (“Petition”) filed Jan. 3, 2000.

<sup>2</sup> See In the Matter of Federal-State Joint Board on Universal Service; Forward-Looking Mechanism for High Cost Support for Non-Rural LECs, CC Docket Nos. 96-45, 97-160, Tenth Report and Order, FCC 99-304, rel. Nov. 2, 1999 (“Tenth Report and Order”), pets. for rev. pending, U S WEST v. FCC, No. 99-9547 (10<sup>th</sup> Cir. Dec. 10, 1999).

PNR's "geocoded" data is, in fact, more secretive than almost any other data. Some data in this proceeding is available only to parties agreeing to confidentiality. Some data is still more secretive -- only the Commission has been allowed to view it.

PNR's "geocoded" data is even still more secretive -- not even the Commission has been allowed to fully inspect the data.

Parties are only allowed to view PNR's data by visiting their offices, and no data can be removed. Considering the more than 100 million households potentially in the PNR database, prohibiting data removal makes data analysis nearly impossible. PNR imposes a highly onerous confidentiality provision that goes well beyond anything else in this proceeding. While PNR's "geocoded" data is inappropriate for many reasons, the Commission was fully justified in rejecting it because it is not open.

**B. PNR'S "GEOCODED" DATA IS UNTESTED AND UNRELIABLE, UNLIKE CENSUS DATA**

While it is true that, in order to protect the fundamental privacy rights of Americans, raw census data is not available. AT&T's claim that there was greater access to PNR data than to census data seriously distorts the situation. The census process is highly deliberate and scientific. The census affirmatively seeks out every American and verifies his or her true location. The science and accuracy of the census has been honed and verified throughout the entire history of the United States. Census data is a bedrock upon which extremely important decisions rest, and the data's accuracy is a priority for the nation's top leaders.

PNR's "geocoded" data is not audited. It is based on flawed data sources such as marketing mailing lists, and it uses undisclosed econometric modeling for distributing line count data. It is fully proprietary and is not subject to the scrutiny of interested parties. Its scientific validity does not approach that of the census process.

Census data, while not available to the Commission in its raw form, is vastly more reliable than PNR's "geocoded" data. Census data has been reviewed and scrutinized by many more parties than has PNR's, and the census sampling methods are fully disclosed and documented. Complete census block data is available to interested parties at reasonable prices. AT&T's suggestion that census data is closed, and therefore less appropriate than PNR's data, is simply a distortion. U S WEST recommends that the Commission consider census data to be scientifically valid without the benefit of inspecting its raw data.

C. THERE IS NO EVIDENCE THAT ROAD SURROGATE DATA CAUSES DISTANCE INFLATION

AT&T's contention that road surrogate data necessarily inflates distance is not proven, especially for highly-rural customers. AT&T's conjecture is not based on any factual evidence. AT&T surmises that if people group together, loop lengths will decrease. In the absence of meaningful proof, this claim should be discounted. Contrary to AT&T's assumption, if customers group together near the perimeter of a distribution area, loop lengths will increase.

AT&T points out that PNR's "geocoded" customer location data reduces cost estimates. This is not necessarily explained by customers actually grouping

together. The “geocoded” data is based on such data as post office boxes and rural letter carrier addresses, which are not accurate locations for customers. This inaccurate data may lead to the false impression of customer grouping where none exists.

Furthermore, the “geocoded” data increases the amount of business lines. This, in turn, increases the number of special access lines. Because special access lines are much less expensive on a channel-equivalent basis, average cost estimates are reduced. Also, some scenarios have a higher benchmark for business lines, thus reducing support. There are many explanations as to why PNR’s “geocoded” customer location data yields lower cost estimates than road surrogate data, but there is no evidence that road surrogate data is less appropriate. AT&T’s Petition should be denied.

D. AT&T’S RECOMMENDATION OF AN UNDETERMINED  
DOWNWARD ADJUSTMENT TO DISTRIBUTION PLANT  
INVESTMENT WOULD CAUSE LESS ACCURATE RESULTS

U S WEST urges the Commission to once again reject AT&T’s request for a downward adjustment because it is vague and unnecessary. AT&T does not specify how to implement its request, nor does it suggest a means of arriving at the adjustment amount. As stated above, the mere fact that road surrogate data yields a higher cost than “geocoding” does not mean that road surrogate data are less accurate. AT&T seems to believe that any scenario or data, no matter how unreasonable, that reduces cost estimates must be valid. Likewise, AT&T seems to believe that any data that yields a higher cost estimate must be uneconomic and

biased. Forward-looking models must be based on an objective quest for truth. AT&T's vague request for an undetermined reduction to cost estimates, for no other reason than the rejection of "geocoding," is an obvious affront to an objective search for truth.

In any event, U S WEST encourages the Commission to consider that road surrogate data, according to AT&T's own logic, has already been adjusted downward. AT&T argues that spreading customers along roads necessarily increases costs. While U S WEST has shown that this is unproven, the road surrogate data should please AT&T because it groups customers to only those roads likely to have customers. The road surrogate data does not place customers along highways and other roads that are not likely to have customers. Customers, therefore, are more densely placed along the remaining roads, reducing cost estimates. AT&T should welcome this downward adjustment to costs already in place. U S WEST recommends that the Commission reject AT&T's vague and unnecessary request for an undetermined downward adjustment.

### III. AT&T'S REQUEST THAT LOCAL EXCHANGE ROUTING GUIDE ("LERG") DATA BE REJECTED FOR HOST-REMOTE ASSIGNMENTS IS BASELESS

AT&T ignores the fact that the LERG remains the most reliable, open and verifiable data source. AT&T overstates the impact of current host-remote assignments. AT&T has offered no realistic alternative to using the LERG to establish host-remote assignments and the efficiencies that may be gained in such arrangements. The record offers extensive evidence that no national personal

computer-based model can reflect all the variables, costs and constraints of making an optimal decision. The LERG is an accurate representation of an efficient network, since it reflects the actual deployment of remote switches that, in many cases, replaced stand-alone switches. U S WEST recommends that the Commission reject AT&T's request and continue to use the LERG for host-remote assignments.

IV. CONCLUSION

For the reasons described above, the Commission should reject AT&T's Petition.

Respectfully submitted,

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## CERTIFICATE OF SERVICE

I, Kristi Jones, do hereby certify that I have caused 1) the foregoing **COMMENTS/OPPOSITION OF U S WEST COMMUNICATIONS, INC.** to be filed electronically with the FCC by using its Electronic Comment Filing System, 2) a courtesy copy of the **COMMENTS/OPPOSITION** to be served, via hand delivery, upon the persons listed on the attached service list (marked with an asterisk), and 3) a copy of the **COMMENTS/OPPOSITION** to be served, via first class United States mail, postage prepaid, upon all other persons listed on the attached service list.

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