Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Developing a Unified Intercarrier	)	CC Docket No. 01-92
Compensation Regime	)	

REPLY COMMENTS OF THE NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

November 5, 2001

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SUMMARY

The record in this proceeding does not support moving forward with implementation of B&K at this time. Responses to the Commission's NPRM indicate that wholesale replacement of current cost allocation and recovery mechanisms with B&K will not serve the public interest and could have a devastating impact on rural subscribers.

Given the potential for harm, it is clear that the Commission must proceed with extreme caution and focus its approach. There is general consensus that the Commission must take certain preliminary steps, such as referring the issues to the Federal-State Joint Boards on Universal Service and Separations. Prior to adopting any intercarrier compensation reforms, the Commission must also provide carriers and the public with specific focused proposals that include potential rules amendments.

The Commission should also not adopt proposals to "reform" existing intercarrier compensation mechanisms by applying TELRIC pricing methods to access charges. Commenters supporting TELRIC overstate its benefits but do not address any of its potential harms. Although the application of TELRIC pricing to access charges would benefit IXCs, it would cause massive revenue shortfalls for ILECs, particularly those serving rural areas, that would jeopardize universal service and undermine the viability of these carriers to continue providing service.

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REPLY COMMENTS

The National Exchange Carrier Association, Inc. (NECA) submits this reply to comments submitted in response to the Commission's April 27, 2001 Notice of Proposed Rulemaking in the above captioned proceeding.[1]

I. INTRODUCTION

On August 21, 2001, more than seventy parties, including NECA,[2] filed comments in this proceeding. NECA urged the Commission to approach changes to the existing intercarrier compensation mechanisms with extreme caution. NECA pointed out that wholesale replacement of current cost allocation and recovery mechanisms with a Bill and Keep (B&K) mechanism would not serve the public interest. In fact, implementation of such a mechanism could have a profoundly negative impact on Americans, especially those living in rural and remote areas of the country.[3]

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[1] Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92, *Notice of Proposed Rulemaking,* 66 Fed. Reg. 28410 (2001) (*NPRM*)

[2] NECA Comments (filed Aug. 21, 2001).

[3] *Id.* at 3.

NECA also pointed out that the *NPRM* was too abstract and unfocused to serve as the basis for new rules at this time.[4] Such changes should only occur on the basis of specific, targeted rulemaking proposals. NECA urged the Commission to resolve outstanding access reform and universal service implementation issues for rural companies and allow these mechanisms to "settle" before even beginning to consider replacement of the current access charge mechanisms.[5] NECA further urged the Commission not to reform existing CPNP mechanisms by applying TELRIC pricing standards to access charges or by imposing new rate structures on carriers.[6]

The vast majority of commenters echoed NECA's concerns in these matters, identifying many adverse impacts and raising an extensive list of issues for consideration prior to the adoption of a comprehensive intercarrier compensation mechanism. It is clear that the record in this proceeding does not support moving forward with implementation of B&K mechanisms at this time.

II. RESPONSES TO THE FCC'S NPRM INDICATE THAT WHOLESALE REPLACEMENT OF CURRENT COST ALLOCATION AND RECOVERY MECHANISMS WITH BILL AND KEEP WILL NOT SERVE THE PUBLIC INTEREST AND COULD HAVE A DEVASTATING IMPACT ON RURAL SUBSCRIBERS.

The record shows that wholesale replacement of current cost allocation and recovery mechanisms with a B&K mechanism will not serve the public interest.[7] In fact, implementation of such a mechanism could have a profoundly negative impact on all

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[4] *Id.* at 14.

[5] *Id.* at iii and 18.

[6] *Id.* at 18-19.

[7] *Id* at 3.

Americans, especially those living in rural and remote areas of the country, by rendering basic telephone service unaffordable for may rural households.[8] Commenters note that while "the current access charge system allows the substantial costs of constructing, operating and maintaining local exchange networks to be shared by end-users, interexchange carriers ("IXCs") and others that benefit from such networks," a B&K system would force end-users to bear solely the entire cost[9] and allow IXCs uncompensated use of LEC networks.[10] The Ronan Telephone Company and Hot Springs Telephone Company sum up their analysis of the impacts of B&K by saying that "[a]ny business that is required by law to provide services to its competitors without compensation will be unwilling and, ultimately, unable to make investments to improve its services; in the long term, a business so burdened cannot survive."[11]

It is well documented that rural ILECs have higher network costs per subscriber than their non-rural counterparts, due to a variety of factors including remote location, sparse population, and lack of economies of scale.[12] Not only are per-line subscriber

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[8] *Id.* at 3. See also National Association of Regulatory Utility Commissioners (NARUC) at 4, Oklahoma Rural Telephone Coalition (ORTC) at 7-8, Public Service Commission of Wisconsin at 5, Regulatory Commission of Alaska at 2, United States Telephone Association (USTA) at 22-23.

[9] Western Alliance at 1.

[10] The People of the State of California and California Public Utility Commission (California) at 2.

[11] Ronan Telephone Company and Hot Springs Telephone Company (Ronan) at 2.

[12] National Rural Telecom Association and Organization for the Promotion and Advancement of Small Telecommunications Companies (NRTA/OPASTCO) at 13, TCA at 3, National Telephone Cooperative Association (NTCA) at 11. NTCA cites data from a Rural Task Force (RTF) white paper indicating that population density for areas served by rural carriers averages only 13 persons per square mile, as compared to 105 persons

costs in rural ILEC service areas significantly higher than for non-rural carriers, but rural ILECs derive a much larger portion of their revenue stream from interstate and intrastate access than do non-rural ILECs. Commenters estimate that rural telephone companies receive 35%-80% of their revenues from access charges.[13] NRTA and OPASTCO attribute this to the fact that rural customers make a greater number of toll calls than customers of non-rural carriers, due to smaller calling scopes.[14] NRTA and OPASTCO also point out that the FCC itself has acknowledged that rate-of-return LECs may derive more than 50 percent of their revenue stream from interstate access and universal service support compared to 25 percent for price-cap LECs.[15]

Implementation of a mandatory B&K mechanism would shift the recovery of these costs from carriers to end-users. Given the scale and scope of the revenue streams involved, the effect on end-user rates for customers served by rural rate-of-return (ROR) ILECs would be dramatic. For companies in the NECA Common Line Pool, NECA estimated that B&K for interstate access alone would shift more than $1.5 billion from interstate carriers to end-users and result in over 800 ROR ILECs increasing end-user

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per square mile for non-rural carriers. Total plant investment per loop averages more than $5000 for rural carriers, as compared to less than $3000 for non-rural carriers.

[13] Commenters quote varying percentages of revenue attributable to access as follows: as much as 75% (ICORE at 7), approximately 66% (Home Telephone Company at 1), 70-80% (Michigan Exchange Carrier Association at 38), more than 50% (Minnesota Independent Coalition at 2), 50% on average (Missouri Small Telephone Company Group at 6), 35% (ORTC at 4), 45-70% (Western Alliance at 5).

[14] NRTA/OPASTCO at 15.

[15] NRTA/OPASTCO at 13, note 18.

rates by an average of \$7.70 to \$46.10, depending on the line size of the study area.[16] If intrastate access rates are also replaced with B&K, over 700 ROR ILECs would need to increase end-user rates by an additional average of \$9.22 to \$22.41, with the greatest increase expected to occur in the smallest study areas.[17]

A number of other rural commenters also quantified the impact of B&K on end-user rates. Home Telephone Company estimates a monthly surcharge of approximately \$27.50 per month to offset lost revenues.[18] ICORE expects small rural low toll volume ILEC end-users to be paying as much as \$75 to \$100 per month for basic service.[19] Oklahoma Rural Telephone Coalition estimates that a move to B&K for interstate and intrastate access could increase local exchange rates by an average of \$62 per month for member companies.[20] The Regulatory Commission of Alaska expects that B&K for interstate access would cause end-user rate increases of over \$20 per month for 1/3 of the rural Alaska companies.[21] End-user rate increases in the remaining 2/3 would be in the \$35-\$60 range. B&K for intrastate access would add an additional \$10-\$59 per month. Over 1/3 of Alaska's rural customers would face \$35-\$100 per month rate increases.[22]

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[16] NECA at 5-6 and Appendix I at 2. These estimated increases do not reflect the impact of the MAG Order, announced at the FCC's October 11, 2001 Open Meeting but not yet released. Given the information available thus far, NECA anticipates that end-user rate increases will continue to be a significant issue associated with a B&K regime.

[17] *Id.* at 5-6 and Appendix I at 3.

[18] Home Telephone Company at 1.

[19] ICORE at 8.

[20] ORTC at 4, 7

[21] Regulatory Commission of Alaska at 2.

[22] *Id.*

Western Alliance, using data supplied by NECA, notes that customers in rural study areas having 501-1000 lines will experience local service rate increases as high as $135.01 per month per line.[23]

Commenters are in agreement that increases in end-user rates of this magnitude would make telephone service in rural areas generally unaffordable, drive customers off of the network, and undo years of progress toward universal service.[24] Even where service remained available, rates would not be comparable to urban areas due to the disproportionate impact of changes such as B&K on rural areas and the limited alternatives rural companies have for dealing with such changes.[25]

Affordability and comparability of rates are key universal service principles required by the Act.[26] NTCA notes that B&K would be untenable without sufficient universal service support to ensure comparability between rural and urban rates and services.[27] Commenters make it clear that B&K cannot be seriously considered without a careful examination of whether and how existing universal service mechanisms could be

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[23] Western Alliance at 9.

[24] NECA at 3, ORTC at 45, Alaska Telephone Association at 4, Western Alliance at 16, Missouri Small Telephone Company Group at 8, NRTA/OPASTCO at 15, ITCs at 2.

[25] NECA at 5, ACS of Anchorage at 3, GVNW Consulting at 3, Minnesota Independent Coalition at 2.

[26] Section 254(b)(1) of the Act requires that "[q]uality services should be available at just, reasonable, and affordable rates." Section 254(b)(3) of the Act requires that "[c]onsumers in all regions of the Nation, including...those in rural, insular, and high cost areas, should have access to telecommunications and information services...that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charges for similar services in urban areas."

[27] NTCA at 11.

expanded to compensate in a practical way.[28] Yet, if the FCC continues to allow recovery of universal service contributions only from end-users and not other carriers, any increase in universal service funding will still result in end-user rate increases, as carriers pass-through recovery of increased federal universal service fund contributions to end-users. As a result, expansion of universal service could do nothing to ameliorate burdens imposed on end-users under B&K.[29]

Commenters recognize that B&K also raises jurisdictional issues. NECA pointed out that existing separations methodologies and access charge regimes are the product of "more than a century of cooperative effort by federal and state regulators, working together to assure that costs of commonly-used network facilities are allocated between the jurisdictions, and between carriers and customers, in a fair and reasonable manner."[30] Oklahoma Rural Telephone Coalition describes the B&K proposals, however, as a return to the board-to-board rate making process of the 1930's, in which all costs of local exchange facilities were recovered from local exchange customers via local rates and not from toll services and service providers.[31] Other commenters note that the FCC's B&K proposals shift costs to local ratepayers, effectively changing the dividing line between costs recovered through traditional interstate services and those recovered as part of the

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[28] NECA at 9, Western Alliance at 24, NRTA/OPASTCO at 17-18.

[29] NECA at 11.

[30] *Id.* at 13.

[31] ORTC at 42.

local bill.[32] NTCA suggests that the FCC cannot "look the other way" and pretend that this shift of costs dictating local rate increases is not a separations change.[33]

B&K also appears to circumvent Congress' intent in enacting the geographic rate averaging requirement of Section 254(g).[34] NTCA explains that Section 254(g) codified a national policy aided at keeping rates and services available to rural and urban consumers on a level playing field.[35] Under B&K, costs that were previously averaged nationwide by the IXCs in their rates would now need to be recovered directly from high-cost end-users. Such shifting of the burden of high-cost service to end-users is contrary to the nationwide cost-sharing concept of 254(g) and universal service generally.[36] NTCA suggests that the FCC cannot ignore the statutory command or substitute its judgment for that of Congress in the interest of purported regulatory simplicity.[37] Oklahoma Rural Telephone Coalition further adds that rural companies are unlikely to see any offsetting benefits in service provider rates.[38]

The comments also demonstrate that B&K could have a chilling effect on network investment, because of questionable opportunity to recover costs. Rural companies recover a higher portion of their revenues per-line from access charges and rely on these

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[32] NARUC at 4.

[33] NTCA at 14.

[34] NECA at 11.

[35] NTCA at 13.

[36] NRTA/OPASTCO at 16.

[37] NTCA at 14.

[38] ORTC at 45.

revenues to build and maintain the network.[39] Even the possibility of B&K for small ILECs will impose disincentives to investment to expand or upgrade local exchange infrastructure.[40] If investments must be recovered primarily through local service rates that many rural customers cannot afford, the resulting uncertainty will preclude many infrastructure investments from ever being made.[41]

Given the great potential for harm, it is clear that the Commission must proceed with extreme caution in this matter and carefully consider the impact the Commission's proposed regimes would have on end-users, carriers, universal service and jurisdictional separations policy.[42] Virtually all commenters share this view.[43] As Verizon states, "the Commission should not jump into such a major shift without carefully analyzing the results and thinking through all possible ramifications."[44] Likewise, CenturyTel urged the Commission "to proceed with caution and develop a clear understanding of the specific needs and circumstances of rural carriers"[45] and "to investigate and understand the disparate adverse impact any comprehensive reform of intercarrier compensation

[39] *Id.* at 7, 44.

[40] Minnesota Independent Coalition at 4, Western Alliance at 2.

[41] Western Alliance at 2.

[42] NECA at 4.

[43] *See generally* Public Service Commission of Missouri, Home Telephone Company, NRTA & OPASTCO, NARUC, California, NTCA.

[44] Verizon at 1.

[45] CenturyTel at 9.

could have on rural and independent local exchange carriers (LECs), before taking any final action." [46] NECA agrees.

III. THE COMMISSION MUST FOCUS ITS APPROACH BEFORE PROCEEDING WITH COMPREHENSIVE INTERCARRIER COMPENSATION REFORM.

Commenters agree that the Commission needs to refer its proposals to the Federal-State Joint Boards on Universal Service and Separations before any further action is taken.[47] NRTA and OPASTCO point out that sections 410(c) and 254(a) of the Act provide for the mandatory use of joint board proceedings in these matters.[48] The Commission also needs to complete on-going access reform proceedings before tackling wholesale reform of the existing calling party's network pays (CPNP) regime.

Although the FCC announced partial action in the MAG proceeding at its October 11, 2001 Open Meeting, several issues remain to be resolved through a Further Notice of Proposed Rulemaking.[49] Actual impact of the FCC's ROR access reforms on rural customers, rural carriers, and the markets they serve is yet to be determined. NECA and other commenters suggested a need to finalize these reforms and allow them to "settle" before proceeding to the next step.[50] Verizon agreed that ROR rules adopted in response to the MAG plan should be given a chance to run their course before any fundamental

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[46] *Id.* at 1.

[47] NECA at 14, NARUC at 3, NRTA/OPASTCO at 7-8, NTCA at 7-8, Regulatory Commission of Alaska at 3-4, TCA at 6, Public Service Commission of Missouri at 4, Public Service Commission of Wisconsin at 5, and Florida Public Service Commission at 4.

[48] NRTA/OPASTCO at 8.

[49] *See* FCC Adopts Order to Reform Interstate Access Charge System for Rural Carriers, *News Release* (rel. Oct. 11, 2001).

change in the intercarrier compensation system occurs.[51] Such regulatory stability is essential to ensure ongoing investment in rural network infrastructure.

The FCC must also develop a full record, especially as it impacts rural ILECs, on transport and point of interconnection (POI) proposals submitted by commenters[52] before adopting any rules. NECA disagrees with those commenters supporting, without further review, the single POI per LATA rule.[53] NECA agrees with BellSouth and Qwest in principle that the record needs to be developed further, and needs to take into account appropriate geographic limitations and a clear default rule.[54] NECA raised concerns that end-user rate increases under a B&K regime could be exacerbated by the implementation of POI rules that require rural ILECs to make significant new transport investments with the additional costs recovered from end-users.[55] NECA remains concerned about the impact of POI rules on small ILECs who could be required to bear the responsibility for transport to POIs outside their own serving areas.[56].

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[50] NECA at iii and 18, NTCA at 1, NRTA/OPASTCO at 3-4.

[51] Verizon at 18.

[52] For example, Sprint provides a specific plan for recovery of transport costs based on the jurisdictional nature of traffic, the volume of traffic, and the distance between the POI and the originating end office. (Sprint at 28-35).

[53] Sprint at 28, Time Warner at 15, Worldcom at 7, Cbeyond at 10, Competitive Telecommunications Association (CTIA) at 32.

[54] Qwest at 28 and BellSouth at 13 offer the Commission guidelines for further development of the record on this issue.

[55] NECA at 7.

[56] NECA at 7.

For isolated rural carriers, transport "is the real issue", as noted by the Regulatory Commission of Alaska,[57] with significant cost and service implications. In Alaska, the average transport from Anchorage, the LATA population center, and therefore the presumed POI location, to the wire centers of other serving companies is 365 miles.[58] Distances to population centers in other states may be less dramatic, but are not less problematic.

NECA has calculated that pooling companies, excluding Alaska, would be required to provide transport an average of 51 miles beyond their serving area boundaries.[59] With longer distances to population centers, and fewer end-users to absorb the incremental costs, the impact would be disproportionately large for smaller rural carriers. In New Mexico, for example, the average transport beyond serving area boundaries would be 110 miles. There, and in other jurisdictions, some companies would see a transport cost increase of over $10 per month per end-user line.[60]

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[57] See Regulatory Commission of Alaska Comments at 9, CC Docket No. 96-45, November 1, 2000.

[58] Calculated by NECA based on Tariff 4 and Access Market Survey data for companies participating in NECA traffic sensitive pool, excluding those companies serving Anchorage and its immediate area.

[59] This estimate is derived by dividing DS1 circuit mileage from the study area boundary to the POI by the number of DS1 circuits within a serving area. Assumes a single POI per LATA at population center of LATA. Mileage and circuit count derived by NECA using data from: NECA settlements data, Tariff 4 databases, Claritas Wire Center Boundaries, and 1996 PNR wire center line counts.

[60] Calculated by NECA using DS1 and DS3 circuits and mileage (see derivation in previous footnote), and industry average rates for DS1 and DS3 channel termination, channel mileage termination and channel mileage facilities. Rates based on data in "Interstate Access Rate Comparisons" issued by the NECA Rate Development Group, September 2001.

The Commission needs to develop a clear consensus among federal and state regulators in order to bring about comprehensive intercarrier compensation reform. Numerous commenters questioned the Commission's authority to mandate B&K for intrastate access and in situations where traffic flows are not balanced.[61] Many also felt that B&K would need to be implemented in both the interstate and intrastate jurisdictions in order to avoid creating new regulatory arbitrage opportunities.[62] NRTA and OPASTCO suggest that, in addition to involving the Joint Boards on Separations and Universal Service, the Commission will need to confer with state commissions through conferences and joint hearings as contemplated by section 410(b) of the Act, "regarding the relationship between rate structures, accounts, charges, practices, classifications, and regulations of carriers subject to the jurisdiction of such state commission and of the Commission."[63]

Finally, the Commission needs to provide carriers and the public with specific, focused proposals that include potential rule amendments prior to adopting any intercarrier compensation reforms.[64] The *NPRM* does not provide a basis for promulgating specific rules at this time and does not discuss specific procedures for revising existing mechanisms, such as implementation of new proposals or cost recovery methods. The *NPRM* merely proposes the concept of utilizing a B&K mechanism to

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[61] Worldcom at 3 and 20, KMC Telecom at 4, Competitive Telecommunications Association (CompTel) at 22.

[62] ALLTEL at 16, Rural Independent Competitive Alliance at 10.

[63] NRTA/OPASTCO at 8.

[64] NECA at 16.

replace existing intercarrier compensation mechanisms, and requests comment on two theoretical approaches to B&K systems.

IV. TELRIC SHOULD NOT BE IMPLEMENTED AS AN INTERCARRIER COMPENSATION MECHANISM.

Several commenters, including AT&T and Worldcom, support TELRIC-based rates for access as a way to reform the existing CPNP regime. AT&T claims that regulatory arbitrage, monopoly abuse and other problems identified in the *NPRM* would be solved simply by the application of forward-looking cost-based prices for the transport and termination of telecommunications.[65] Similarly, Worldcom urges the Commission to adopt uniform rates for call termination based on Section 251 pricing principles and eliminate traffic sensitive originating access charges.[66]

These commenters overstate the benefits of TELRIC while failing to address any of its potential harms. TELRIC pricing assumes, erroneously, that historical costs reflect "inefficient or obsolete network design and technology."[67] As demonstrated previously, however, the higher network costs per subscriber experienced by rural companies represent legitimate investments and are not the result of poor planning or economic inefficiencies.[68] Thus, application of a TELRIC pricing regime to access charges would benefit IXCs but leave ILECs, especially those serving rural and high cost areas, with

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[65] AT&T at 8-9.

[66] Worldcom at 4, 28.

[67] *See* Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers, CC Docket No. 95-185, *First Report and Order*, 11 FCC Rcd 15499 at ¶684 (1996) (*First Report and Order*).

[68] TCA at 5.

massive revenue shortfalls.[69] Verizon observes that a shift to TELRIC would be bad policy that would underprice the network, undermine future ILEC investment and discourage competing investment as well.[70] USTA agrees that use of TELRIC to determine access charges would eliminate incentives to be efficient, upgrade networks, provide advanced services, and invest in new technologies.[71]

Although the Commission claimed to consider the impact of its TELRIC rules on small ILECs, it largely sidestepped the issue by noting that the section 251(f) provisions of the Act exempted small rural ILECs from the Commission's TELRIC rules, at least on a temporary basis.[72] Thus, the Commission has never fully addressed the impact of precluding recovery of small ILEC's embedded costs on small LECS or universal service.

TELRIC pricing would be impractical for rural carriers in any event. There is ample evidence on the record in the Commission's universal service proceeding that the FCC's Synthesis Model produces inaccurate results for small rural companies.[73] Current access costing practices reflect both current and future operating conditions, while TELRIC proxy models reflect only the economic theories of their designers. The alternative to a proxy model would be for each study area to use or develop its own cost model and apply its own interpretation of the TELRIC methodology in the development

[69] NECA at 19.

[70] Verizon at 20.

[71] USTA at 31.

[72] *See First Report and Order* at ¶ 706.

[73] Rural Task Force, White Paper 4, September 2000.

of access rates. The result would be costly for the companies involved, subject to widely differing interpretations, and produce a false sense of precision.

The Act does not mandate that the Commission transition access to TELRIC pricing, as AT&T asserts.[74] Section 251(g) of the Act, which AT&T relies on for this novel theory, was intended only as a "savings" clause and merely requires that the Commission maintain existing mechanisms while considering reform measures following enactment of legislation. It does not itself obligate the Commission to replace existing mechanisms, and clearly does not instruct the Commission to sacrifice the goals of universal service in the process of reforming existing mechanisms.

Accordingly, the Commission should not adopt proposals to "reform" existing intercarrier compensation mechanisms by applying TELRIC pricing methods to access charges. Doing so would cause massive revenue shortfalls for ILECs, particularly those serving rural areas, shortfalls that would undermine the viability of these carriers to continue providing service and that would jeopardize universal service.

[74] AT&T at 11. "Congress...gave the Commission authority in Section 251(g) to establish a reasonable transition period before bringing access charges within the cost-based Section 251(b)(5) reciprocal compensation standard that Congress mandated will ultimately apply to the transport and termination of all 'telecommunications.'"

V. CONCLUSION

In this reply, NECA has shown, and the record supports the conclusion, that the Commission must approach any changes to the existing intercarrier compensation mechanisms with extreme caution. Implementation of a B&K system could have tremendous negative results, especially on end-users and rural ILECs. Before proceeding further, the Commission needs to refer its proposals to the Federal-State joint Boards on Universal Service and Separations. The Commission also needs to provide carriers and the public with specific, focused proposals prior to adopting any intercarrier compensation reforms. Additionally, the Commission must not adopt TELRIC as a replacement of existing separations and access charge mechanisms.

Respectfully submitted,

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November 5, 2001

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Reply Comments was served this 5th day of November 2001, by electronic delivery or by mailing copies thereof by United States Mail, first class postage paid, to the persons listed below.

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