

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Petition of the Verizon Telephone Companies) WC Docket No. 06-172
For Forbearance Pursuant to 47 U.S.C.) DA 07-277
§160(c) in the Boston, New York City,)
Philadelphia, Pittsburgh, Providence and)
Virginia Beach Metropolitan Statistical Areas)

**NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION
REPLY COMMENTS**

The National Telecommunications Cooperative Association (NTCA)¹ files its reply to those initial comments filed March 5, 2007, regarding the Federal Communications Commission’s (Commission’s or FCC’s) Public Notice² and Verizon’s six September 6, 2006 forbearance petitions (Verizon Petitions) covering the Boston, New York City, Philadelphia, Pittsburgh, Providence, and Virginia Beach Metropolitan Statistical Areas (MSAs).

The commenters in this docket displayed a near-universal opposition to the Verizon Petitions. Unless Verizon’s Petitions meets the Commission’s Section 251 forbearance standards

¹ NTCA is the premier industry association representing rural telecommunications providers. Established in 1954 by eight rural telephone companies, today NTCA represents 575 rural rate-of-return regulated incumbent local exchange carriers (ILECs). All of its members are full service local exchange carriers, and many members provide wireless, cable, Internet, satellite and long distance services to their communities. Each member is a “rural telephone company” as defined in the Communications Act of 1934, as amended (Act). NTCA members are dedicated to providing competitive modern telecommunications services and ensuring the economic future of their rural communities.

² *Wireline Competition Bureau Grants Extension of Time to File Comments On Verizon’s Petitions For Forbearance In The Boston, New York, Philadelphia, Pittsburgh, and Virginia Beach Metropolitan Statistical Areas*, WC Docket No. 06-172, Public Notice (filed Jan. 26, 2007) (Public Notice).

at the wire center level, the Commission should reject them.³ Several commenters echoed NTCA's specific concern that Verizon was using an MSA-wide view, rather than a wire-center approach, to determine the sufficiency of competition to replace Commission oversight. NTCA was joined by several carriers in expressing hesitation over Verizon's request for regulatory freedom concerning wholesale and special access services, upon which NTCA's rural providers depend to serve their customers within the six Verizon MSAs. The Commission should heed these warnings and should reject unsupported Petitions; in the alternative, the Commission should tailor any forbearance authority to match only those wire centers and only those markets that meet the Commission's forbearance standards. The Commission should also provide an adequate transition time for implementation.

I. Commenters Opposed The Petitions and Agreed That A Granular Analysis Is Best.

The Verizon MSAs contain rural areas and rural consumers served by rural ILECs.⁴ The Commission can best meet the needs of rural carriers and their customers who live and serve in the six Verizon MSAs by using a granular, wire-center approach to its analysis of the Verizon Petitions. Commenters have overwhelmingly opposed Verizon's Petitions for a variety of reasons, including: 1) Verizon inappropriately used proprietary E911 data to support its claim;⁵ 2) Verizon did not accurately define the relevant geographic or product markets;⁶ 3) Verizon

³ NTCA Comment, p. 5. NTCA affirms its positions stated in its initial comments. Silence on any positions or proposals raised by parties in this proceeding connotes neither agreement nor disagreement by NTCA with their positions or proposals.

⁴ Sprint Nextel Comment, p. 9.

⁵ Broadview Comment, p. 10; Cox Comment, p. i; Pennsylvania PUC Comment, p. 23; Sprint Nextel Comment, p. 4; Sprint Nextel Comment, p. 12.

⁶ Broadview Comment, pp. 21-22; Telecom Investors Comment, p. 20.

incorrectly asserts that intermodal competition (including its own wireless affiliate) is a sufficient substitute for wireline services;⁷ and 4) forbearance is not in the public interest.⁸ Others argued that granting forbearance regarding wholesale services will harm consumers and competitive challengers.⁹ Still others contended that the Commission must act on the Petitions to provide guidance for future forbearance petitions¹⁰ and that Verizon has exaggerated the level of competition.¹¹

Several commenters echoed NTCA's objections to Verizon's requests because Verizon used an overly expansive approach to analyzing competition in the mass markets and enterprise markets.¹² The Commission should refrain from using an MSA-wide analysis and should, instead, focus on the amount of competition at the wire center level. This approach will better protect rural consumers and the ability of rural ILECs to compete in the retail broadband services marketplace.

⁷ ACN, *et al.* Comment, p. 27; Comptel Comment, p. 34; Cox Comment, p. 18; Monmouth Telephone & Telegraph Comment, p. 10; NASUCA, *et al.* Comment, p. 43; New York City Comment, p. 2; City of Philadelphia Comment, pp. 16-17; Sprint Nextel Comment, p. 16; Telecom Investors Comment, p. ii.

⁸ Monmouth Comment, p. 14; NASUCA *et al.* Comment, p. 31; City of Philadelphia Comment, p. 18.

⁹ ACN, *et al.* Comment, p. 11; Broadview Comment, pp. 68, 73; Cavalier Comment, pp. 1-3; Cox Comment, p. iii; Earthlink Comment, pp. 12, 24; Integra Telecom Comment, p. 10; Monmouth Telephone & Telegraph Comment, p. 2; NASUCA, *et al.* Comment, p. 16; Pennsylvania PUC Comment, pp. 5, 8; City of Philadelphia Comment, pp. 5, 19; Telecom Investors Comment, p. i.

¹⁰ California PUC Comment, p. 4.

¹¹ Comcast Comment, p. 3; NCTA Comment, p. 5; City of Philadelphia Comment, p. 8.

¹² NTCA Comment, p. 4; ACN, *et al.* Comment, p. 15; Comcast Comment, p. 5; Comptel Comment, p. 30; Cox Comment, p. i; Earthlink Comment, p. 50; Monmouth Telephone & Telegraph Comment, pp. 3, 5; NASUCA, *et al.* Comment, p. 39; NCTA Comment, p. 4; Pennsylvania PUC Comment, p. 21; Sprint Nextel Comment, p. 11; Time Warner Telecom Comment, pp. 5, 8.

II. Rural Carriers Need Special Access Services To Reach The Internet.

Rural carriers continue to rely on special access services from Verizon within the six MSAs. Verizon's Petitions target wholesale services and special access services in the list of services for forbearance.¹³ Rural carriers need special access services to provide their customers with the data, voice and video services they desire and to reach the Internet backbone. As Sprint Nextel accurately noted, "Competitors must rely heavily on Verizon (wholesale) special access to serve (retail) enterprise customers."¹⁴ ACN et al. asserted that Verizon's special access services to not support forbearance.¹⁵ Verizon's control over the special access services market merits rejection of its Petitions unless Verizon can satisfy the forbearance standards at the wire center level.

Until the Commission completes its pending rulemakings on special access services,¹⁶ Verizon's ability to demonstrate that sufficient competition exists in the six MSAs to remove regulatory oversight is clouded. Furthermore, special access service prices are restrained by the availability of unbundled Section 251(c)(3) loop and transport facilities.¹⁷ Granting Verizon forbearance authority for UNE loop and transport will encourage special access service prices to rise, which is not in the best interests of rural consumers and their providers. The Commission,

¹³ Pennsylvania PUC Comment, p. 16.

¹⁴ Sprint Nextel Comment, p. 17.

¹⁵ ACN, *et al.* Comment, p. 33; Time Warner Cable Comment, p. 13.

¹⁶ *Special Access Rates for Price Cap Local Exchange Carriers*, WC Docket No. 05-25, Order and Notice of Proposed Rulemaking (2005); *Performance Measurements and Standards for Interstate Special Access Services*, CC Docket No. 01-321 (2001).

¹⁷ Telecom Investors Comment, p. 4; Time Warner Telecom Comment, p. 6.

therefore, should deny Verizon's forbearance requests as to special access services unless adequate competition exists at the wire center level.

III. Conclusion

The Commission should use a granular, wire-center approach to its analysis of Verizon's Petitions, especially in reviewing Verizon's assertions as to special access services in rural areas within the six Verizon MSAs. Using such analysis tools may lead the Commission to conclude that all or part of Verizon's Petitions should be rejected. In the alternative, the Commission should tailor any forbearance authority to match only those wire centers and only those markets that meet the Commission's Section 251 forbearance standards. The Commission should also provide an adequate transition time for implementation.

Respectfully submitted,

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April 18, 2007

CERTIFICATE OF SERVICE

I, Adrienne Rolls, certify that a copy of the foregoing Reply Comments of the National Telecommunications Cooperative Association in WC Docket No. 06-172, DA 06-1869, was served on this 18th day of April 2007 by first-class, United States mail, postage prepaid, or via electronic mail to the following persons:

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