

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

In the Matter of	)	
	)	
Petition of the Embarq Local Operating	)	
Companies for Forbearance Under	)	
47 U.S.C. § 160(c) From Enforcement	)	
of Certain of ARMIS Reporting	)	WC Docket No. 07-204
Requirements	)	
	)	
Petition of Frontier and Frontier ILECs	)	
For Forbearance Under	)	
47 U.S.C. § 160(c) from Enforcement of	)	
Certain of the Commission's ARMIS	)	
Reporting Requirements	)	

**COMMENTS OF CENTURYTEL, INC.**

CenturyTel, Inc., on behalf of its operating subsidiaries (“CenturyTel”), hereby submits the following comments in response to the Federal Communications Commission’s (“FCC” or “Commission”) Public Notice seeking comment in the above-referenced proceeding.<sup>1</sup>

**I. INTRODUCTION AND SUMMARY**

Pursuant to 47 U.S.C. § 160(c) and 47 C.F.R. § 1.53, Embarq and Frontier and Citizens (“Frontier”) filed Petitions for Forbearance with the FCC on October 19, 2007 and November 12, 2007 requesting that the FCC forbear from requiring Embarq and Frontier to file Automated Reporting Management Information System (“ARMIS”) Reports 43-05 (Service Quality

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<sup>1</sup> *Pleading Cycle Established For Embarq Local Operating Companies and Frontier and Citizens Communications Incumbent Local Exchange Telephone Carriers Petitions Seeking Forbearance From Enforcement of Certain ARMIS Reporting Requirements*, Public Notice in WC Docket No. 07-204, DA 07-5033 (rel. Dec. 18, 2007)(“Public Notice”).

Report) and 43-08 (Operating Data Report) as required by 47 C.F.R. §§ 43.21(g) and (j).<sup>2</sup> Both petitions reference the earlier forbearance petition filed by AT&T in June 2007,<sup>3</sup> whereby AT&T requested the FCC forbear from enforcing rules that require the filing of ARMIS Reports 43-05 and 43-08, as well as two additional ARMIS reports required to be filed only by the Bell Operating Companies - ARMIS Reports 43-06 and 43-07.<sup>4</sup> Both Embarq and Frontier urge the FCC to grant AT&T's requested forbearance and Embarq further urges the FCC to apply such forbearance to all incumbent local exchange carriers (ILECs) required to comply with these particular ARMIS reporting rules.<sup>5</sup>

In these comments, CenturyTel supports the forbearance petitions filed by Embarq and Frontier and urges the Commission to grant those petitions. CenturyTel believes both Embarq and Frontier have plainly met the standard of forbearance set forth in Section 10 of the Telecommunications Act of 1996.<sup>6</sup> Additionally, CenturyTel urges the Commission to grant similar forbearance relief to all other ILECs required to comply with the ARMIS reporting rules found in 47 C.F.R. §§ 43.21(g) and (j).

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<sup>2</sup> Petition of Embarq Local Operating Companies for Forbearance from Enforcement of the Commission's ARMIS Reporting Requirements Pursuant to 47 U.S.C. § 160(c), WC Docket No. 07-204 (filed Oct. 19, 2007) ("Embarq Petition"). *See also* Petition of Frontier and Citizens ILECS for Forbearance under 47 U.S.C. § 160(c) from Enforcement of Certain of the Commission's ARMIS Reporting Requirements, WC Docket No. 07-204 (filed Nov. 12, 2007) ("Frontier Petition").

<sup>3</sup> *See* Embarq Petition at 1 and Frontier Petition at 2.

<sup>4</sup> AT&T Petition for Forbearance Under 47 U.S.C. § 160(c) from Enforcement of Certain of the Commission's ARMIS Reporting Requirements, WC Docket 07-139 (filed June 8, 2007) ("AT&T Petition").

<sup>5</sup> *See* Embarq Petition at 2 and Frontier Petition at 2.

<sup>6</sup> 47 U.S.C. § 160(a).

## II. THE COMMISSION SHOULD GRANT EMBARQ AND FRONTIER FORBEARANCE FROM THE FILING OF ARMIS REPORT 43-05

In their forbearance petitions, both Embarq and Frontier request forbearance from the enforcement of Commission rules requiring submission of ARMIS Report 43-05.<sup>7</sup> Embarq argues that ARMIS Report 43-05 is outdated, unjustifiable and unnecessary given that ILEC service quality has improved, not declined, and consumer alternatives in their markets have grown dramatically since the report was imposed.<sup>8</sup> They also state that the report is redundant given that the FCC requires all carriers, not just price cap carriers, to file Section 4 Service Outage reports, which include information on service quality, and many state commissions have separate quality reporting rules.<sup>9</sup> Frontier basically sets forth the same arguments as Embarq. Both petitioners clearly show the standards for forbearance found in Section 10 of the Telecommunications Act of 1996 are satisfied and CenturyTel supports the arguments set forth by each of the petitioners.<sup>10</sup>

CenturyTel believes that the FCC should eliminate the filing of ARMIS Report 43-05. Current data clearly show that ILEC service quality has improved. While the Commission does not impose service quality standards on communications common carriers, it does monitor quality of service data submitted by ILECs that are regulated as price cap carriers. The Commission's latest service quality summary report shows that:

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<sup>7</sup> *Id.*

<sup>8</sup> *See* Embarq Petition at 3-6.

<sup>9</sup> *See* Embarq Petition at 6, 10.

<sup>10</sup> 47 U.S.C. § 160(a); *See* Embarq Petition at 6-10 and Frontier Petition at 12-14.

- the average (number of) complaints per million lines is decreasing on average 5.1% per year for the industry as a whole;
- the length of installation intervals is also decreasing on average 4.2% annually for the industry;
- the trouble report rate per thousand lines is declining on average 3.7% annually for the large companies; and
- the percent of switches with outages is declining on average 10.9% per year for the industry as a whole.<sup>11</sup>

These statistics should not be ignored. These statistics, coupled with the fact that the FCC has already proposed to eliminate most of ARMIS 43-05 and has even questioned the report's usefulness itself, clearly demonstrate that the report is not needed for any price cap carrier.<sup>12</sup>

While the statistics above show the ILEC industry as a whole has made significant improvements in service quality, CenturyTel has also seen improvements in its service quality indicators as well. For example, during 2007, CenturyTel had fewer customer complaints, experienced only two minor service outages, has seen the length of installation intervals decrease and experienced declines in their trouble reports. Also, for service outages, since October 2006 CenturyTel has taken numerous preventative measures to minimize service outages, including re-arranging trunk configurations and tie lines, adding high circuit capacity circuits and new battery plants, upgrading software, and hard wiring connections for some of the

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<sup>11</sup> Quality of Service of Incumbent Local Exchange Carriers, Industry Analysis and Technology Division, Wireline Competition Bureau, § 1.2 (February 2007).

<sup>12</sup> *2000 Biennial Regulatory Review: Telecommunications Service Quality Reporting Requirements*, Notice of Proposed Rulemaking, 15 FCC Rcd. 22113 at ¶¶ 2, 42.

departments. CenturyTel believes that other ILECs could show similar commitments to improving service quality. Clearly, CenturyTel and the ILEC industry have shown a real commitment to improving service quality.

The existence of competition will ensure that competition forces carriers to provide quality service in order to retain customers. Since the advent of ARMIS 43-05 in 1991, consumers of telecommunication services have seen their alternatives for the provision of those services increase significantly. Such strong competition ensures that ILECs maintain high levels of service quality. For the industry as a whole, end-user customers have obtained local telephone service by utilizing approximately 138.8 million ILEC switched access lines, 28.7 million competitive local exchange carrier (CLEC) switched access lines, and 229.6 million mobile telephony service subscriptions at the end of December 2006.<sup>13</sup> Also, there was at least one CLEC serving customers in 82% of the nation's zip codes at the end of December 2006 and about 98% of United States households resided in those zip codes.<sup>14</sup>

More specifically, CenturyTel has seen significant competition in their price cap markets in Alabama and Missouri as well. For example, according to USAC filings there are at least 11 competitive eligible telecommunications

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<sup>13</sup> Local Telephone Competition: Status as of December 31, 2006, Industry Analysis and Technology Division, Wireline Competition Bureau, p. 1 (December 2007).

<sup>14</sup> *Id.* at 3.

carriers (CETCs) reporting lines in our study areas in Alabama.<sup>15</sup> Our internal records show that 12 facilities-based wireless carriers have requested we port our customers numbers to them in Alabama and as many as 14 CLECs have requested number porting of our customers in Missouri. We also have significant cable competition in both Alabama and Missouri.

Embarq and Frontier have plainly shown the standard for forbearance set forth in Section 10 of the Telecommunications Act of 1996 is met for ARMIS Report 43-05.<sup>16</sup> First, the report was never designed to ensure that the charges are just and reasonable and nondiscriminatory.<sup>17</sup> The report was only meant to be a “temporary” way of monitoring ILEC service quality during the transition from rate-of-return to price cap regulation and not to ensure that rates are reasonable.<sup>18</sup> Second, the report is not necessary to protect consumers, as the Commission has acknowledged it is of limited use to consumers.<sup>19</sup> Third, because filing the report imposes significant regulatory burdens and costs on carriers and it only applies to a small subset of ILECs that meet the applicable thresholds, forbearing from collecting ARMIS Report 43-05 is in the public interest.<sup>20</sup>

Given that Embarq and Frontier have shown that the standards for forbearance have clearly been met and all of the other evidence showing that

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<sup>15</sup> USAC FCC Filings, CETC Reported Lines By Incumbent Study Area, Fourth Quarter 2007, Appendices HC18, HC19 and HC21.

<sup>16</sup> 47 U.S.C. § 160(a).

<sup>17</sup> *See* Frontier Petition at 12.

<sup>18</sup> *Id.* at 11-12.

<sup>19</sup> *Id.* at 12-13.

<sup>20</sup> *Id.* at 13-14.

the Commission's monitoring of service quality through use of ARMIS Report 43-05 is of limited usefulness, including the Commission's own admission, we urge the Commission to grant Embarq and Frontier the forbearance relief they request for ARMIS Report 43-05.

### **III. THE COMMISSION SHOULD GRANT EMBARQ AND FRONTIER FORBEARANCE FROM THE FILING OF ARMIS REPORT 43-08**

In their forbearance petitions, both Embarq and Frontier request forbearance from the enforcement of Commission rules requiring submission of ARMIS Report 43-08.<sup>21</sup> As with the ARMIS Service Quality Report, Embarq argues that this report has become outdated and unnecessary given that ILEC network investment has not declined, but has actually improved over the years.<sup>22</sup> They go on to say that the filing of ARMIS Report 43-08 also fails to provide a complete picture of network investment because the report is only required from one class of competitors (ILECs), even though cable telephony, wireless, wireline CLEC, and other competitors have been investing heavily in their own facilities.<sup>23</sup> Finally, they note that Form 477, which details the coverage and reach of local exchange and broadband services, now makes ARMIS Report 43-08 obsolete.<sup>24</sup>

As is the case with ARMIS Report 43-05, the FCC already has in its possession information which shows network investment by all facilities-based broadband providers is increasing. For example, the most recent data

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<sup>21</sup> See Frontier Petition at 2 and Embarq Petition at 2.

<sup>22</sup> See Embarq Petition at 3,5,11.

<sup>23</sup> *Id.* at 13.

<sup>24</sup> *Id.* at 15.

posted by the FCC reported on Form 477 shows that high-speed lines increased by 27% during the second half of 2006 following a 27% increase during the first half of 2006.<sup>25</sup> For the full year, high-speed lines increased by 61% from 51.2 million to 82.5 million compared to 37% in 2005.<sup>26</sup> Also, the data shows that advanced service lines, which deliver speeds exceeding 200 kbps in both directions, increased by 17% during the second half of 2006, compared to a 16% increase during the first half of 2006.<sup>27</sup>

CenturyTel has a history of strategic and consistent investment in our network infrastructure that has resulted in a high-quality, broadband-capable network. We added more than 120,000 high-speed Internet customers during 2006 and our high-speed Internet penetration reached 22.4 percent at the end of 2006, up from 15.1 percent at year-end 2005.<sup>28</sup> As of the close of 3<sup>rd</sup> Quarter 2007, CenturyTel has spent total investment dollars since acquisition in their price cap markets of approximately \$739 million for Alabama and \$1.1 billion in Missouri. Such huge investment dollars are necessitated by increased competition in these markets. Customers in highly competitive markets demand new services and features and ILECs like CenturyTel have met these challenges by upgrading their networks to meet customer needs today and in the future.

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<sup>25</sup> *Federal Communications Commission Releases Data on High-Speed Services for Internet Access*, News Release (Oct. 31, 2007).

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> CenturyTel, Inc. 2006 Annual Review, p. 3.

Embarq and Frontier have clearly shown the standard for forbearance set forth in Section 10 of the Telecommunications Act of 1996 is met for ARMIS Report 43-08.<sup>29</sup> First, the report is not necessary to ensure that the charges are just and reasonable and nondiscriminatory.<sup>30</sup> The report was only meant to be a “short term” way of looking at ILEC network investment and not to ensure that rates are reasonable.<sup>31</sup> Second, the report is not necessary to protect consumers, as that was never one of its intended purposes.<sup>32</sup> Third, because the cost of filing the report is significant and the Commission already has better tools to monitor network investment by ILECs, forbearing from requiring the filing of ARMIS Report 43-08 is in the public interest.<sup>33</sup>

Given that Embarq and Frontier have clearly shown that the standards for forbearance have been satisfied, the Commission has admitted to the lack of usefulness of ARMIS Report 43-08, and all of the other evidence suggesting that ILECs have not degraded their networks, CenturyTel urges the Commission to grant Embarq and Frontier the forbearance relief they request for ARMIS Report 43-08.<sup>34</sup>

#### **IV. THE COSTS AND BURDENS OF FILING ARMIS REPORTS FAR OUTWEIGH THEIR BENEFITS**

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<sup>29</sup> See Embarq Petition at 10-15 and Frontier Petition at 14-21.

<sup>30</sup> See Embarq Petition at 10-12.

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* at 12-13.

<sup>33</sup> *Id.* at 13-15.

<sup>34</sup> *2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2*, Report and Order, 16 FCC Rcd 19911, ¶ 211.

Under the FCC rules, CenturyTel is currently required to file ARMIS Reports 43-01, 43-05 and 43-08 for their price cap properties in Alabama and Missouri.<sup>35</sup> The staff hours necessary to gather and assemble the underlying data that makes up the report is a huge burden. For example, while the Office of Management and Budget estimate for ARMIS Report 43-08 is estimated to be 160 hours for each respondent, it actually takes CenturyTel substantially longer at around 269 estimated man-hours.<sup>36</sup> Also, in the preparation of ARMIS Report 43-01, CenturyTel is required to complete a very detailed cost study to provide the ARMIS data by jurisdiction. Without ARMIS, CenturyTel would still have to run the cost study, but one not nearly as expensive, detailed and time-consuming. Given the limited utility of the ARMIS reports set forth above and to which the Commission has even admitted to, CenturyTel urges the Commission to eliminate the ARMIS filing requirements found in 47 C.F.R. §§ 43.21(g) and (j) and allow ILECs to utilize those resources to better focus on providing the highest quality advanced services that are possible for their customers.

**V. THE FCC SHOULD GRANT FORBEARANCE RELIEF SIMILAR TO THAT REQUESTED BY EMBARQ AND FRONTIER TO ALL PRICE CAP CARRIERS**

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<sup>35</sup> 47 C.F.R. §§ 43.21(g) and (j).

<sup>36</sup> Public Information Collections Approved by Office of Management and Budget, 64 Fed. Reg. 15754 at 15755 (Apr. 1, 1999).

To date, AT&T, Qwest, Embarq and Frontier have all filed petitions at the FCC requesting forbearance from the reporting obligations of ARMIS.<sup>37</sup> All of these petitions basically set forth the same good arguments to show the mentioned ARMIS reports are outdated, redundant, unnecessary and of little value to the Commission. They also clearly show that the standards for forbearance are met. The petitioners are all similarly situated in that they are all price cap carriers or ILECs meeting the applicable thresholds for filing ARMIS reports. Given that all the petitioners are in the same class of carriers, the FCC has the legal authority and should grant relief from the filing of ARMIS reports 43-05 and 43-08 to all carriers meeting the applicable thresholds.<sup>38</sup>

## VI. CONCLUSION

The Commission should grant the forbearance petitions filed by Embarq and Frontier. Petitioners have shown that ARMIS Reports 43-05 and 43-08 are of limited usefulness and the standards for forbearance from their filing are easily met. If the Commission still desires to monitor service quality and network investments by ILECs, they have other tools that will provide much more complete and better feedback. In addition, given the number of ILECs requesting forbearance relief on this issue and the

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<sup>37</sup> Petition of Qwest Corporation for Forbearance from Enforcement of the Commission's ARMIS and 492A Reporting Requirements Pursuant to 47 U.S.C. § 160, WC Docket No. 07-204 (filed Sept. 13, 2007). *See also* AT&T Petition, Embarq Petition and Frontier Petition.

<sup>38</sup> 47 U.S.C. § 160(a) - "...the Commission shall forbear from applying any regulation or any provision of this chapter to a telecommunications carrier or telecommunications service, or class of telecommunications carriers or telecommunications services..."

Commission's own admission of the limited utility of the ARMIS reports, the Commission should grant forbearance relief from filing ARMIS Reports 43-05 and 43-08 to all other ILECs who meet the applicable thresholds.

Respectfully submitted,

CENTURYTEL, INC.

/s/Robert D. Shannon

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John F. Jones  
Jeffrey S. Glover  
Robert D. Shannon  
CENTURYTEL, INC.  
100 CenturyTel Drive  
Monroe, LA 71203  
(318) 388-9000

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