

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)
)
Petition of AT&T Inc. For Forbearance) WC Docket No. 07-21
Under 47 U.S.C. § 160 From Enforcement)
Of Certain of the Commission's Cost)
Assignment Rules)

Review of Verizon Compliance Plan

REPLY COMMENTS OF QWEST

Qwest Corporation (“Qwest”) hereby submits this Reply to Comments filed jointly by Sprint Nextel Corporation, the AdHoc Telecommunications Users Committee (“Ad Hoc”), COMPTEL, One Communications Corp. and tw telecom inc., (jointly referred to as “Sprint” or “Sprint, *et al.*”)¹ and by the National Association of State Utility Consumer Advocates and the New Jersey Division of Rate Counsel (jointly referred to as “NASUCA”)² on the Compliance Plan that Verizon filed to comply with the requirements of the Federal Communications Commission’s (“Commission”) *ARMIS Forbearance Order* in which the Commission exercised its authority to forbear from enforcing its cost assignment rules against Qwest and Verizon.³ In

¹ Comments on the Verizon Compliance Plan of Sprint *et al.*, filed herein Oct. 8, 2008.

² Comments of NASUCA on Verizon’s Compliance Plan, filed herein Oct. 8, 2008.

³ *In the Matter of Service Quality, Customer Satisfaction, Infrastructure and Operating Data Gathering, Petition of AT&T Inc. for Forbearance Under 47 U.S.C. § 160(c) From Enforcement of Certain of the Commission’s ARMIS Reporting Requirements, Petition of Qwest Corporation for Forbearance from Enforcement of the Commission’s ARMIS and 492A Reporting Requirements Pursuant to 47 U.S.C. § 160(c), Petition of the Embarq Local Operating Companies for Forbearance Under 47 U.S.C. § 160(c) From Enforcement of Certain of ARMIS Reporting Requirements, 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, Petition of Verizon for Forbearance Under 47 U.S.C. § 160(c) From Enforcement of Certain of the Commission’s Recordkeeping and Reporting Requirements, Petition of AT&T Inc. For Forbearance Under 47 U.S.C. § 160 From Enforcement of Certain of the Commission’s Cost Assignment Rules.*, Memorandum Opinion and Order (“*ARMIS Forbearance Order*”),

the *ARMIS Forbearance Order*, the Commission granted Qwest and Verizon the same relief that it had previously granted to AT&T Inc. (“AT&T”) in the *Cost Assignment Forbearance Order*⁴ (jointly referred to as the “*Forbearance Orders*” or “*Forbearance Decisions*”).

I. INTRODUCTION

Other than a few introductory comments, Sprint and NASUCA’s comments on Verizon’s Compliance Plan are identical to Sprint’s comments and NASUCA’s reply comments that they filed on August 18, 2008 and September 3, 2008, respectively, attacking AT&T’s Compliance Plan.⁵ In fact, both sets of comments incorporate their earlier arguments opposing AT&T’s Compliance Plan.⁶

Commenters’ attempts to re-argue the merits of whether the cost assignment rules are necessary ultimately fail to hold water. While the Commission conditioned forbearance on the Bureau’s approval of an acceptable compliance plan, this condition cannot be interpreted as a requirement to adopt a new set of cost assignment rules, as Sprint and NASUCA imply.⁷

WC Docket Nos. 08-190, 07-139, 07-204, 07-273 and 07-21, FCC 08-203 (rel. Sept. 6, 2008), *pets. for recon. pending* (Oct. 6, 2008).

⁴ *In the Matter of Petition of AT&T Inc. For Forbearance Under 47 U.S.C. § 160 From Enforcement of Certain of the Commission’s Cost Assignment Rules, et al.*, Memorandum Opinion and Order (“*Cost Assignment Forbearance Order*” or “*AT&T Cost Assignment Forbearance Order*”), 23 FCC Rcd 7302 (2008), *pet. for recon. pending*, and *appeal pending sub nom. NASUCA v. FCC*, No. 08-1226, Order Granting Motion to Hold Case in Abeyance (D.C. Cir. Sept. 16, 2008).

⁵ Comments on the AT&T Compliance Plan of Sprint Nextel Corporation, COMPTTEL, tw telecom inc. and One Communications Corp., filed herein Aug. 18, 2008; Reply Comments of NASUCA and N.J. Division of Rate Counsel on AT&T Compliance Plan, filed herein Sept. 3, 2008.

⁶ “Given that the Verizon Plan is virtually identical to the AT&T Plan, the arguments opposing the AT&T Plan apply equally to the Verizon Plan. Accordingly, Commenters attach as Exhibit A their Comments on the AT&T Compliance Plan and request that the arguments therein be applied to the Verizon plan.” Sprint at 2. *Also see* NASUCA at 3.

⁷ As AT&T pointed out, “[T]hese parties’ entire approach is fundamentally inconsistent with the forbearance that has been granted: a principal holding of the *Forbearance Order* was that the

For this same reason, the Commission should also reject Sprint and NASUCA's recommendation that the Commission adopt the Blueprint Plan.⁸ The Blueprint Plan is nothing more than a thinly disguised attempt to impose another set of burdensome cost assignment rules on Verizon, Qwest and AT&T. Furthermore, consideration of the Blueprint Plan has no place in this proceeding. This proceeding is limited to comments on Verizon's Compliance Plan -- it is not a rulemaking proceeding on cost assignment rules nor is it a petition for reconsideration ("PFR") of the Commission's decision to forbear from applying the cost assignment rules.⁹ The fact that Sprint and NASUCA disagree with the Commission's decisions to forbear from applying the cost assignment rules to Verizon, AT&T and Qwest is irrelevant to this proceeding which is limited to addressing the adequacy of Verizon's Compliance Plan.

II. VERIZON'S COMPLIANCE PLAN SATISFIES THE REQUIREMENTS OF THE COMMISSION'S *FORBEARANCE DECISIONS*

The Commission's *Forbearance Orders* required Verizon's Compliance Plan to address the following issues:

- 1) a description of how Verizon will maintain its accounting procedures and accounting data so that it will be able to provide information in a timely manner, if requested by the Commission, to comply with the

public interest compelled the elimination of any requirement that AT&T [Verizon and Qwest] maintain an ongoing, day-to-day cost assignment system." Response of AT&T Concerning Its Compliance Plan, filed herein Sept. 3, 2008 at 2 and n.5, citing *Cost Assignment Forbearance Order* at ¶¶ 40-44.

⁸ See "Blueprint for A Compliance *Methodology* Cost Assignment Plan," filed herein by AdHoc, COMPTel, tw telecom inc. and One Communications Corp., as an attachment to an *Ex Parte* Letter from James S. Blaszak, Counsel for Ad Hoc to Marlene H. Dortch, FCC, July 7, 2008, ("Blueprint Plan").

⁹ Some of the Sprint, *et al.* entities have already filed PFRs of both *Forbearance Orders* and NASUCA has filed an appeal of the *Cost Assignment Forbearance Order* with the D.C. Circuit. See Petition for Reconsideration of Sprint Nextel Corporation, COMPTel, tw telecom inc. and One Communications Corp., filed herein Oct. 6, 2008; Petition for Reconsideration of Sprint Nextel Corporation, COMPTel, Ad Hoc, tw telecom inc., filed herein May 27, 2008; *see also* note 5, *supra*.

conditions of the *Forbearance Orders* for Commission regulatory purposes, consistent with the Commission's statutory authority;

2) a description of how Verizon proposes to maintain and provide accounting data in study areas where Verizon receives rural high-cost universal service support sufficient to justify the support;

3) a description of Verizon's imputation methodology demonstrating that its access charge imputation processes are consistent with section 272(e)(3) of the Act and the *Non-Dominant Order*,¹⁰ and related procedures to ensure compliance with these requirements;¹¹

4) a description of Verizon's procedures to ensure compliance with section 254(k) of the Act, together with a certification executed by a Verizon executive, attesting that Verizon will comply with the requirements of section 254(k) in the absence of the Commission's cost assignment rules and to provide to the Commission information necessary to establish such compliance upon receipt of an appropriate request,¹² including the designation of a single point of contact for section 254(k) compliance; and

5) a description of the transition process that Verizon will undertake to implement the procedures in its Compliance Plan.

Verizon's Compliance Plan addresses each of these Commission concerns in a fully satisfactory manner. Sprint and NASUCA offer no constructive comments on Verizon's Compliance Plan. Instead, they only offer, inappropriately, an alternative set of cost assignment rules (*i.e.*, the Blueprint Plan) and challenge the merits of the Commission's underlying *Forbearance Decisions*. The Bureau should find that Verizon's Plan satisfies the requirements of the Commission's *Forbearance Decisions* and approve Verizon's Plan as filed.

¹⁰ *In the Matters of Section 272(f)(1) Sunset of the BOC Separate Affiliate and Related Requirements; 2000 Biennial Regulatory Review Separate Affiliate Requirements of Section 64.1903 of the Commission's Rules; Petition of AT&T Inc. for Forbearance Under 47 U.S.C. § 160(c) with Regard to Certain Dominant Carrier Regulations for In-Region, Interexchange Services, Report and Order and Memorandum Opinion and Order, 22 FCC Rcd 16440 (2007) ("Non-Dominant Order").*

¹¹ 47 U.S.C. § 272(e)(3).

¹² 47 U.S.C. § 254(k).

III. CONCLUSION

For the reasons stated above, Qwest requests that the Commission take the action described herein.

Respectfully submitted,

QWEST CORPORATION

By: /s/ Timothy M. Boucher
Craig J. Brown
Timothy M. Boucher
Suite 950
607 14th Street, N.W.
Washington, DC 20005
(303) 383-6608

Its Attorneys

Of Counsel

James T. Hannon

October 23, 2008

CERTIFICATE OF SERVICE

I, Richard Grozier, do hereby certify that I have caused the foregoing **REPLY**
COMMENTS OF QWEST CORPORATION to be: 1) filed with the FCC via its Electronic
Comment Filing System in WC Docket No. 07-21; 2) served via First Class United States Mail,
postage prepaid, on the parties listed on the attached service list; and 3) served via e-mail on the
FCC's duplicating contractor Best Copy and Printing, Inc. at fcc@bcpiweb.com.

/s/Richard Grozier

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David C. Bergmann
Office of the Ohio Consumers' Counsel
Suite 1800
10 West Broad Street
Columbus, OH 43215-3485

David C. Bergmann
National Association of State Utility
Consumer Advocates
Suite 101
8380 Colesville Road
Silver Spring, MD 20910

Ronald K. Chen
Stefanie A. Brand
New Jersey Division of Rate Counsel
POB 46005
Newark, NJ 07101

Anna M. Gomez
Maria L. Cattafesta
Sprint Nextel Corporation
2001 Edmund Halley Drive
Reston, VA 20191

Karen Reidy
COMPTEL
Suite 400
900 17th Street, N.W.
Washington, DC 20006

James S. Blaszak.....Ad Hoc Telecom Users
Levine, Blaszak, Block & Boothby, LLP
Suite 900
2001 L Street
Washington, DC 20036

Thomas JonesTW Telecom
Jonathan Lechter.....One Comm Corp
Willkie Farr & Gallagher LLP
1875 K Street, N.W.
Washington, DC 20006