

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

In the Matter of	)	
	)	
Service Quality, Customer Satisfaction, Infrastructure and Operating Data Gathering	)	WC Docket No. 08-190
	)	
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	)	WC Docket No. 07-139
	)	
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)	)	WC Docket No. 07-204
	)	
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	)	WC Docket No. 07-273
	)	
Petition of AT&T Inc. For Forbearance Under 47 U.S.C. § 160 From Enforcement of Certain of the Commission’s Cost Assignment Rules	)	WC Docket No. 07-21
	)	

**REPLY COMMENTS OF VERIZON AND VERIZON WIRELESS<sup>1</sup>**

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<sup>1</sup> In addition to Verizon Wireless, the Verizon companies participating in this filing (“Verizon”) are the regulated, wholly owned subsidiaries of Verizon Communications Inc.

The Commission should allow the ARMIS infrastructure and service quality reports to sunset for all providers. As the Commission and the industry's focus moves to broadband network technologies, it makes no sense to retain and expand old reporting obligations that were designed for different technologies and to support a different regulatory environment.

Recent expansion of the FCC Form 477 and passage of the federal broadband mapping bill signal where the communications sector is headed – away from traditional voice technology and toward converged services offered over high speed platforms. On the Form 477, recent changes will now require broadband providers to report for each census tract: (i) the number of broadband connections in service; (ii) the particular speed tiers – including multiple combinations of upload and download speed – into which those broadband connections fall; (iii) the technology type used for each connection; and (iv) estimates of the percentage of residential subscribers.<sup>2</sup> The President also recently signed the Broadband Data Improvement Act into law, which requires the Commission to compile information on areas of the country “that are not served by any provider of advanced telecommunications capability.” Broadband Data Improvement Act, Pub. L. No. 110-385, § 103(c) (2008). All of this information is much more targeted to support the Commission's broadband policies than the ARMIS reports. Expanding these reports would add nothing.

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<sup>2</sup> *Development of Nationwide Broadband Data to Evaluate Reasonable and Timely Deployment of Advanced Services to All Americans, Improvement of Wireless Broadband Subscriberhip Data, and Development of Data on Interconnected Voice over Internet Protocol (VoIP) Subscriberhip*, Report and Order and Further Notice of Proposed Rulemaking, 23 FCC Rcd 9691 (2008).

The overwhelming majority of commenters in this proceeding oppose expanding the outdated ARMIS infrastructure and service quality reports to a larger class of providers.<sup>3</sup>

Commenters correctly observe that the antiquated ARMIS reports are useless in today's competitive market, and expanding the reporting obligations would serve no purpose.

The Commission granted forbearance relief from the ARMIS infrastructure and service quality reports in the first place because they are outdated vestiges of rate-of-return regulation. "These ARMIS reports were adopted to monitor the 'theoretical concern' that price cap carriers might reduce service quality or network investment to increase short-term profits, rather than being designed to address the rates, terms, and conditions under which carriers offered their services. . . . Thus, we do not find these ARMIS reports necessary today to ensure that carriers' charges, practices, classifications or regulations are just and reasonable and are not unjustly or unreasonably discriminatory."<sup>4</sup> It would compound the futility of these ARMIS reports if the Commission expanded the reporting obligations. Enlarging the scope of reporting obligations that the Commission has already determined serve no legitimate federal purpose is also inconsistent with the Paperwork Reduction Act. *See, e.g.*, 44 U.S.C. § 3506(c)(3)(A) (providing

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<sup>3</sup> *See* Comments of the Competitive Enterprise Institute at 1; Comments of CTIA – The Wireless Association® at 1 ("CTIA Comments"); Comments of Hughes Network Systems LLC at 3; Comments of the National Cable & Telecommunications Association at 2; Comments of the Organization for the Promotion and Advancement of Small Telecommunications Companies and the Western Telecommunications Alliance at 2; Comments of Qwest Communications International Inc. at 2; Comments of the Rural Vermont ITCs at 4; Comments of the Rural Nebraska Local Exchange Carriers at 3-4; Comments of the Satellite Industry Association at 3; Comments of Sprint NEXTEL Corporation at 3; Comments of the Wireless Communications Association International, Inc. at 1-2.

<sup>4</sup> *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 Verizon For Forbearance Under 47 U.S.C. § 160(c) From Enforcement of Certain of the Commission's Recordkeeping and Reporting Requirements, et al.*, Memorandum Opinion and Order and Notice of Proposed Rulemaking, 23 FCC Rcd 13647, ¶ 8 (2008) ("*Recordkeeping and Reporting Forbearance Order*"), *pet. for recon. pending*.

that the Commission must be able to certify that the ARMIS reports are “necessary for the proper performance of the functions of the agency, including that the information has practical utility.”) As CTIA correctly points out, “The reporting obligations suggested by the Commission neither achieve the goals of the original [ARMIS] reports, nor do the proposed reports further the stated goals of the NPRM better than existing Commission rules and third-party reports.” CTIA Comments at 1.

Those few commenters that support expanding ARMIS infrastructure and service quality reporting mistake the utility of this data. Free Press argues generally that the ARMIS reports should be retained and enhanced to help the Commission address its broadband policy objectives. Comments of Free Press at 1-3 (“Free Press Comments”). Free Press fails, however, to address the key question: Just how would the Commission advance its broadband goals by requiring providers to report antiquated, narrowband ARMIS data designed for a one-network world? The answer is it would not. These data are irrelevant to broadband policy, and continued ARMIS reporting would have no impact on the Commission’s broadband objectives. Free Press also ignores the much more relevant broadband data that the Commission will now collect on the Form 477 and as part of a Section 706 inquiry in implementing the Broadband Data Improvement Act.

AT&T agrees that the ARMIS service quality reports should be eliminated for all providers but suggests that certain ARMIS infrastructure reporting would assist the Commission in evaluating the extent of competition in the special access market if expanded to all wireline providers. Comments of AT&T Inc. at 3, 10. AT&T agrees with almost all commenters that ARMIS reporting should *not* be extended to mobile wireless providers. *Id.* at 3 n.2. Verizon shares AT&T’s frustration with the failure of wireline parties that claim lack of competition for

high capacity circuits to offer data on the extent of their own facilities. Merely expanding ARMIS infrastructure reporting to other wireline providers, however, is not the answer. Many of the metrics in these reports reflect traditional telephone company data (*e.g.*, switches equipped with SS7 technology, total sheath kilometers of loop and interoffice cables, and telephone call volumes) that is not directly relevant to current technology being deployed for high capacity services. In addition, the ARMIS 43-08 Report is a state-level filing, which is not granular enough to assess the extent of special access competition on the local level.

A few state commenters also generally suggest that the Commission should retain and expand at least some of the ARMIS infrastructure and service quality data because, these commenters claim, this information is useful to consumers when choosing between service providers.<sup>5</sup> Such comments do not reflect the reality of the Commission’s ARMIS reporting process. Few consumers have ever heard of the ARMIS reports, and consumers simply do not use these reports to help them make informed decisions. The ARMIS infrastructure data that the CPSC claims may be useful to consumers – quantities of local switches and switch equivalents, transmission facility data, lines in service, and call statistics – is particularly irrelevant to consumer decision-making. CPSC Comments at 5. Even if consumers knew how to interpret this data on a provider-specific basis, which they do not, raw counts of provider facilities, equipment, and call volumes tell a consumer nothing useful about the products and services offered by a provider nor how to compare those products and services across providers. Since the public does not use these data to compare providers, ARMIS reporting also does not incent

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<sup>5</sup> Comments of the California Public Service Commission and the People of the State of California at 4-5 (“CPSC Comments”) (the CPSC does not support retaining all of the data in the ARMIS infrastructure and service quality reports, just a subset that it alleges might be helpful to consumers); Comments of the Michigan Public Service Commission at 2 (“Michigan PSC Comments”).

providers to offer reliable services nor spur investment, as the CPSC theorizes. CPSC Comments at 3.

Moreover, the CPSC's comments and the Commission's tentative conclusion regarding the ARMIS service quality reports in this matter are in direct conflict with prior Commission decisions. *See, e.g., Policy and Rules Concerning Rates for Dominant Carriers*, Second Report and Order, 5 FCC Rcd 6786, ¶ 355 (1990) (noting that, in a competitive marketplace, "if LECs fail to provide good service quality and invest in advanced technology to keep their network at the technological forefront, the market will punish them through a loss of demand"); *2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements*, Notice of Proposed Rulemaking, 15 FCC Rcd 22113, ¶ 14 (2000) ("[W]hile consumers have been technically able to monitor trends using [ARMIS service quality] information, much of it is technical in nature and may not be easily translated by consumers.")

The ARMIS service quality reports are equally useless to consumers even if the reports were expanded to additional providers. As Verizon explained in its comments, a variety of websites and other third-party services provide publicly available service quality information that is much more consumer friendly (and actually used by consumers) than the ARMIS reports. Comments of Verizon at 6-8. And, with respect to wireless services, the Commission's annual CMRS Competition Report is an existing and much more useful source for information on mobile wireless services and providers than any new ARMIS report would be.<sup>6</sup>

Finally, Free Press, the Michigan PSC, and the Texas Office of Public Utility Counsel suggest that the Commission should retain and expand ARMIS infrastructure and service quality

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<sup>6</sup> *See, e.g., Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services*, Twelfth Report, 23 FCC Rcd 2241 (2008).

reporting because certain states put this data to various uses. Free Press Comments at 4; Michigan PSC Comments at 2; Texas Office of Public Utility Counsel Comments at 3, 5 (“Texas OPUC Comments”).<sup>7</sup> As the Commission has recognized, it cannot maintain federal reporting requirements to serve state regulatory purposes. *See, e.g., Petition of AT&T Inc. For Forbearance Under 47 U.S.C. § 160 From Enforcement of Certain of the Commission's Cost Assignment Rules; Petition of BellSouth Telecommunications, Inc. For Forbearance Under 47 U.S.C. § 160 From Enforcement of Certain of the Commission's Cost Assignment Rules*, Memorandum Opinion and Order, 23 FCC Rcd 7302, ¶ 32 (2008) (“We conclude that we do not have authority under sections 2(a) and 10 of the Act to maintain federal regulatory requirements that meet the three-prong forbearance test with regard to interstate services in order to maintain regulatory burdens that may produce information helpful to state commissions for intrastate regulatory purposes solely.”) Given the increase in the reporting requirements the Commission has undertaken with the existing Form 477 reports, it is particularly important here not to retain or expand other requirements for a purpose that is outside the Commission’s scope of authority.

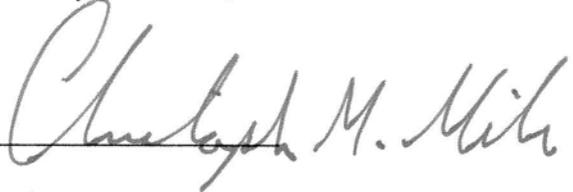
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<sup>7</sup> The Texas OPUC concedes that it does not use ARMIS Report 43-06, the customer satisfaction survey. Texas OPUC Comments at 4.

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For these reasons, the Commission should not expand the ARMIS reporting requirements and should eliminate the ARMIS infrastructure and service quality reports for all providers.

Respectfully submitted,

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