

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

In the Matter of)	
)	
Review of Wireline Competition Bureau Data Practices)	WC Docket No. 10-132
)	
Review of Media Bureau Data Practices)	MB Docket No. 10-103
)	
Review of Wireless Telecommunications Bureau Data Practices)	WT Docket No. 10-131
)	

REPLY COMMENTS OF VERIZON AND VERIZON WIRELESS¹

As the Bureaus look to update their data handling practices in these proceedings the focus should be on eliminating outdated reporting requirements and better aligning the Commission’s data collections with its multiple statutory duties to regularly review and discontinue unnecessary collections. In particular, the outdated legacy reporting requirements identified in Verizon’s initial comments should be eliminated or modified. The Bureaus should reject calls by some commenters to take on broad, new data clearinghouse functions, to increase regulatory reporting burdens on the Commission’s wireless licensees, and to re-impose ARMIS reporting obligations.

There is no dispute among commenters that the Commission must take steps to actually eliminate outdated data reporting requirements that no longer reflect marketplace realities. *See, e.g.,* Comments of T-Mobile USA, Inc. at 3 (“[A] number of the Bureau’s data collections could be modified or eliminated in a manner that would substantially reduce existing reporting burdens without impairing the [Commission’s] access to the information it needs”); Comments of Free

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

Press at 1 (“Information that truly has no practical utility should not be collected. Such an action frees Bureau staff to focus on more productive data analysis, which provides additional benefits to stakeholders and the public.”) (“Free Press Comments”); Comments of AT&T at 2; Comments of NCTA at 4. Many of the Commission’s longstanding data collections could indeed be eliminated or at a minimum scaled back. Verizon attached to its initial comments a list of outdated recordkeeping and reporting requirements that should be discontinued or modified. Comments of Verizon at Attachment A. Such unnecessary legacy reporting requirements include open network architecture and comparably efficient interconnection requirements; continuing property records requirements; international traffic reports (wireline and wireless); prepaid calling card traffic and revenue certifications; cable price surveys, operator reports, and cable system public inspection file requirements; and reports of complaints concerning equal employment laws for public mobile service providers. In addition, the Commission should streamline the FCC Form 477 broadband data gathering process; clarify that wholly owned wireless subsidiary licensees do not need to file a redundant FCC Form 602 containing licensee ownership data; permit electronic filing of FCC Form 608 for spectrum subleases; and eliminate the requirement on FCC Form 603 that wireless applicants for assignments or transfers of control identify constructed call signs.

Eliminating or modifying these reporting requirements is consistent with the Commission’s multiple statutory duties to reduce or streamline regulatory reporting obligations. *See* 47 U.S.C. § 161(a) (requiring a biennial review to “repeal or modify any regulation [the Commission] determines to be no longer necessary in the public interest.”); 47 U.S.C. § 160 (requiring forbearance from any unnecessary regulatory requirement); and 44 U.S.C. § 3506, *et seq.* (requiring analysis under the Paperwork Reduction Act as to whether each Commission data

collection is truly “necessary” and has “practical utility.”). Going forward, the record developed in these proceedings will help the Commission satisfy these statutory duties.

A few commenters suggest that the Commission should take on extensive new data clearinghouse functions. *See, e.g.*, Comments of Telogical Systems at 3-6 (proposing that the Commission transform itself into a single-source clearinghouse for service pricing data). The Commission’s role is not to serve as a massive data collection and processing entity with respect to pricing and other components of communications services—or to make value judgments between competing services. Such a function would position the Commission as a competitive arbiter, a role that goes far beyond what Congress authorized. In fact, while the Commission has sufficient authority to collect the industry data it needs to carry out its policies, the Commission’s statutory *duties* to collect any particular data set are limited. On the other hand, the Commission has clear, congressionally-mandated obligations to regularly review and eliminate outdated reporting obligations that are no longer necessary to serve the public interest. 47 U.S.C. §§ 160, 161(a); 44 U.S.C. § 3506, *et seq.*

Further, the Minority Media and Telecommunication Counsel’s (MMTC) proposal to increase regulatory burdens on wireless licensees by requiring new reporting rules regarding the ethnicity and gender of licensees should be denied. Comments of MMTC at 13. First, the vast majority of licensees and their direct and indirect owners are not individuals; rather they are partnerships and corporations, which do not have an ethnicity or gender. Some of these entities are owned by other corporate entities. Ultimately, corporate licensees may have individual *shareholders*—potentially millions of them for large publically held companies. But many (probably most) licensees do not maintain ethnicity and gender information for their shareholders, and the required collection and updating of such information would be extremely

burdensome if not impossible given the fluid exchange of shares. Second, MMTC fails to explain why this information would be necessary for the Commission to carry out its policies or what public interest would be served by collecting this information. *Id.* It would, therefore, not make sense, and would not be feasible for many licensees, to report this information.

Finally, two commenters propose that the Commission shift the focus of these proceedings and revisit a two-year-old Commission decision to eliminate meaningless ARMIS reports. Free Press and the Communications Workers of America suggest that the Commission reverse course and bring the ARMIS service quality report (43-05) and the customer satisfaction report (43-06) back to life. Free Press Comments at 2-3; Comments of the Communications Workers of America at 1-3 (“CWA Comments”). Initially, these commenters are wrong to suggest that unless the Commission acts soon these two reporting requirements will “sunset.” CWA Comments at 4. The sun has already set. Consistent with the 2008 *ARMIS Forbearance Order*, the reporting entities that were granted forbearance filed these two service reports for two additional years—i.e., at the ARMIS reporting deadlines in April 2009 and again in April 2010—at which time the obligations were eliminated by the terms of the order. *See 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, ¶ 12 (2008), *pet. for recon. pending* (“*ARMIS Forbearance Order*”). Even under CWA’s interpretation of the *ARMIS Forbearance Order*, the sunset deadline for the 43-05 and 43-06 reports came and went last week. CWA Comments at 4 (arguing that these reporting requirements remain active for 24 calendar months following the

date of the *ARMIS Forbearance Order*, which was September 6, 2008).

Moreover, any suggestion that consumers actually used the service information in the ARMIS 43-05 and 43-06 reports is fantasy. *See, e.g.*, Free Press Comments at 2. These are byzantine regulatory reports that were filed by only by a few (incumbent LECs) among many competitors. The 43-05 report is a legacy ILEC report that incorporates service metrics (e.g., common trunk blockage for Feature Group D traffic, total switch downtime, etc.) that are undecipherable by consumers—and many industry insiders alike. *See* FCC, Current ARMIS Instructions, <http://www.fcc.gov/wcb/armis/instructions/welcome.html>. Similarly, the 43-06 report requires a meaningless, non-standard and carrier-specific customer satisfaction survey that is not usable to make any sort of informed decision about competing service offerings. *Id.* To even access the these reports consumers must first know that they exist (which they do not) and reside with the Commission instead of their local regulator or a third-party service; determine that the Commission collects this data through the ARMIS process; locate the ARMIS section on the Commission’s website; and then download preset reports or run complicated database queries to get more localized information. *See* FCC ARMIS website at <http://fjallfoss.fcc.gov/eafs7/MainMenu.cfm>.

The Commission recognized that these reports were truly useless when it eliminated them in 2008, finding that they were outdated vestiges of a rate-of-return federal regulatory regime that was abandoned long ago in favor of price caps.

We agree with the petitioners that ARMIS Reports 43-05, 43-06, 43-07, and 43-08 were not originally designed to ensure that carriers’ rates, terms, and conditions were just and reasonable or not unjustly or unreasonably discriminatory. 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.

AMRIS Forbearance Order, ¶ 8 (quotations and citations omitted). Resurrecting these reports would be a significant step backwards toward collecting useless data in a manner that unfairly burdens only a small subset of competitors.

Moreover, the Commission cannot not add, or re-impose, ARMIS reporting obligations in these proceedings even if the Commission were inclined (which it should not be) to pursue such additional reporting. In order to proceed with new ARMIS reporting requirements the Commission must initiate a new rulemaking and follow standard APA notice and comment procedures. 5 U.S.C. § 553; *see also USTelecom v. FCC*, 400 F.3d 29, 38 (D.C. Cir. 2005) (addressing a change to a preexisting legislative rule that “can be valid only if it satisfies the notice-and-comment requirements of the APA”).

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For these reasons, the Commission should eliminate the outdated and unnecessary data collections discussed herein and identified in Verizon's initial comments and reject suggestions to re-impose any ARMIS reporting obligations.

Respectfully submitted,

By: Christopher M. Miller

Michael E. Glover, *Of Counsel*

Edward Shakin
Christopher M. Miller
VERIZON
1320 North Courthouse Road
9th Floor
Arlington, VA 22201-2909
(703) 351-3071

John T. Scott, III
Michael Samscock
VERIZON WIRELESS
1300 I Street, NW
Suite 400 West
Washington, DC 20005
(202) 589-3770

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Attorneys for Verizon
and Verizon Wireless