

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Inquiry Concerning the Deployment of	)	
Advanced Telecommunications Capability to	)	
All Americans in a Reasonable and Timely	)	GN Docket No. 12-228
Fashion, and Possible Steps To Accelerate	)	
Such Deployment Pursuant to Section 706 of	)	
the Telecommunications Act of 1996, as	)	
Amended by the Broadband Data	)	
Improvement Act	)	

**REPLY COMMENTS OF VERIZON AND VERIZON WIRELESS ON THE  
NINTH BROADBAND PROGRESS NOTICE OF INQUIRY**

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## I. INTRODUCTION AND SUMMARY

The record here confirms the success of the Commission's policies in promoting the timely and widespread deployment of broadband facilities, competition, and investment. Consumers are the beneficiaries, as they now have near-ubiquitous access to ever-more-robust broadband services over a wide range of competing broadband platforms, including fiber, DSL, cable modem, 3G and 4G mobile, fixed wireless, and satellite.

Although no party disputes the fact that broadband availability and usage have been steadily increasing, several commenters repeat characterizations that this progress is insufficient, in the hope that the Commission will impose regulations that further these parties' narrow policy agendas. There is no basis for the Commission to take such an approach. By any reasonable measure, the Commission's pro-competitive policies have been a success, and many of the proposed regulations have already been tried and failed.

The Commission's Eighth Broadband Progress Report shows that wireline and wireless broadband networks collectively reach more than **98 percent** of the population of the United States.<sup>1</sup> With substantial upgrades to wireline infrastructure and the extensive rollout of competing 4G wireless broadband services, these terrestrial networks are continuing to expand to cover even more Americans and to offer more robust services. Moreover, many of the reportedly unserved population can now choose from one or more of three competing broadband satellite providers that began offering service after the Commission's data were collected, thus

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<sup>1</sup> *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps To Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act*, Eighth Broadband Progress Report at Table 15, GN Docket No. 11-121, FCC 12-90 (rel. Aug. 21, 2012) ("*Eighth Broadband Progress Report*").

making broadband access very near ubiquitous.<sup>2</sup> Under the circumstances, the Commission should find that broadband has been and is continuing to be deployed across the United States in a reasonable and timely fashion.

## **II. THE RECORD CONFIRMS THAT BROADBAND IS BEING DEPLOYED IN A REASONABLE AND TIMELY FASHION**

As Verizon demonstrated in its initial comments and as other comments confirm, the broadband marketplace in the United States is thriving, as intermodal competition and consumer choices continue to expand. Traditional telephone companies, cable operators, wireless providers, and satellite providers continue to invest substantial sums in deploying new broadband technologies, such as fiber-to-the-premises, DOCSIS 3.0, 4G LTE wireless services, and next-generation satellite broadband. The private sector has invested \$1.2 trillion dollars since 1996 – \$66 billion in 2011 alone – to build broadband networks.<sup>3</sup> As a result, consumers increasingly have a multitude of options for broadband service, particularly with the rollout of wireless 4G services that provide greater cross-platform competition by virtue of higher speeds and expanded capabilities combined with the significant benefit of mobility. In short, broadband deployment and competition are flourishing.

The record confirms that the Commission’s analysis of broadband availability should include mobile broadband,<sup>4</sup> satellite broadband,<sup>5</sup> and Wi-Fi services.<sup>6</sup> The record also confirms

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<sup>2</sup> According to ViaSat, for example, its Exede services, which became operational in January 2012, “are designed to offer a high-quality broadband internet service choice to the millions of unserved and under-served consumers in the United States.” ViaSat, Inc., Form 424B3, at 2 (SEC filed July 26, 2012), <http://www.sec.gov/Archives/edgar/data/797721/000119312512316742/d362005d424b3.htm>.

<sup>3</sup> See AT&T at 4.

<sup>4</sup> See Verizon and Verizon Wireless (together, “Verizon”) at 20-21; AT&T at 5-6; Comcast at 23-25; CTIA – The Wireless Association (“CTIA”) at 16; MetroPCS Communications (“MetroPCS”) at 3-4; National Cable & Telecommunications Association (“NCTA”) at 10-11.

that broadband competition and investment are significant and increasing.<sup>7</sup> And broadband availability continues to expand to reach nearly every American: after comments were filed in this proceeding, DISH began offering dishNET – a consumer broadband service offered via satellite, which “offers rural residents download speeds up to 10 Mbps.”<sup>8</sup> According to DISH, “[t]hese services will have powerful, positive impacts for kids, educators, businesses, farmers and families – no matter how far out of town they may choose to live.”<sup>9</sup> And on October 1, 2012, Hughes Network Systems began providing HughesNet Gen4 satellite broadband service at “dramatically increased speeds (up to 15 Mbps, depending on the plan).”<sup>10</sup> The HughesNet Gen4 service “is ideal for those living in areas in which high-speed landline connections are just not available.”<sup>11</sup>

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<sup>5</sup> See Verizon at 24; ViaSat at 9-10; AT&T at 6 n.14; NCTA at 10.

<sup>6</sup> See MetroPCS at 13-14; National Association of Telecommunications Officers and Advisors (“NATOA”) at 8-9.

<sup>7</sup> See Verizon at 3-12; AT&T at 2-4; Comcast at 3-10; CTIA at 2-12; Fiber-to-the-Home Council (“FTTH Council”) at 5-8; MetroPCS at 5-6; United States Telecom Association (“USTelecom”) at 3-18; Letter from John Sununu & Harold Ford, Broadband for America, to the Honorable Julius Genachowski, Chairman, FCC, GN Docket No. 12-228, at 1-4 (filed Sept. 27, 2012) (“Broadband for America Ex Parte”).

<sup>8</sup> DISH Press Release, *DISH Launches dishNET Broadband, Bringing High-Speed Internet to Rural Americans with Slow or No Access* (Sept. 27, 2012), <http://press.dishnetwork.com/press-releases/dish-launches-dishnet-broadband-bringing-high-spe-nasdaq-dish-0935400>. dishNET “leverages advanced technology and high-powered satellites launched from Hughes and ViaSat to provide broadband coverage nationwide.” *Id.*

<sup>9</sup> *Id.* (statement by DISH vice president of broadband Brian McIntyre).

<sup>10</sup> EchoStar Press Release, *HughesNet Gen4 Satellite Internet Service Goes Live with Speeds Up to 15 Mbps* (Oct. 1, 2012), <http://sats.client.shareholder.com/releasedetail.cfm?ReleaseID=710287>.

<sup>11</sup> *Id.*

The record also confirms that broadband *adoption* – which grew at nearly unprecedented rates as broadband became available and which continues to increase – is irrelevant to the Commission’s Section 706 assessment of broadband availability.<sup>12</sup> The Commission should not conflate broadband adoption with broadband availability, giving the United States a nationwide failing grade for broadband deployment until everyone in the country has access *and* has decided to subscribe to the service. This approach cannot be reconciled with the language of Section 706, which requires an assessment of whether broadband “is being deployed to all Americans in a reasonable and timely fashion.”<sup>13</sup> Furthermore, as Comcast noted, the Commission should not focus on the extent to which broadband *has been* deployed but rather the extent to which it *is being* deployed.<sup>14</sup> Thus, the Commission should heed Commissioner Pai’s observation that Congress’s use of the progressive present tense in Section 706 commanded the measure of “progress – not total achievement” – toward the goal of deployment of broadband to all Americans.<sup>15</sup>

Following enactment of the 1996 Act, the Commission repeatedly found that broadband services were being deployed in a reasonable and timely fashion, even where deployment had not yet reached isolated pockets of the country where the economics of deployment are extremely challenging.<sup>16</sup> In its last three broadband progress reports, the Commission reversed course and established an unattainable goal – 100 percent deployment by wireline technology

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<sup>12</sup> See Verizon at 18-19; MetroPCS at 14-15; NCTA at 3-6; AT&T at 4-5.

<sup>13</sup> 47 U.S.C. § 1302(b) (emphasis added).

<sup>14</sup> Comcast at 10.

<sup>15</sup> Dissenting Statement of Commissioner Ajit Pai, *attached to Eighth Broadband Progress Report*.

<sup>16</sup> See Verizon at 12-13; NCTA at 3-4.

and 100 percent adoption by consumers. The Commission should correct these analytical mistakes in the Ninth Broadband Progress Report and return its focus to the assessment of whether broadband services are being deployed in a reasonable and timely fashion, and “without regard to any transmission media or technology,” “using any technology,” as required by the statute.<sup>17</sup>

### **III. THE COMMISSION SHOULD NOT ADOPT NEW CRITERIA THAT WILL UNDERMINE A PROPER ASSESSMENT OF BROADBAND DEPLOYMENT**

As Verizon explained in its comments, the Commission should avoid adopting new criteria that would unnecessarily complicate the Commission’s analysis and hinder the proper assessment of broadband deployment.<sup>18</sup> The Commission should accordingly reject the attempts by a number of commenters to impose various burdensome broadband regulations that advance these parties’ special interests.

#### **A. Usage-Based Billing Offers Consumer Benefits.**

Verizon and other wireline and wireless broadband providers have made a variety of pricing plans available, and these plans continue to evolve to reflect ongoing changes in the dynamic broadband marketplace.<sup>19</sup> As Comcast explains, the broad range of experimentation in the marketplace has the potential to *increase* broadband availability, with “[p]ricing models tak[ing] a number of forms, such as unlimited services, services subject to usage caps, and services that offer subscribers the ability to purchase additional capacity beyond an initial threshold.”<sup>20</sup> Usage-based billing practices – which are commonly used in a wide variety of

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<sup>17</sup> See 47 U.S.C. § 1302(d)(1).

<sup>18</sup> See Verizon at 20-24.

<sup>19</sup> See AT&T at 7-8.

<sup>20</sup> Comcast at 18.

competitive industries – are one of the options that consumers increasingly have available to them. Contrary to what some commenters claim, these practices promote broadband deployment and availability by facilitating network management and ensuring that more of the costs of providing broadband are rationally tied to the users who impose those costs. It is textbook economics that such pricing mechanisms benefit consumers and the public interest overall.<sup>21</sup>

The Commission itself has previously recognized the economic efficiencies of usage-based billing approaches and its positive impact on broadband deployment. For example, in a recent speech on “Winning the Global Broadband Race,” Chairman Genachowski stated: “One tool we’ve seen is usage-based pricing, often implemented with monthly data limits. I’ve said since 2010 that, in a competitive market, usage-based pricing can be a useful tool, consistent with the goals of driving efficiency, investment, and faster and more robust network infrastructure. In general, experimentation in business models in competitive markets is something to be encouraged, and has historically benefited consumers.”<sup>22</sup> The Commission also

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<sup>21</sup> See, e.g., Jeffrey K. Mackie-Mason & Hal R. Varian, *Some FAQ’S About Usage-Based Pricing*, 1 J. Elec. Pub. (1995), <http://quod.lib.umich.edu/cgi/t/text/text-idx?c=jep;view=text;rgn=main;idno=3336451.0001.134> (“Usage-based prices can be used to prioritize usage of a congested resource like a WWW server so that those who value access the most get the highest priority. Prices can also be used to allocate service classes to different uses and to recover costs of providing services. A key aspect of pricing services efficiently is that the revenues raised by the prices can be used to guide investment decisions and expand capacity.”); Arthur O’Sullivan & Steven M. Sheffrin, *Economics: Principles in Action*, at 142 (Pearson Prentice Hall 2007) (“Efficient resource allocation means that economic resources – land, labor, and capital – will be used for their most valuable purposes. A market system, with its freely changing prices, ensures that resources go to the uses that consumers value most highly. A price-based system also ensures that resource use will adjust to the changing demands of consumers.”).

<sup>22</sup> Chairman Julius Genachowski, FCC, *Winning the Global Bandwidth Race: Opportunities and Challenges for the U.S. Broadband Economy*, remarks on Broadband at VOX Media, Washington, D.C. (Sept. 25, 2012), <http://www.fcc.gov/document/chairman-genachowski-remarks-broadband-vox-media> (“*Chairman Genachowski’s Remarks on Winning the Global Bandwidth Race*”).

has recognized that “prohibiting tiered or usage-based pricing and requiring all subscribers to pay the same amount for broadband service, regardless of the performance or usage of the service, would force lighter end users of the network to subsidize heavier end users. . . . [and] would also foreclose practices that may appropriately align incentives to encourage efficient use of networks.”<sup>23</sup>

Usage-based billing practices further ensure that all users are able to “originate and receive high-quality voice, data, graphics, and video telecommunications using any technology” – the inquiry relevant to Section 706 – by addressing the network-impacting incentives of high-volume users. Chairman Genachowski has correctly acknowledged that “broadband providers need meaningful flexibility to manage their networks – for example, to deal with traffic that’s harmful to the network or unwanted by users, and to address the effects of congestion.”<sup>24</sup>

Similarly, the chairman of the FTC has stated that “I think it is reasonable to charge more for higher speeds. And if someone is using a lot of bandwidth, like for instance college students on campuses for downloading pirated movies all the time, it’s not unreasonable to charge more for them.”<sup>25</sup>

Usage-based billing not only helps reduce prices and mitigate network congestion, but also provides an incentive for edge providers and application designers to make their services use broadband more efficiently. For example, Netflix designed for its Canadian customers different

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<sup>23</sup> *Preserving the Open Internet*, Report and Order, 25 FCC Rcd 17905, ¶ 72 (2010).

<sup>24</sup> Chairman Julius Genachowski, FCC, *Remarks on Preserving Internet Openness and Freedom*, Washington, D.C. (Dec. 1, 2010), <http://www.fcc.gov/document/federal-communications-commission-chairman-julius-genachowski-remarks-preserving-internet-f>.

<sup>25</sup> John Eggerton, Broadcasting and Cable, *FTC Chair OK with Paying for Higher-Speed Broadband* (May 28, 2009), [http://www.broadcastingcable.com/article/231889-FTC\\_Chair\\_OK\\_with\\_Paying\\_For\\_Higher\\_Speed\\_Broadband.php](http://www.broadcastingcable.com/article/231889-FTC_Chair_OK_with_Paying_For_Higher_Speed_Broadband.php).

options for streaming video files, depending on the customer's connection speed. The consumer's choice has a substantial effect on the customer's data usage – streaming 30 hours of content can range from 9 GB of data on the “Good” setting, to 67 GB of data on the “Best” setting – but with “minimal impact to video quality,” according to Netflix.<sup>26</sup> Netflix also recently partnered with video-encoding startup eyeIO to dramatically reduce the amount of speed and capacity required for a given level of video quality.<sup>27</sup> This example illustrates the efficiency that can emerge – and that can improve the consumer experience – when appropriate economic signals and incentives are in place. Usage-based billing can facilitate these improvements.

In light of all this, there is no merit to the claims of Public Knowledge and the Writers Guild that usage-based pricing creates a disincentive to use broadband and to invest in networks, and that such practices undermine competition.<sup>28</sup> Even more fundamentally, however, there is no basis to these commenters' request that broadband providers be required to bear the burden of explaining why usage-based billing is a legitimate pricing practice. As FTC Chairman Leibowitz has noted, “[t]here's not a product in the world where you don't pay for what you consume. That's true for essential facilities and utilities like electricity. You don't pay \$50 and turn on every light for as long as you want. It seems to me [that one way of closing the broadband gap] is letting people pay for what you use.”<sup>29</sup> Commissioner McDowell said that broadband

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<sup>26</sup> See Comcast at 21-22.

<sup>27</sup> See Comcast at 22-23.

<sup>28</sup> See Public Knowledge at 1-11; Writers Guild of America, West, Inc. (“Writers Guild”) at 4-7.

<sup>29</sup> Tony Romm, *Leibowitz Says Metering Could Help Broadband Growth*, *Politico's Morning Tech* (June 16, 2011), <http://dyn.politico.com/members/forums/thread.cfm?catid=24&subcatid=78&threadid=5569178>.

providers should have “maximum pricing freedom” to offer tiered pricing if they want.<sup>30</sup> Given the vibrant state of broadband competition and the continuing investment in broadband by a wide range of competitive providers, it should be the burden of those advocating for new regulation to demonstrate with convincing evidence that usage-based pricing or any other innovative business model or service offering is having a negative effect on broadband availability and usage.

**B. There Is No Need for a New Speed Benchmark at This Time.**

The Commission’s inquiry seeks comment on whether to adopt a new speed benchmark.<sup>31</sup> As Verizon and other commenters explained, there is no current reason to increase the 4 Mbps/1 Mbps threshold, as such speeds are still meaningful to consumers.<sup>32</sup> Moreover, for the sake of consistency and to ensure meaningful comparisons over time, the Commission should maintain a relatively stable benchmark until there is a demonstrated need to change it.

Several commenters nonetheless argue that a higher benchmark is needed, with suggestions ranging from 6 Mbps downstream and 1.5 Mbps upstream, to at least 20 Mbps downstream/15 Mbps upstream, or 10 Mbps downstream *and* upstream.<sup>33</sup> These commenters argue that the Commission’s current benchmarks don’t capture all of the different speeds that broadband providers currently offer, but that misses the point. The primary purpose of the

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<sup>30</sup> See Paul Kirby et al., *Young, McDowell Take Different Views of USF Going Forward*, Dow Jones Factiva (Mar. 23, 2012).

<sup>31</sup> *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps To Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996, as Amended by the Broadband Data Improvement Act*, Ninth Broadband Progress Notice of Inquiry ¶ 27, GN Docket No. 12-228, FCC 12-91 (rel. Aug. 21, 2012).

<sup>32</sup> See Verizon at 23-24; Comcast at 15; NCTA at 6-8.

<sup>33</sup> See California Public Utilities Commission and the People of the State of California at 3; NATOA at 2-5; Writers Guild at 3.

Commission’s benchmark is to evaluate whether consumers are receiving a baseline level of broadband, not to tabulate every speed of service that providers may be offering.<sup>34</sup> Changing the benchmark would inject unnecessary confusion, with no benefits to the Commission’s analysis or to consumers.

**C. There Is No Reason to Consider Latency in This Context.**

As Verizon and other commenters explained, the addition of latency as a core characteristic for determining broadband availability is unnecessary.<sup>35</sup> The Commission’s own analysis recognized that latency remains “largely unchanged” from year to year, “as it primarily depends upon factors intrinsic to a specific architecture and is largely outside the scope of improvement if networks are appropriately engineered.”<sup>36</sup> Moreover, as Comcast notes, tracking latency offers limited benefits because there are myriad other factors in the broadband ecosystem – aside from speed, latency, and capacity – that largely determine what a consumer is able to do with a given broadband connection.<sup>37</sup> Moreover, while there is no basis to believe that latency is a real concern to consumers or with most broadband connections, there is reason to believe that technology improvements, such as the rollout of 4G LTE, will continue to reduce the latency that consumers experience.

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<sup>34</sup> See *Eighth Broadband Progress Report* ¶ 18 (“In each of the reports the Commission has conducted under section 706, it has relied on a speed benchmark for determining whether a service satisfies [the statutory definition of ‘advanced telecommunications capability’]”).

<sup>35</sup> See Verizon at 21; AT&T at 7; Comcast at 17; CTIA – The Wireless Association (“CTIA”) at 20; NCTA at 9-10.

<sup>36</sup> Office of Engineering & Technology and Consumer & Governmental Affairs Bureau, FCC, *Measuring Broadband America: A Report on Consumer Wireline Broadband Performance in the U.S.*, at 11 (July 2012), <http://transition.fcc.gov/cgb/measuringbroadbandreport/2012/Measuring-Broadband-America.pdf>.

<sup>37</sup> See Comcast at 21-23.

The Central Coast Broadband Consortium advocates a 100-millisecond threshold for round-trip latency. But even it concedes that “latency accumulates along a path and only a portion of end-to-end delay may be the responsibility of a serving Internet Service Provider.”<sup>38</sup> There is little point in measuring latency if that latency can be caused in layers of the network that fall outside the scope of the Commission’s broadband review. In any event, as ViaSat notes, a 100-millisecond threshold is entirely arbitrary.<sup>39</sup> Given the lack of any basis for injecting an unnecessary additional factor that would only serve to further complicate the Commission’s already complex inquiry, the Commission should maintain the current approach to defining broadband.

#### **IV. THE COMMISSION SHOULD CONTINUE TO PURSUE PRO-INVESTMENT POLICIES AS THE BEST MEANS OF PROMOTING THE COMPETITIVE AVAILABILITY OF BROADBAND**

The Commission should continue to pursue policies that preserve providers’ incentives to invest in next-generation broadband networks. As Verizon explained in its initial comments, the Commission should reaffirm that all IP-based services – regardless of provider or technology – are interstate information services and are subject to the Commission’s exclusive jurisdiction.<sup>40</sup> The Commission should also continue to increase available spectrum for wireless broadband services,<sup>41</sup> and take immediate action to improve government policies for access to rights of way

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<sup>38</sup> Central Coast Broadband Consortium at 1.

<sup>39</sup> See ViaSat at 7-8.

<sup>40</sup> See Verizon at 24-25.

<sup>41</sup> See Verizon at 25-26; CTIA at 21-22; MetroPCS at 21-24; Broadband for America Ex Parte at 5-6.

and wireless tower siting.<sup>42</sup> Further, the Commission should expeditiously grant USTelecom's forbearance petition to eliminate legacy regulations that no longer make sense in a broadband-centric marketplace.<sup>43</sup>

Several commenters advocate new types of intrusive broadband regulation intended to promote these parties' narrow policy agendas. The Commission should reject these proposals and continue the policies that have a proven track record of success.

**A. Restrictions on Copper Retirement Would Deter Investment in Next-Generation Broadband Networks.**

Verizon has spent large sums on deploying fiber to millions of U.S. homes, which has made the U.S. one of the leading countries in terms of fiber-to-the-home. Verizon made this decision to invest at a time when the Commission's policies recognized that requiring providers to maintain duplicate networks that they no longer needed in order to serve their customers would increase the cost and eliminate the efficiencies of deploying advanced fiber networks, and therefore permitted providers the flexibility to retire any copper facilities that they no longer need.<sup>44</sup> Some commenters argue that the Commission should reverse its earlier decision and prevent copper retirement.<sup>45</sup> Such a policy shift would be patently unfair and unlawful, and it

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<sup>42</sup> See Verizon at 7-29; CTIA at 23-25; FTTH Council at 14-16; Broadband for America Ex Parte at 6; PCIA & The DAS Forum at 3-5.

<sup>43</sup> See USTelecom at 26-28; Comments of Verizon, *Petition of USTelecom for Forbearance Under 47 U.S.C. § 160(c) from Enforcement of Certain Legacy Telecommunications Regulations*, WC Docket No. 12-61 (FCC filed Apr. 9, 2012).

<sup>44</sup> See *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, 18 FCC Rcd 16978, ¶ 277 (2003).

<sup>45</sup> See Telecommunications for the Deaf and Hard of Hearing, Inc., Association of Late-Deafened Adults, Inc., National Association of the Deaf, Deaf and Hard of Hearing Consumer Advocacy Network, California Coalition of Agencies Serving the Deaf and Hard of Hearing, and Hearing Loss Association of America ("Consumer Groups") at 5.

would directly undermine the Commission’s goals of encouraging investment in next-generation broadband networks.<sup>46</sup>

The prevention of copper retirement would have a chilling effect on future broadband investment. Such a policy would short-circuit fiber investment and competitively disadvantage one set of broadband providers over all others. Such a policy shift would be inconsistent with the Commission’s goal of achieving more widespread deployment, including the goal of 100 million U.S. homes having access to download speeds of at least 100 Mbps by 2020. Most importantly, restricting copper retirement would hurt consumers. The added costs of maintaining a duplicate copper network, beyond when it makes business sense to do so, would ultimately be borne by consumers – both the diminishing base of customers still served by the copper as well as the customers served over other platforms but forced to subsidize the copper network. As providers have fewer incentives to invest in fiber networks, consumers will have less access to the innovative, new services that fiber enables.

**B. The Hodgepodge of Wireless Broadband Issues Raised by Parties Seeking Regulation Are Misplaced.**

As Verizon and other commenters have explained, the Commission should accelerate broadband deployment by continuing to increase available spectrum for wireless broadband

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<sup>46</sup> See, e.g., *Chairman Genachowski’s Remarks on Winning the Global Bandwidth Race* (“We must drive massive private investment in both networks and applications – a virtuous circle where innovative applications drive user demand for bandwidth, which generates returns and incentives for network providers to invest in speed, capacity and ubiquity, which in turn enables further innovation, more demand, more network investment, and on we go.”); *Connecting America: The National Broadband Plan*, at 121 (2010) <http://download.broadband.gov/plan/national-broadband-plan.pdf> (“The private sector continues to invest in high-speed networks. . . . [T]hese efforts aim to accelerate the pace of innovation by placing next-generation technology in the hands of individuals and entrepreneurs, and allowing them to discover the best uses for it. Very fast networks may lead to unanticipated discoveries that will change how people connect, work, learn, play and contribute online.”).

services.<sup>47</sup> The record confirms that the wireless industry is intensively competitive, and market forces have encouraged the widespread deployment of 4G LTE services and innovative service offerings, such as Verizon Wireless’s “Share Everything” plans.<sup>48</sup>

The Competitive Carriers Association (“CCA”) and a few other commenters argue that the Commission should impose new regulations regarding wireless broadband services.<sup>49</sup> But the policy issues it raises – spectrum holdings,<sup>50</sup> incentive auctions,<sup>51</sup> lower 700 MHz device interoperability,<sup>52</sup> data roaming,<sup>53</sup> and special access<sup>54</sup> – are all being considered or have been considered by the Commission in other contexts. CCA and its members are free to weigh in on whether the public interest is served by approval of any of the secondary market spectrum transactions it cites in the actual proceeding concerning the transaction.<sup>55</sup> Review of these issues is simply inappropriate and unnecessary in this proceeding. Here, the Commission should assess

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<sup>47</sup> See Verizon at 25-26; CTIA at 21-22; MetroPCS at 21-24; Broadband for America Ex Parte at 5-6.

<sup>48</sup> See Verizon at 5-7, 14-18; CTIA at 4-12;

<sup>49</sup> See CCA at 6-8, 11-13; MetroPCS at 17.

<sup>50</sup> *Policies Regarding Mobile Spectrum Holdings*, Notice of Proposed Rulemaking, WT Docket No. 12-269, FCC 12-119 (rel. Sept. 28, 2012).

<sup>51</sup> *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, Notice of Proposed Rulemaking, Docket No. 12-268, FCC 12-118 (rel. Oct. 2, 2012).

<sup>52</sup> *Promoting Interoperability in the 700 MHz Commercial Spectrum*, Notice of Proposed Rulemaking, 27 FCC Rcd 3521 (2012).

<sup>53</sup> *Reexamination of the Roaming Obligations of Commercial Mobile Radio Service Providers and Other Providers of Mobile Data Services*, Second Report and Order, 26 FCC Rcd 5411 (2011).

<sup>54</sup> *Special Access for Price Cap Local Exchange Carriers*, Report and Order, WC Docket No. 05-25 & RM-10593, FCC 12-92 (rel. Aug. 22, 2012).

<sup>55</sup> CCA at 8-11.

deployment of broadband services, including mobile broadband, not conjure up unnecessary restrictions on the ability of providers to deploy advanced services.

**V. CONCLUSION**

The Commission should confirm that broadband services are being deployed in a reasonable and timely fashion in the overwhelming majority of the country, and the Commission should continue to pursue policies that encourage broadband investment and innovation.

Respectfully submitted,

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