

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

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing a Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109
	)	
Universal Service Reform—Mobility Fund	)	WT Docket No. 10-208

**REPLY COMMENTS OF FRONTIER COMMUNICATIONS CORPORATION**

**I. INTRODUCTION**

Frontier Communications Corporation (“Frontier”) hereby submits the following reply comments in response to the Federal Communications Commission’s (“Commission” or “FCC”) request for comment on its Intercarrier Compensation Reform Compliance and Monitoring Form (“ICC Compliance Form”).<sup>1</sup> Frontier writes to support the comments submitted in response to the *Public Notice* that identify the particular burdens and inconsistencies in the ICC Compliance

---

<sup>1</sup> *In re: Connect America Fund; WC Dkt. Nos. 10-90 et al., Public Notice: Comment Sought on Intercarrier Compensation Reform Compliance and Monitoring Form*, DA 13-11 (rel. Jan. 4, 2013) (“*Public Notice*” or “*PN*”).

Form and also to identify a few additional points of concern that Frontier has with the ICC Compliance Form that were not raised in the initial round of comments.

Frontier, as an ILEC operating in 27 states, is the largest provider of communications services focused on rural America. Frontier has undergone significant changes and implementation challenges as a result of the Commission's *USF/ICC Transformation Order*.<sup>2</sup> Frontier is similarly situated to commenter CenturyLink as "a member of the ABC group which submitted a reform proposal that helped form the foundation for the *Order*," and also an entity that required "the expenditure of tens of thousands of employee hours, IT systems changes and considerable other out-of-pocket expenditures in order to prepare for and make hundreds of significant federal and state regulatory filings."<sup>3</sup>

Accordingly, while Frontier supports the Commission's overall reform effort, it is particularly sensitive towards making the ongoing regulatory compliance filings streamlined and narrowly-tailored to achieve the results specified. Frontier agrees with CenturyLink that "[t]he Commission should strive to impose only those reasonable and balanced requirements that are needed to ensure adequate oversight."<sup>4</sup> Unfortunately the ICC Compliance Form as proposed contains requirements that create regulatory burdens without any corresponding benefit. Frontier looks forward to working with the Commission as it continues to develop its ICC Compliance Form requirements.

## **II. THE COMMISSION SHOULD USE THE TARIFF YEAR INSTEAD OF THE FISCAL YEAR FOR ITS DATA COLLECTION**

---

<sup>2</sup> *In re: Connect America Fund*; WC Dkt. Nos. 10-90 *et al.*, *Report and Order and Further Notice of Proposed Rulemaking*, FCC 11-161, 26 FCC Rcd 17663 (rel. Nov. 18, 2011) ("*USF/ICC Transformation Order*").

<sup>3</sup> Comments of CenturyLink, WC Dkt. No. 10-90 *et al.*, 2 (filed Feb. 4, 2013) ("CenturyLink Comments").

<sup>4</sup> *Id.* at 3.

Frontier supports the comments filed by CenturyLink, NECA/ITTA et al., USTelecom, and Alaska Communications Systems<sup>5</sup> and while it urges the Commission to fully evaluate each of the constructive proposals in those comments, Frontier will not reiterate each of the arguments those commenters present. One area that Frontier does wish to emphasize from the comments, however, is the importance of adjusting the data collection time period to match up with the reporting timeframe of the tariff year.

Frontier agrees with CenturyLink that “the use of a fiscal year time period [October 1 through September 30] . . . is of little value in monitoring compliance going forward”<sup>6</sup> because “the entire structure of the Commission’s ICC reform itself is to be implemented each year on a July 1 through June 30 effective date cycle.”<sup>7</sup> The data collection period should match the tariff year period to ease burdens on both carriers and Commission staff. In addition, the annual true-ups required by the Order beginning on July 1, 2014 for the Access Recovery Charge (“ARC”) and Connect America Fund (“CAF”) will be based on tariff year periods, as carriers compare forecast ARC revenues to ARC revenues. Reporting company data on any other billing period, including the October-September Fiscal Year, only adds additional data collection burdens to the carriers and will also add additional burdens to the Commission staff as they try to compare future “Fiscal Year” reported data to filed “Tariff Year” data. Changing the dates of the data

---

<sup>5</sup> Comments of the National Exchange Carrier Association, Inc., National Telecommunications Cooperative Association, Organization for the Promotion and Advancement of Small Telecommunications Companies, Western Telecommunications Alliance, USTelecom, and the Independent Telephone and Telecommunications Alliance, WC Dkt. No. 10-90 *et al.*, (filed Feb. 4, 2013) (“NECA/ITTA Comments”); Comments of the United States Telecom Association, WC Dkt. No. 10-90 *et al.*, (filed Feb. 4, 2013); Comments of Alaska Communications Systems, WC Dkt. No. 10-90 *et al.*, (filed Feb. 4, 2013) (“ACS Comments”).

<sup>6</sup> CenturyLink Comments at 10

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

collection to match with the July 1-June 30 “Tariff Year” is imperative to avoid wasting resources and is fully supported in the record.<sup>8</sup>

### **III. ILECS SHOULD BE ALLOWED TO REPORT THEIR DATA ON A STUDY AREA BASIS INSTEAD OF STATE-BY-STATE**

The issue of reporting data on a study area basis instead of state-by-state basis was not raised in the initial comments but it remains an important issue to address in order to reduce unnecessary administrative burdens. The ICC Compliance Form instructions require LECs to aggregate data at a holding company level for interstate data, but for intrastate data “LECs must aggregate data for each of a holding company’s LEC state operations, and must also report totals as the sum for all states.”<sup>9</sup> The instructions also require the reporting LEC to enter all of its Study Area Codes contained in the filing.<sup>10</sup> Because each carrier must compile data by individual study area and the data is reported by study area in each company’s annual tariff review plan (“TRP”) filings, it is logical to allow ILECs to report their ICC Compliance Form data in the same manner. The Commission could include a separate column identifying the state that the study area encompasses; doing so would allow the FCC to summarize and analyze the data in any

---

<sup>8</sup> *See id.* (“[R]equiring carriers to report each subsequent fiscal year’s data will mean that each year’s report will include demand, revenue and expense data from two different stages of the Commission’s reform plan”); NECA/ITTA Comments at 7 (“By requiring ongoing submission of [Fiscal Year] data, the Form would force carriers to collect extra data each year and reformat it, imposing substantial and unnecessary burdens. . . . The Bureau should accordingly allow ILECs to file data on a [Tariff Year] basis, rather than [Fiscal Year] consistent with what is already done for annual tariff and USAC filings.”); ACS Comments at 3 (“ACS does not customarily track demand or revenues for a year that starts on October 1. . . . There is currently no business reason for ACS to prepare or report traffic or revenue data for a year commencing on October 1. . . . [Generating the data for the initial USF/ICC Transformation Order] required great effort by ACS’ small revenue assurance staff, and consumed substantial time and resources that are now critically needed to contribute to the ongoing broadband transition mandated elsewhere in the Commission’s *USF/ICC Transformation Order*.”).

<sup>9</sup> *Public Notice* at Attachment A.

<sup>10</sup> *Id.* at “Basic Filing Information.”

format of its choosing for multiple jurisdictions. This simple reform will reduce overall burdens by allowing synchronization with the TRP filing requirements already in place.

#### **IV. THE COMMISSION SHOULD ADJUST ITS RECIPROCAL COMPENSATION REPORTING STRUCTURE**

The Commission should also consider changes to its reciprocal compensation reporting requirements. As the Commission is aware, non-access CMRS-LEC reciprocal compensation traffic went to “bill and keep” effective on July 1, 2012.<sup>11</sup> The ICC Compliance Form requests minute units as they relate to both revenue and expense. Frontier believes that the reciprocal compensation units for all bill and keep arrangements should be reported as “zero” in order to eliminate the burden of trying to find these minutes that are unrelated to any revenue or expense recorded on the company’s books. Further, there would be no reason on a go-forward basis to separate reciprocal compensation revenue and minutes between CMRS and non-CMRS carriers, as the ICC Compliance Form requires,<sup>12</sup> because the only reciprocal compensation minutes billed would be between carriers that are not already in bill and keep arrangements, which only applies to non-CMRS reciprocal compensation traffic. Finally, while billed revenues and minutes for reciprocal compensation can be readily obtained from the ILEC carrier’s billing systems, reciprocal compensation expense is generally only readily available in total expense dollars paid. Reciprocal compensation minutes billed to an ILEC and paid by the ILEC are not generally kept in a formal database, so producing minutes of use (“MOU”) demand data for reciprocal compensation expense could require a massive manual effort to scour Accounts Payable invoices to identify the number of reciprocal compensation minutes by invoice, by

---

<sup>11</sup> See *USF/ICC Transformation Order* at ¶¶995-97; *In re: Connect America Fund*; WC Dkt. Nos. 10-90 *et al.*, *Order on Reconsideration*, FCC 11-189, 26 FCC Rcd 17633 (rel. Dec. 23, 2011).

<sup>12</sup> *Public Notice*, Attachment A at “Incumbent LEC-CMRS Reciprocal Compensation Rate Elements.”

carrier. The Commission should only require MOU demand reporting on reciprocal compensation revenues and not expense, as demand data for billed revenues are readily available and identifiable within ILECs' systems. While unaddressed by the initial comments, such changes to the reporting requirements of reciprocal compensation arrangements will reduce administrative burden without hindering the results for the Commission.

**V. CONCLUSION**

For the foregoing reasons Frontier respectfully requests the Commission to modify its proposed ICC Compliance Form in the manner set out in the initial comments as well as those suggested by Frontier herein.

Respectfully submitted,

**Frontier Communications Corporation**

By:

/s/

Michael D. Saperstein, Jr.  
Director of Federal Regulatory Affairs  
Frontier Communications Corporation  
2300 N St. NW, Suite 710  
Washington, DC 20037  
Telephone: (202) 223-6807

February 19, 2013