



March 22, 2013

Ex Parte

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: Petition of USTelecom for Forbearance from Certain Legacy
Telecommunications Regulations, WC Docket No. 12-61

Dear Ms. Dortch:

This is to inform you that on March 20, 2013, representatives of USTelecom and member companies met with Deena Shetler, Jennifer Prime, Marvin Sacks and John Hunter of the Wireline Competition Bureau in connection with the docket identified above. Representing the industry in this meeting, either in person or by conference call, were the following: Jeb Benedict, Phil Grate, Dean Tyler and Jerome Mueller of CenturyLink; Ian Dillner and Curtis Groves of Verizon; Linda Vandeloop, Tim Dominak and Ron Hilyer of AT&T; and the undersigned of USTelecom.

During this meeting, we reviewed the differences between GAAP and the Commission's Part 32 Uniform System of Accounts (USOA), and explained how those differences have grown over time given the static nature of Part 32 rules. We also explained some of the recurring and periodic work that companies must perform to maintain Part 32 "regulatory books" over and above work that must be performed to maintain GAAP-based financial books.

We emphasized, as described in detail in USTelecom's *Forbearance Petition*, that the continued application of the Commission's Part 32 USOA rules to price-cap regulated incumbent LECs serves no current federal need.¹ As the Commission has acknowledged, the Part 32 USOA requirements were adopted "to record company investment, expense, cost and revenue for rate-of-return rate regulation."² And as detailed in the *Forbearance Petition*, none of the explicit purposes for maintaining a separate regulatory book of accounts continue to apply with respect to

¹ *Petition of USTelecom for Forbearance Under 47 U.S.C. §160(c) from Enforcement of Certain Legacy Telecommunications Regulations*, WC Dkt. No. 12-61, pp. 34-43 (Feb. 16, 2012) ("*Forbearance Petition*").

² *AT&T Cost Assignment Forbearance Order*, 23 FCC Rcd. 7302, ¶3 (2008). See also, *2000 Biennial Regulatory Review*, 16 FCC Rcd. 19911, 19916 (¶8) (2001) ("Part 32 originated at a time when regulators were required or inclined to organize telecommunications costs in a manner that allowed a logical mapping of these costs to telecommunications rate structures").

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price cap ILECs. Indeed, since the Commission granted BOCs forbearance from the cost assignment rules and Part 32 reporting requirements in 2008, the Commission has had no reason to request any of the Part 32 data – nor has this data proven to be needed for any of the speculative purposes previously identified, including the now largely completed reform of inter-carrier compensation and universal service mechanisms. Nor do the comments on the *Forbearance Petition* offer up any new purposes for maintaining this data. Accordingly, in the absence of any “current federal need,” the Commission is obligated to eliminate the requirement even if the burden on the industry was determined to be minimal. But as USTelecom has demonstrated, and the Commission has previously acknowledged, these burdens are, in fact, significant.³

Pursuant to Commission rules, please include this ex parte letter in the docket of the proceeding identified above.

Sincerely,



Glenn Reynolds
Vice President, Policy

c: Deena Shetler
Jennifer Prime
Marvin Sacks
John Hunter

³ See, e.g., *Federal Communications Commission Issues Biennial Review Report for the Year 2000*, CC Docket No. 00-75, 2001 FCC LEXIS 378, at 70 (2001) (“Part 32 may impose more burdensome information requirements on incumbent LECs than needed in the changing and competitive landscape”).