



December 30, 2013

1300 I Street, NW, Suite 400 West
Washington, DC 20005

Ex Parte

Phone 202 515-2543
Fax 202 336-7922
maggie.m.mccready@verizon.com

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Connect America Fund, WC Docket No. 10-90; High-Cost Universal Service Support, WC Docket No. 05-337

Dear Ms. Dortch:

Consistent with its prior requirements,¹ the Wireline Competition Bureau recently published an online, publicly-accessible map of study area boundaries based on information submitted by incumbent local exchange carriers (ILECs) and certain state public utility commissions.² The map depicts the study area boundary data that filers certified as accurate to the best of their knowledge. However, the Bureau identified a large number of overlaps or voids in the boundary data and now encourages ILECs and state commissions to confer and resubmit modified maps by January 13, 2014. If necessary, Verizon will work with the Bureau and others to review and refine its boundary data. But we agree with the Trade Associations that this would require a very substantial, industry-wide effort with (at best) speculative benefits, and in any event, this is a long-term project that cannot be completed in the next two weeks.³ The Bureau should grant the Trade Association Petition for stay or an extension of time.

Specifically, the Bureau encourages ILECs to review the new online map of aggregate study area boundary data; resolve any overlaps and voids with neighboring ILECs based on discussions with one another and/or input from state entities; and resubmit and recertify their

¹ See *Connect America Fund; High-Cost Universal Service Support*, Report and Order, 27 FCC Rcd 13528 (2012) (“*Study Area Boundary Order*”); *Connect America Fund; High-Cost Universal Service Support*, Order on Reconsideration, 28 FCC Rcd 1489 (2013); *Wireline Competition Bureau Announces Procedures and Deadlines for Submissions of Study Area Boundaries*, Public Notice, 28 FCC Rcd 2852 (2013).

² See Public Notice, *Wireline Competition Bureau Publishes Online Map of Submitted Study Area Boundaries, Announces Procedures For Filing Revised Data*, WC Docket Nos. 10-90 & 05-337; DA 13-2296 (Dec. 2, 2013) (“*Study Area Map PN*”). The map can be viewed at: <http://apps.fcc.gov/wcb/sabdata>.

³ See The Associations [NTCA–The Rural Broadband Association, USTelecom, ITTA, WTA, and the Eastern Rural Telecom Association] Petition for Stay, or in the Alternative for Extension of Time to Reconcile Study Area Boundaries, *Connect America Fund*, WC Docket No. 10-90; *High-Cost Universal Service Support*, WC Docket No. 05-337 (Dec. 17, 2013) (“*Trade Association Petition*”).

study area boundary data based on any modifications agreed to by the relevant parties. This is an extensive process, which the Bureau asks ILECs and state commissions to complete and submit certified revised study area boundary data by January 13. The Bureau's proposal is not realistic.

First, it is not clear that the study area boundary data will be needed at all. The *Study Area Boundary Order* indicated that the boundary data would be used to implement the *USF/ICC Transformation Order's* benchmarking rule, which "uses quantile regression analyses to generate a capital expense limit and an operating expense limit for each rate-of-return carrier study area."⁴ But the Chairman recently indicated that the Commission soon may eliminate the quantile regression analysis (QRA) mechanism altogether,⁵ which likewise would eliminate the need for the study area boundary data. ILECs and state commissions should not have to go through the burden, time and expense of identifying and resolving the hundreds of overlaps and voids that exist in the current map unless and until it is clear that the data is actually necessary. Among other things, such an exercise would violate the Paperwork Reduction Act requirement that data collections have "practical utility."⁶ Accordingly, we agree with the Trade Associations that the Bureau should stay its request that ILECs and state commissions submit and certify revised study area boundary data until the Commission decides whether to continue with the QRA method.

Second, even if the Commission were to continue to use the QRA method – thereby making the study area boundary data potentially relevant – the January 13, 2014 deadline does not allow ILECs and state commissions enough time to reconcile and revise their study area boundary data. Upon initial review, it appears that for some companies the Bureau has identified more than 100 (potentially hundreds) of boundary overlaps or voids with certain of the more than 1,300 other ILECs nationwide. For each one of these ILECs would need to invest a significant amount of time and resources to pinpoint the overlap or void in the current map; contact the relevant neighboring ILEC or its designated consultant; coordinate with any relevant state entities if they elect to participate in the process; research maps and facilities records (potentially requiring a granular review of engineering or other network data); discuss and reach a resolution of the issue; revise the maps; and certify and submit the revised maps. And even after taking these steps there is no guarantee that companies will be able to reach a resolution. If this process is to go forward it will take significantly more time than the Bureau contemplates in the *Study Area Map PN*. The amount of time needed is exacerbated by the sheer number of overlaps and voids and by the intervening holidays and availability of key personnel. Verizon alone already has identified more than 100 overlaps that were large enough to be picked up on the Bureau's published map, and Verizon does not have as many study areas as other price cap ILECs. Even under the best of circumstances Verizon would not be in a position to discuss and resolve all of those overlaps by January 13.

⁴ *Study Area Boundary Order*, ¶ 3.

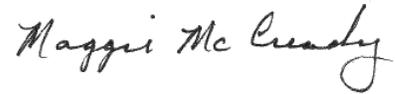
⁵ See Response of FCC Chairman Tom Wheeler to Rep. Greg Walden, <http://energycommerce.house.gov/hearing/oversight-of-the-federal-communications-commission>, Hearing, of House Communications and Technology Subcommittee (Dec. 12, 2103); see also FCC News Release, *Statement Of Commissioner Ajit Pai On The Chairman's Announcement To End The QRA Benchmarks*, Dec. 12, 2013, http://transition.fcc.gov/Daily_Releases/Daily_Business/2013/db1212/DOC-324686A1.pdf.

⁶ See 44 U.S.C. § 3506(c)(3)(A).

Marlene H. Dortch
December 30, 2013
Page 2

As a result, the Bureau should grant the Trade Association Petition and stay the January 13 deadline until the Commission decides whether to continue with the QRA – or in the alternative extend the deadline by six months.

Respectfully submitted,

A handwritten signature in cursive script that reads "Maggi McCreedy".

cc: Carol Matthey
Steve Rosenberg