



carrier itself as well as to the terminating carrier's designated tandem provider. With that adjustment, the Commission should grant the requested relief.

## **DISCUSSION**

1. There was no opposition to the *Petition* on the merits. No one provided evidence of a rural call delivery problem with intraLATA interexchange/toll calls or suggested that it was important that the Commission collect this data. The only substantive issue raised was the Rural Associations' suggestion to limit the relief to calls carried on-network.<sup>3</sup> That proposal is unobjectionable provided that the exemption includes calls delivered on-network to the terminating tandem as well as to the terminating carrier.

Verizon – both through its ILECs as well as the CLEC MCImetroAccess Transmission Services – typically delivers intraLATA interexchange/toll traffic directly to the terminating ILEC, usually through a tandem switch serving the relevant end office. Many RLECs can only be reached through tandems, and covered providers have no involvement in the RLEC's selection of which tandem switch to subtend. For Verizon ILEC intraLATA interexchange/toll traffic, the Verizon tandem switch is typically the terminating tandem that delivers traffic to the terminating RLEC.<sup>4</sup>

IntraLATA interexchange/toll calls that utilize a tandem switch selected by the RLEC to deliver calls to the RLEC should be included in the Commission's relief. Like on-network calls directly delivered to the RLEC, this traffic does not implicate the key

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<sup>3</sup> See NECA, NTCA, ERTA and WTA ("Rural Associations") Opposition at 11.

<sup>4</sup> For Verizon's CLEC affiliate MCImetroAccess, other LECs may be providing the tandem service.

concern impacting rural call delivery expressed by the Commission in the *Order* – i.e., the use of numerous different providers in a call’s path.<sup>5</sup>

In addition, the Commission should not limit any relief to “calls originated by the LEC’s *retail* customers” as the Rural Associations propose.<sup>6</sup> Verizon has wholesale arrangements through which it provides intraLATA interexchange/toll service in the same manner as it carries traffic for its resale customers. The implementation obstacles discussed below exist for this traffic as well.

2. The Commission should reject the attempts by the Rural Associations and the Oregon Public Utility Commission (“Oregon PUC”) to delay the relief requested in the *Petition*. In particular, the Rural Associations suggest that the Commission first review one year of data and then decide the merits of the *Petition*,<sup>7</sup> while the Oregon PUC asserts that the Commission should first launch an inquiry.<sup>8</sup> Yet neither party – nor any other party – disputed that it is simply not possible to implement a process to collect and report this data by the anticipated effective date of the new rules. Because the effective date of the Commission’s retention and reporting rules is expected within three months, the Commission should promptly grant the *Petition*.

Deciding the *Petition* after covered providers collect and report the pertinent data for one year makes no sense in light of the sizable costs to implement the Commission’s requirements for that first year. Verizon does not currently collect or retain data

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<sup>5</sup> See *Rural Call Completion*, Report and Order and Further Notice of Proposed Rulemaking, 28 FCC Rcd 16154, ¶ 17 (2013) (“*Order*”) (“One key reason for the increased problems in rural areas is that a call to a rural area is often handled by numerous different providers in the call’s path.”).

<sup>6</sup> Rural Associations Opposition at 11 (emphasis added).

<sup>7</sup> See Rural Associations Opposition at 11.

<sup>8</sup> See Oregon PUC Opposition at 4.

pertaining to intraLATA interexchange/toll calls that are not billable, and the *Petition* accurately describes the types of activities Verizon would be required to take to capture and report on this traffic.<sup>9</sup> Verizon would need to deploy over 70 non-intrusive Signaling System 7 monitoring probes throughout its networks. Verizon would have to purchase these probes from an outside vendor and then take numerous steps to install them so that data on every call attempt is collected and appropriately aggregated, including mounting and wiring frame/relay racks in relevant COs and running appropriate cabling and power lines to the probes. Based on Verizon's preliminary analysis, this would cost Verizon approximately \$23 million.

What's more, this effort would take far longer than the few months preceding the effective date of the rules. Verizon projects that deploying these probes throughout its network would take around 24 months.<sup>10</sup> Accordingly, one year of data would not be available for the Commission to review until around 2017. For these reasons, simply delaying a decision on the *Petition* is not a viable option.

Moreover, even if data were somehow available earlier, such a review would be unlikely to affect the Commission's decision on the *Petition* in light of the high costs to acquire data for a relatively small number of intraLATA interexchange/toll calls. Data from Verizon East (i.e., former Bell Atlantic jurisdictions) indicate that per day, there are generally fewer than four million intraLATA interexchange/toll calls out of 148 million total billable calls. To put this figure in perspective, each day, over 100 million calls are

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<sup>9</sup> See *Petition* at 6-7.

<sup>10</sup> These cost and time projections do not include retention and reporting of intraLATA interexchange/toll calls by MCImetroAccess, which faces different implementation challenges related to the correlation of required elements from various data sources.

typically carried by Verizon Business' long distance networks destined to wireline carriers. Data on each of these 100 million attempted calls will be retained and reported by Verizon consistent with the Commission's requirements. It follows that the Commission will receive ample data – even absent intraLATA interexchange/toll traffic – to allow it to calculate the “benchmark” for calls delivered on-network as contemplated in the *Order*.<sup>11</sup>

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<sup>11</sup> *Order*, ¶ 51.