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July 30, 2013

Catrice C. Williams
Department of Telecommunications and Cable
1000 Washington Street, Suite 820
Boston, MA 02118

Re: Docket No. 13-7: ICC -- Inquiry by the Department on its Own Motion into the Intrastate Intercarrier Compensation Rate Reductions Mandated by the Federal Communications Commission

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding are the original and three copies of the Comments of Verizon MA. Verizon MA expects that two representatives of the Company will attend the technical session on August 15, 2013.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Alex Moore".

Alexander W. Moore

Enclosures

cc: Kerri DeYoung, Esquire (electronic copy only)
Armine Simonyan, Analyst (electronic copy only)

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE**

Inquiry by the Department on its Own Motion into)
The Intrastate Intercarrier Compensation Rate Reductions) D.T.C. 13-7
Mandated by the Federal Communications Commission)

COMMENTS OF VERIZON MA

Verizon New England Inc., d/b/a Verizon Massachusetts (“Verizon MA”) submits these comments in response to the questions posed in the Request for Comment and Notice of Technical Workshop issued in this docket on June 24, 2013. Verizon MA shares the Department’s interest in a smooth and efficient process for service providers to implement the intercarrier compensation regime established by the Federal Communications Commission (FCC) in the *Transformation Order*¹ and subsequent orders.

General Topic:

1. What measures can the Department take to facilitate and simplify the transition process?

The Department should verify that service providers adjust their terminating access rates each year using the formulas set forth in the FCC’s regulations and orders. Thus, the Department should ensure that providers timely file tariff changes and should review those changes for adherence to the FCC’s requirements. The Department also should consider posting on its website all tariff filings made pursuant to the FCC’s rate reduction reforms. Ready availability of

¹ See *Connect America Fund*, WC Docket No. 10-90, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (rel. November 18, 2011) (“*Transformation Order*”).

the tariffs would facilitate review by other providers and identification of any instance of non-compliance.

Tariff Filing Requirements:

1. How can the Department best align the Department's existing tariff-filing requirements with the FCC's requirements?

Verizon MA does not perceive areas in which the Department's current tariff-filing process is mis-aligned with the FCC's requirements or otherwise requires modification. Although M.G.L. c. 159, § 19, requires carriers to file tariff changes 30 days before they can take effect, the FCC has established the dates on which the remaining phases of its reform will take effect, and barring any last-minute changes, carriers should have sufficient notice to prepare their tariff changes in accordance with the statute.

2. With limited exception, the Department does not currently permit references to outside documents, including interstate tariffs, in carriers' intrastate tariffs. How can the Department best alleviate the burden on carriers without eliminating this rule?

There is no reason the Department could not allow tariffs to refer to outside documents that are readily accessible to providers. In particular, carriers should be allowed to reference FCC tariffs, which, like state tariffs, may be amended only by a formal writing and are subject to the approval and/or review of a governmental body. Tariffs in other states routinely reference provisions in federal tariffs. In fact, many carriers across the country implemented the FCC's requirement to move to interstate parity by July 2 by revising their state tariffs to refer to their federal tariffs. When state and federal rates are the same, there is no legitimate reason to require

carriers to copy federal tariff terms into state tariffs. Certainly, the language of M.G.L. c. 159, § 19 does not compel such a practice.

To ensure the clarity of state tariffs, the Department might require references to an outside document to specify the relevant section, paragraph or other subdivision of the document. This slight relaxation of the Department's current practice would allow an efficient means for state tariffed rates to mirror changes in federal rates as contemplated by the FCC – obviating the need for many state filings while preserving the integrity and clarity of the state tariffs.

3. Should the Department require specific material in support of carriers' proposed tariff reductions and/or develop a specific template according to which the carriers would be required to file their rate reductions? If so, what material and/or what format should the Department require?

The Department should not require a carrier to file tariff back-up materials or use templates other than what the FCC requires. The FCC requires carriers to file an Access Reduction Tariff Review Plan (TRP) with each rate reduction tariff filing. Based on past practice, Verizon MA expects that the FCC will require the TRP for the 2014 rate reductions to include calculations supporting the reductions in the carrier's intrastate rates in each state. Consequently, the Massachusetts portion of a carrier's federal TRP would in most cases provide appropriate back-up for the carrier's proposed intrastate rate reductions in 2014, and a Department requirement to submit that information would impose minimal expense on the carrier. In addition, the Department can always ask a carrier to file additional materials in support of a particular tariff filing if the need arises, including if another carrier objects to the filing.

Tariffed Rate Reductions and Rate Elements:

1. Should the Department mandate specific intrastate rate reduction requirements involving switched access charges, VoIP-PSTN, or reciprocal compensation rates?

There is no need for the Department to mandate any specific intrastate rate reduction requirements. The FCC has already prescribed such requirements, including the methods for calculating rate reductions, so there is no need for the Department to duplicate that effort. In addition, developing state-specific mandates would be potentially inconsistent with the Department's interest in aligning its tariff filing processes with those of the FCC, adding unnecessary complexity and expense to the rate reform process already underway. As Verizon MA noted earlier, the Department's primary task should be reviewing the state filings to ensure that they comply with the FCC mandates.

2. Does the Department need to take any action involving competitive local exchange carrier rates that benchmark to Verizon rates?

There should be no need for action on CLEC access rates in general, in that CLECs and ILECs alike are subject to the FCC's access rate-reduction orders and should be expected to file appropriate and timely tariff changes. Of course, should the Department or a carrier identify a failure by a CLEC to comply with the FCC's requirements, the Department may need to investigate and take appropriate enforcement action. Verizon MA's suggestion above to post all access rate tariff filings on the Department's website would help facilitate carrier review of such filings and identify any need for Department action.

3. Whether and how should the Department address originating switched access rate reform prior to FCC action?

The Department should not address originating switched access reform before the FCC does. As noted in the *Request for Comment*, at 2, the Department years ago required service providers to reduce Massachusetts intrastate switched access rates, including originating access rates, to interstate levels. As a result, these rates are already lower in Massachusetts than in many other states and do not present a pressing need for reform ahead of FCC action.

In addition, the FCC has taken initial steps to reform originating access charges,² and launching a proceeding here risks wasting time and resources. Any originating access requirements the Department might adopt could conflict with those imposed by the FCC in its nationwide plan, or disrupt the finely tuned balance of puts and takes embodied in such a plan. In either case, FCC action would necessarily require that the Department take a fresh look at any measures it had previously adopted – in effect, redoing work it had already done and raising the possibility of disruption associated with a second change in rate structures implemented shortly after the first. Thus, while independent consideration of the issues by the Department *might* result in earlier action on originating access rates, it would come at the cost of unnecessary litigation, the possibility of conflict with a later nationwide resolution, and the disruption and additional expense that would result from such a conflict.

² See *Transformation Order*, ¶¶ 1298-1305. The FCC has already resolved certain originating access issues in the *Transformation Order* itself, for example by capping such charges (*id.* ¶ 818), by reducing certain originating transport rates (¶ 801), and by issuing rules on the application of access charges to originating and terminating VoIP-PSTN traffic (¶¶ 933-975).

Interconnection Agreements:

1. What, if any, are the anticipated issues involving ICAs on file or to be filed with the Department? Similarly, should the Department expect an increase in ICA amendments or in ICA pricing disputes?

Verizon MA's interconnection agreements generally cross-reference tariffed access rates, so Verizon MA does not anticipate that the continued reduction of such rates pursuant to the FCC's rules will require amendment of existing ICAs or give rise to ICA pricing disputes. Verizon MA's ICAs generally set reciprocal compensation rates for local traffic. To the extent those agreements include change-of-law provisions, Verizon MA intends to comply with and implement those provisions to reflect the changes in reciprocal compensation rates ordered by the FCC. Verizon and other carriers have already made multiple rounds of access rate-reduction filings in other states where, unlike Massachusetts, intrastate access rates were not capped at interstate levels, and there has been no significant increase in ICA amendment filings or in ICA-related disputes in those states.

Conclusion

Verizon MA appreciates the opportunity to comment on these issues and intends to participate in the technical session scheduled for August 15, 2013.

Respectfully submitted,
VERIZON NEW ENGLAND INC.
By its attorney,


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Dated: July 30, 2013