6 Bowdoin Square, 9th Floor
Boston, MA 02114
(857) 415-5130
alexander.w.moore@verizon.com

Alexander W. Moore
Associate General Counsel

June 28, 2022

Shonda Green, Secretary
Department of Communications and Cable
1000 Washington Street, Suite 600
Boston, MA 02118-6500

Re: D.T.C. 18-3 – Investigation into Accounting Practices of Telecommunications Carriers

Dear Secretary Green:

Enclosed for filing in the above-captioned proceeding are the Reply Comments of Verizon on Proposed Requirements.

Thank you for your attention to this matter.

Sincerely,

Alexander Moore CS

Alexander W. Moore

Enclosure
cc: Service List

verizon

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND CABLE

Investigation by the Department of Telecommunications and Cable on its own Motion into Accounting Practices and Recordkeeping of Telecommunications Carriers	)	D.T.C. 18-3

REPLY COMMENTS OF VERIZON ON PROPOSED REQUIREMENTS

Verizon New England Inc., d/b/a Verizon Massachusetts ("Verizon MA") submits these comments in response to the comments of other stakeholders on the Notice of Proposed Requirements and Further Request for Comments ("Notice") issued on May 3, 2022. As demonstrated below, those comments provide no grounds for reversing the Department's decision not to impose new accounting requirements on Telecommunications Pole Owners or for revising the Department's proposed Pole Owner Report to require extensive annual reporting of confidential financial data of Pole Owners, none of which is needed to calculate attachment rates. Moreover, the Department reasonably declined to take pre-emptive action regarding possible attachment rate changes in the future.

I. The Pole Owner Report as drafted includes the data needed to calculate attachment rates under the Massachusetts Formula. NECTA's proposal to overload the Report with unnecessary financial details is inconsistent with and would undermine the Department's historically successful policy goal to provide a simple and expeditious means of setting attachment rates without Department intervention.

The Pole Owner Report proposed in the Notice is largely based on the FCC Form 43-01, Table III, which Telecommunications Pole Owners and attachers alike have relied on for many years for the data used to calculate attachment rates under the Massachusetts Formula. Verizon MA and NECTA have each stated in this proceeding that the Form 43-01 report provides the data needed to calculate attachment rates under the Massachusetts Formula, in conjunction with

Department-approved rebuttable presumptions.[1] Thus, the Pole Owner Report as currently drafted is appropriate and sufficient to allow stakeholders to compute pole and attachment rates without Department intervention, as they have done for decades.

NECTA, however, seeks to weigh the Report down with extensive, confidential financial details that have never reported in the past. Flooding the rate-setting process with data that by NECTA's own admission is not needed to calculate rates in the first instance is entirely antithetical to the Department's longstanding policy of providing a simple and expeditious means of setting attachment rates, and it is more, not less, likely to result in disputes requiring Department intervention.

As Verizon MA has noted in previous comments, the Department's goal underlying the Massachusetts formula has long been:

> … to have a simple, predictable, and expeditious procedure that will allow parties to calculate pole attachment rates without the need for Department intervention. … Pole attachment complaint proceedings are not meant to be costly, full blown rate cases, but rather streamlined proceedings based on publicly available data.[2]

In keeping with this goal, the Department has rejected use of more detailed data in calculating rates in favor of the "gain in simplicity" that comes from using estimates and presumptions.[3] The resulting rate-setting system requires pole owners to publicly report the data they use to calculate attachment rates and, on request, provide their rate calculations to an attacher or complainant on request.[4] It also allows a party in interest to seek Department intervention – and

[1] *See* Further Comments of Verizon New England Inc. dated November 21, 2019 ("Verizon Further Comments"), at 2; Supplemental Comments of the New England Cable and Telecommunications Association dated November 21, 2019, at 3.
[2] *A-R Cable Services, et al. v. Massachusetts Electric Company*, D.T.E. 98-52 (November 6, 1998), at 7.
[3] *See* Comments of Verizon MA in Response to Proposed Requirements dated June 3, 2022, at 3, *citing Greater Media, Inc. v. New England Tel. & Tel. Co.*, D.P.U. 91-218, Order (April 17, 1992) at 34 and *Cablevision of Boston Co. et al. v. Boston Edison Co.*, D.P.U./D.T.E. 97-82 (April 15, 1998) at 43 (adopting presumption of 13.5 feet of usable pole space "as the best alternative in order to maintain a formula that is simple and expeditious.")
[4] *See* 220 C.M.R. § 45.04(2)(d).

additional data verifying the owner's data through the discovery process – if the parties are unable to resolve an attachment rate dispute. That system has been so successful that the Department has not had to enter a decision setting pole or conduit attachment rates since 1998.[5] And the Department has *never* had to intervene and enter an order setting pole attachment rates charged by Verizon MA or its predecessor.[6]

NECTA's proposals would turn this system on its head, requiring pole and conduit owners to provide, up front, extensive financial data and certifications they have never been required to report in the past, so that NECTA or others can dig through the data in the hope of finding something amiss. That kind of fishing expedition is directly contrary to the longstanding policy of the Department to maintain a simple and expeditious process for setting attachment rates, and it increases the likelihood of litigation before the Department.

NECTA has offered no precedent from other jurisdictions for the extensive and intrusive reporting it seeks. The FCC and the twenty-seven states that are subject to the FCC's pole attachment regulations do not require such reporting. And the FCC imposed no such additional reporting requirements even as it released price-cap carriers from USOA accounting restrictions. To the contrary, the FCC limited a pole attacher's ability to request pole attachment accounting data from an owner, via the FCC, to three years from the date of the *Accounting Order*.[7]

Nor has NECTA identified any difference between the FCC attachment rate formula and the Massachusetts Formula that might justify the new reporting it seeks. The most obvious difference between the federal and state formulas is that the Department allows conduit owners to deduct conduit reserved for maintenance or municipal use from its total conduit system in

[5] *See id*. at 4.
[6] *Greater Media* set conduit attachment rates. Both *Cablevision* and *A-R Cable* arose from claims against electric companies, and no telephone company participated as a pole owner.
[7] *See In re Comprehensive Review of the Part 32 Uniform System of Accounts*, 32 FCC Rcd. 1735 (2017) ("*Accounting Order*"), ¶ 39.

calculating rates, while the FCC does not. The proposed Pole Owner Report, however, already addresses that difference with a line item for Non-usable Conduit Space.

None of the grounds that NECTA does offer for its proposed revisions to the Report holds water. NECTA asserts that the new, highly detailed data it seeks will "reduce the likelihood of attacher complaints and the related need for the Department to solicit additional necessary data through discovery, facilitate more precision in the rate setting process, and enable attaching entities to evaluate rates independently, reducing the likelihood of disputes and the need for Department involvement."[8] But as noted above, the Department has not needed to adjudicate a single attachment rate complaint (or take discovery on such a complaint) in almost 25 years, so the proposed expansion in the data to be reported can hardly result in fewer complaints moving forward, and it is likely to do the opposite. And "precision" in attachment rates is a false goal. M.G.L. C. 166, § 25A requires that attachment rates be just and reasonable but says nothing about "precision," and NECTA has offered no evidence that pole or conduit attachment rates in Massachusetts over the past 30 years have been so imprecise as to be unjust or unreasonable. Finally, NECTA's own evidence, in the form of the letters between NECTA and Verizon MA attached as Exhibits 4 and 5 to NECTA's Comments, demonstrates the clear ability of attachers to evaluate rates independently under the current reporting system and the clear willingness of Verizon MA to exchange information with attachers to resolve attachment rate concerns.

NECTA also alleges a parade of horribles that may come to pass without the new, extensive reporting it seeks, based entirely on speculation and bald generalizations. First, NECTA alleges that without this reporting, "it is highly likely that [the data] will not be

[8] NECTA Comments in Response to Further Request for Comments dated June 3, 2022 ("NECTA 2022 Comments") at 3.

available…."[9] But the continuing property records of the FCC and, as now proposed, the Department, require pole owners to retain the information needed to audit and/or verify their records and recordkeeping; so the data will be preserved even if it isn't included in the annual report.

Second, NECTA claims that pole owners often "do not cooperate in making their records readily available to attaching entities unless required to do so as part of a formal adjudicatory process."[10] NECTA offers no example of such behavior in support of this generalization, and the Department should consider the number of times it has had to require Verizon MA to produce data to an attacher in a pole rate dispute, which is never. To the contrary, the record here shows that Verizon MA has provided its attachment rate calculations and supporting data to NECTA on request and has engaged with them to resolve rate disputes. That NECTA may still desire more data is no basis for revising the Pole Owner Report.

Third, NECTA asserts that Verizon MA must be required to report how it allocates its plant costs "given Verizon's aggregation of cost data under GAAP leading to grossly inflated pole costs."[11] But Verizon MA has never aggregated its reported pole maintenance expenses with aerial or underground plant costs. Contrary to NECTA's speculation,[12] the increase in Verizon MA's pole maintenance expenses from 2017 to 2018 was largely due to increased pole removal costs as Verizon MA and the electric companies embarked on a program to reduce the number of double poles across the Commonwealth, collectively eliminating more than 10,000 double poles, net of installations of new poles. *See* Double Pole Report dated April 1, 2019, filed pursuant to Chapter 218 of the Acts of 2016, at 3. Thus, there is no basis for the new,

[9] *Id.* at 8.
[10] *Id*.
[11] *Id*.
[12] *See* NECTA Reply to Supplemental Comments dated December 19, 2019, at 3.

additional reporting NECTA seeks.[13] If the Department is concerned on this score, the better solution would be to adopt the FCC's Form 43-01 Reports and accompanying instructions and definitions, which require separation of these different costs.

NECTA also offers individual discussion of each category of information it seeks to add to the Report,[14] but none of these arguments has merit either. For example, NECTA wants pole owners to report annually the actual height of their poles, on the ground that the 37.5 average pole height figure used in the Massachusetts Formula is no longer accurate.[15] An allegation that the specific value used in the presumption needs to be updated, however, does not justify abandoning the presumption itself or requiring pole owners to track, calculate and report average pole height annually. Verizon MA does not track that information as a matter of course and doing so would impose substantial and needless costs on the company. NECTA also seeks to eliminate the Department's presumption regarding the cost of appurtenances,[16] but it does not demonstrate or even allege that actual data is available on this issue or explain how abandoning this presumption would further the Department's goal of a simple and expedient attachment rate-setting process.

NECTA essentially wants all of this data and more reported annually, without regard to the heavy burden that would place on pole owners, on the basis of speculation that while none of this data is needed to calculate rates and has never been required to be reported in the past, some of it *might* become useful in the future to verify a particular data point that *is* used to calculate

[13] *See also* Reply Comments of Verizon New England Inc. dated August 9, 2018 ("Verizon Reply Comments") at 2-3, disproving NECTA's general claim that price cap carriers will aggregate pole maintenance costs with aerial and underground costs for attachment rate reporting purposes.
[14] *See* NECTA 2022 Comments, at 8-10.
[15] *See id*. at 8.
[16] *See id*.

rates. [17] As noted above, however, the continuing property record requirements already require pole owners to maintain records sufficient to allow audit and verification of their reported data if it becomes necessary, and adding all of this new information to the Report will likely result in annual arguments and negotiations over the minutia of the pole owners' accounting records and practices, inevitably spilling over to the Department.

The DPU recommends that the Department include instructions and definitions with the Pole Owner Report.[18] Given the similarities between the proposed Pole Owner Report and the FCC Form 43-01 Report, Table III, which Verizon MA has used to report attachment data for many years, the Department could adopt the federal instructions and definitions for use with the Report. If the Department wishes to develop instructions and definitions from the ground up, however, Verizon MA notes that that issue has not been a subject of this proceeding to date and would best be left for another day when the Department can develop a proper record in support.

II. The Notice properly declined to take action now on the theoretical possibility of rate increases in the future, but if the Department is concerned on that score, it should adopt the FCC's Implementation Rate Difference ("IRD").

The Department correctly found in the Notice no evidence in the record that the FCC's *Accounting Order* or Verizon MA's adoption of GAAP accounting has affected pole attachment rates,[19] and no such evidence was submitted in response to the Notice. Given that record, the Department reasonably declined to take action now on the mere supposition that the shift from USOA to GAAP accounting might still cause rate shock at some point in the future.[20] Nevertheless, Verizon MA reiterates that if the Department is concerned on that score, it could

[17] *See id*. at 9, projecting that an annual breakdown of an owner's joint-owned poles and solely-owned poles with an explanation of annual changes might indicate a decline in investment. *See also id*. at 10, seeking annual reporting of "non-unitized investment," apparently because the issue came up once in a power company case in New York, and also seeking annual reporting of make-ready reimbursements, even though the FCC's rules require these amounts to be excluded from a pole owner's reported costs and there is no evidence that any pole owner has failed to comply.
[18] *See* Comments of the Department of Public Utilities dated June 3, 2022 ("DPU Comments"), at 19.
[19] *See* Notice at 12.
[20] *See id*, at 13.

adopt the FCC's IRD, which was expressly designed to ameliorate any abrupt rate changes resulting from the difference between the USOA and GAAP accounting methodologies.[21] Even NECTA now argues in favor of the IRD.[22]

NECTA recites some of the terms and history of the recent attachment rate negotiations between Verizon MA and NECTA in support of adopting the IRD. Those negotiations demonstrate that the largely self-executing attachment rate-development process the Department has put in place continues to work as intended and should not be altered now. The facts: in 2020, Verizon MA announced an increase of 57 cents in its pole attachment rate for cable attachments for 2021, using GAAP-based data and applying the IRD in its calculations. NECTA objected and provided data to Verizon MA drawing into question the continued accuracy of the pole height presumption used in the calculations. In response, Verizon MA provided additional pole data and analysis to NECTA, and in the course of reviewing its calculations discovered that it had understated the IRD and therefore increased it (thereby reducing the attachment rate). The parties subsequently reached agreement on a cable attachment rate.

In other words, a group of attachers objected to a new attachment rate of a pole owner, the parties exchanged data, calculations and analyses of the rates and then resolved the matter, all without the need for the Department to intervene.

The end result was an increase in Verizon MA's cable attachment rate of just 13 cents a year for solely-owned poles (from $6.32 to $6.45) and just ***seven cents a year*** for jointly-owned poles, which are the vast majority of the poles. NECTA doesn't mention it, but Verizon MA also announced in 2020 a ***reduction of over three dollars*** in its attachment rate for telecom

[21] *See* Comments of Verizon New England Inc. dated July 25, 2018 ("Verizon Comments"), at 3, 5-6; Verizon Reply Comments, at 4-5; Verizon Further Comments, at 3-4; and Reply of Verizon New England Inc. to Further Comments dated December 19, 2019 ("Verizon Reply to Further Comments," at 2-3.
[22] *See* NECTA 2022 Comments, at 11-15.

attachments, dropping the rate from $10.06 to $6.87 for solely-owned poles.[23] So in the four years since Verizon MA adopted GAAP accounting, there has been virtually no change in the cable attachment rate, a large reduction in the telecom attachment rate, and the successful resolution of an attachment rate dispute between a pole owner and attachers without Department intervention. That is strong evidence that the current reporting and rate-development process continues to work as intended and should not be altered now.[24]

If the Department does adopt the IRD, it should be in effect only to 2030, consistent with the FCC's approach. The risk that the IRD is designed to address – potential rate shock arising from a pole owner's election to use GAAP in place of USOA accounting – arises at the time a pole owner makes that election, and the FCC accordingly provided that the 12-year period runs from the time of that election.[25] In this case, Verizon MA made that election in 2018, so the 12-year period would run to 2030. NECTA's proposal to extend the IRD time period to 2034[26] would result in a 16-year protection period. That is not consistent with the FCC approach, and NECTA has offered no other basis for such a prolonged time frame.

The Department should also reject NECTA's proposal to prohibit Verizon MA from including its capital expenses in calculating attachment rates, thereby limiting Verizon MA to

[23] NECTA's assertion that Verizon MA is "suggesting but not expressly committing to the Department that it will continue keep rates low," *id*. at 13, is factually incorrect and off-base as to policy. Verizon MA has never suggested that it will keep rates at a certain level, including whatever level NECTA would concede is "low." Moreover, the Massachusetts Formula was not designed to produce "low" rates pleasing to attachers, but was developed to meet the standards of M.G.L. c. 166, § 25A by allowing pole owners to recover the additional costs caused by third-party attachments to their poles, while ensuring that attachers pay no more than the fully allocated costs for the pole space they use. *See Cablevision*, at 18. Thus, if the costs incurred by pole owners increase in a way that increases rates under the Formula, it is just and reasonable that pole attachers pay their share of those costs. Again, NECTA has made no showing that Verizon MA's rates are likely to rise abruptly in the future because of the use of GAAP accounting.

[24] NECTA's continued speculation that increases in attachment rates might "thwart competitive broadband deployment" in Massachusetts, *see* NECTA 2022 Comments at 12, is groundless for the reasons set forth in the Verizon Reply Comments, at 5-6.

[25] *See Accounting Order*, ¶ 36, and 47 C.F.R. 1.1409(g).

[26] *See* NECTA 2022 Comments at 15.

recovery of its incremental costs only.[27] The Department has twice rejected the incremental cost approach to attachment rates in favor of assessing fully allocated costs, however, and the Massachusetts Formula was expressly based on the FCC's formula as an appropriate method to capture fully allocated costs.[28] NECTA has offered no grounds for reversing these fundamental decisions of the Department.

III. The Comments of the DPU provide no valid grounds for re-imposing the old USOA rules on Telecommunications Pole Owners.

The Department's decision not to impose requirements on the accounting methods that Telecommunications Pole Owners may use to complete the Pole Owner Report[29] is sound, both legally and as a matter of policy, and none of the comments in the record afford grounds for reversing that decision. The Department properly held that:

> There is no generally applicable Massachusetts law requiring telecommunications carriers to maintain financial records using a particular accounting system, and there is no requirement that pole attachment rates in Massachusetts be calculated pursuant to particular accounting rules.[30]

No party has contested that holding, and Verizon MA has demonstrated that GAAP-based accounting is fully compatible with the Massachusetts Formula because it provides the data needed for the inputs in the Formula, and that data is publicly available.[31] The Department also properly rejected the DPU's argument that USOA-based accounting is necessary to ensure uniformity in attachment rate methodologies between electric company and telephone company pole owners, finding that those companies kept their books under different versions of USOA in

[27] *See id*.
[28] *See Greater Media* and 32-33; *Cablevision* at 15, 16.
[29] *See* Notice at 12.
[30] *Id*. at 11 (citations omitted).
[31] *See* Verizon Comments at 3-4; Verizon Further Comments at 2-5.

any event.[32] Further, there is no evidence in this proceeding that the shift from USOA to GAAP-based accounting has or would cause a sudden increase in rates, and the IRD would mitigate any such increase in any event.[33]

Nothing the Comments of the DPU filed in response to the Notice provides grounds for reversing the Department's decision on the accounting issue or for requiring Verizon MA to keep its books pursuant to USOA.

First, the DPU argues that Verizon MA should be required to report its attachment data under ***both*** GAAP and USOA, on the ground that GAAP-based reporting alone might allow attachment rates to increase and could result in "regulatory uncertainty."[34] The DPU's speculation as to future rates is no better than NECTA's and fails for the reasons addressed above. In addition, the DPU's calculations purporting to show that Verizon MA's pole attachment rates for 2018 would be higher under GAAP than under USOA[35] fails to account for the IRD, which would drop the GAAP rates below the would-be USOA rates. More broadly, the DPU does not even attempt to explain why the IRD would not effectively mitigate any rate increase arising from the shift to GAAP-based accounting. The DPU also ignores the substantial additional costs to Verizon MA of maintaining two sets of books solely for the limited purpose of setting attachment rates. As Verizon MA has previously noted, the FCC found that, "all evidence in the record demonstrates that continued application of the USOA to price cap carriers is a substantial and unjustifiable burden."[36] Finally, the DPU does not explain what it means by "regulatory uncertainty" or how GAAP accounting would cause it. Indeed, as shown above,

[32] *See* Notice at 11.
[33] *See* Verizon Comments at 3-5; Verizon Further Comments at 2-5; and Verizon Reply to Further Comments at 2.
[34] *See* DPU Comments, at 5-6.
[35] Compare *id*., at 9, with Verizon Further Comments, Exhibits 1 and 2.
[36] *Accounting Order*, ¶ 30, cited in Verizon Comments at 6.

Verizon MA's current pole attachment rates were developed using GAAP-based data with no resulting regulatory uncertainty.

The DPU next warns the Department not to base its "reporting requirements, in part, on the fact that a company has voluntarily retained the same rates for over a decade."[37] As set forth in the Notice, however, the decision not to impose requirements on Pole Owners' accounting methods is based first on the Department's uncontested conclusion that Massachusetts law does not require Pole Owners to apply a particular accounting methodology in keeping their data or calculating attachment rates. In addition, the finding in the Notice that Verizon MA's shift to GAAP has not affected attachment rates in the five years since the Accounting Order issued is based not only on the stability of Verizon MA's rates but on comments submitted by other parties and findings of the FCC.[38] That Verizon MA has now established rates using GAAP-based data with no ill effect only confirms the Department's finding in the Notice. The Department should also note that neither the DPU nor NECTA has made a showing that attachment rates have increased or increased abruptly in any of the many other states in which price cap carriers have been free from USOA for the past five years. Nor have they identified any other state that has re-imposed USOA on a price cap carrier in that time.

Third, the DPU argues that the differences among the many versions of USOA are "inevitable," [39] but that is immaterial. The fact remains that there are many versions of USOA, so the Department correctly found that re-imposing the FCC's version of USOA for price cap carriers on Verizon MA would not achieve the uniformity in accounting systems that the DPU, for some reason, claims is beneficial.[40]

[37] DPU Comments at 6.
[38] *See* Notice at 12.
[39] DPU Comments at 9.
[40] *See* Notice at 11.

Fourth, the DPU contends that "the Commonwealth has historically declined to permit companies under its jurisdiction to substitute GAAP-based reporting for the relevant USOA."[41] But the case it cites in support, *Aquaria LLC*, D.T.E. 04-76 (2005), concerned a water company, and the rest of the DPU discussion addresses electric company regulation. As Verizon MA has previously highlighted, the Department has long championed competition and has reduced its regulation of telephone companies as competition in the market has expanded, such that Verizon MA is now just one provider in a highly competitive telecommunications market.[42] Verizon MA now looks nothing like the largely monopolistic utilities regulated by the DPU, and the regimented USOA accounting requirements it imposes on those companies affords no basis for re-imposing similar requirements on Verizon MA, especially where the entity that imposed those requirements in the first place, the FCC, has found them to be no longer needed.

The DPU also encourages the Department "to maintain a dataset or conduct a study to track the use of GAAP-based reporting by Verizon…" apparently because of differences between GAAP-based accounting and USOA requirements the DPU applies to electric companies.[43] The Department should reject this advice. No party disputes that there are differences between GAAP and the FCC's USOA requirements for telephone companies, but Verizon MA has shown that those differences are unlikely to result in rate shock[44] and has now used GAAP-based data to develop its current attachment rates without causing rate shock. And the IRD offers a better, more direct and efficient means of preventing rate shock in any event.

Sixth, the DPU argues that allowing Verizon MA to continue to use GAAP could lead to a litany of troubles, including "a possible disparity between the attachment rates" charged by

[41] DPU Comments at 10.
[42] *See* Verizon Reply Comments at 7.
[43] See DPU Comments at 10-13.
[44] See Verizon Reply Comments, at 2-5.

Verizon MA and its joint pole owners, a disparity in the co-owners' relative "bargaining power in negotiating joint ownership agreements," and confusion among attaching entities as to what rates are permissible in the state, result in pole attachment complaint filings.[45] The Department should give no weight to this speculation. To begin with, a pole owner's attachment rates under the Massachusetts Formula are based on that owner's unique set of costs and are therefore unique to that pole owner. So there is always a disparity between Verizon MA's pole attachment rates and those of the electric companies.[46] Further, the DPU offers no explanation how an increase in Verizon MA's attachment rates toward the higher rates charged by electric companies could possibly be large enough to affect the "balance of power" between the companies or translate to changes in their joint ownership agreements. Also, to Verizon MA's knowledge, the relative bargaining power of joint pole owners has never been a subject, goal or concern of state regulation in any event. The allegation of potential attacher confusion is likewise groundless; telephone companies and electric companies have long been subject to different sets of accounting rules,[47] with no demonstration of confusion among attachers.

Seventh, the DPU seems to imply that it shares jurisdiction with the Department over the matters addressed in this proceeding, to the extent that the owner of a smart grid or advanced metering device attaches it to a jointly-owned pole.[48] The fact that a company subject to the DPU's jurisdiction might have to pay a Telecommunications Pole Owner an attachment fee, however, hardly confers jurisdiction on the DPU to dictate how Telecommunications Pole Owners keep their books.

[45] *See* DPU Comments, at 16.
[46] *See* Verizon Reply to Further Comments, at 6.
[47] See Notice at 11.
[48] *See* DPU Comments at 16-17.

Finally, the DPU asks the Department to "institute both GAAP- and USOA-based reporting" in order to "retain the status quo."[49] The status quo, however, is that Verizon MA reports only one set of attachment data annually, using data kept according to GAAP.

IV. Conclusion

For the above reasons, the Department should reject the changes to the Pole Owner Report proposed by NECTA, and should affirm in a final order its decision not to impose requirements on the accounting methods used by Telecommunications Pole Owners. If the Department is concerned about future rate increases arising from the shift to GAAP-based accounting, it should adopt the IRD, which is designed to mitigate any such increase.

Respectfully submitted,

VERIZON NEW ENGLAND INC.,

By its attorney

Alexander W. Moore
6 Bowdoin Square, 9th Floor
Boston, MA 02114
(857) 415-5130

Dated: June 28, 2022

[49] *Id*. at 17.