

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

July 1, 2017 Annual Access Charge Tariff Filings)	WC Docket No. 17-65
)	
CenturyLink Operating Companies)	Transmittal No. 93
Revisions to Tariff FCC Nos. 1, 2, 3, 6, 7, 8, 9, 11)	
)	
Ameritech Operating Companies)	Transmittal No. 1860
Revisions to Tariff FCC No. 2)	
)	
BellSouth Telecommunications)	Transmittal No. 130
Revisions to Tariff FCC No. 1)	
)	
Cincinnati Bell)	Transmittal No. 909
Revisions to Tariff FCC No. 35)	
)	
Nevada Bell)	Transmittal No. 301
Revisions to Tariff FCC No. 1)	
)	
Pacific Bell)	Transmittal No. 553
Revisions to Tariff FCC No. 1)	
)	
Southwestern Bell)	Transmittal No. 3444
Revisions to Tariff FCC No. 73)	
)	
Verizon Telephone Companies)	Transmittal No. 1347
Revisions to Tariff FCC No. 1, 11, 14, 16)	

OPPOSITION OF VERIZON¹ TO THE PETITIONS TO REJECT AND SUSPEND

The Commission should deny Sprint and CenturyLink’s Petitions to reject and suspend Verizon’s annual tariff filings.² These filings comply with Rule 51.907(g)(2)—which requires tandem switching and transport per-minute rates to transition to \$0.0007 by July 1, 2017, in the

¹ The Verizon companies participating in this filing are the Verizon Telephone Companies participating in Verizon Tariff FCC Nos. 1, 11, 14, and 16.

² Petition to Reject, or in the Alternative Suspend and Investigate, of Sprint Corporation (filed June 23, 2017) (“Sprint Petition”); Petition of CenturyLink Communications, LLC To Reject and To Suspend and Investigate Verizon Tariff Filings (filed June 23, 2017) (“CenturyLink Petition”) (collectively, “Petitions”).

case of price-cap LECs that own both the tandem and end-office switch. Sprint and CenturyLink incorrectly argue the rule also requires a \$0.0007 rate when the traffic terminates to an end-office switch owned by an affiliate that is not itself a price-cap LEC. But the Commission last week correctly declined to grant a nearly identical CenturyLink petition³ that raised that very argument while challenging AT&T's tariffs, because the transitional \$0.0007 rate explicitly applies only to traffic a price-cap LEC terminates. There is no reason to treat the Petitions differently.

Verizon's tariff filings correctly implement Step 6 of the multi-year intercarrier-compensation reform the Commission adopted in 2011's *Connect America Fund Order*.⁴ There, the Commission ordered price-cap LECs by July 1, 2017, to reduce to \$0.0007 their per-minute rates for tandem switching for traffic terminated through a tandem that the price-cap LEC or an affiliate owns.⁵ By the language of Rule 51.907(g)(2), this rate applies only to traffic the price-cap LEC terminates at an end-office it owns. The Commission in the *Connect America Fund Order* explicitly stated the transitional \$0.0007 tandem-switching rate does not apply when the price-cap LEC that owns the tandem switch does not own the end-office switch.⁶

Although Sprint and CenturyLink now argue the transitional \$0.0007 rate must also apply when a price-cap LEC's affiliate owns the terminating end-office switch, they misread the rule. Section 51.907(g)(2) requires "[e]ach price cap carrier" to establish the specified Tandem

³ *Ameritech Operating Cos. Tariff F.C.C. No. 2, Transmittal No. 1859; BellSouth Telecomms. Tariff F.C.C. No. 1, Transmittal No. 129; Nevada Bell Tel. Co. Tariff F.C.C. No. 1, Transmittal No. 300; Pacific Bell Tel. Co., Tariff F.C.C. No. 1, Transmittal No. 552; Southwestern Bell Tel. Co. Tariff F.C.C. No. 73, Transmittal No. 3443; June 7, 2017 Access Charge Tariff Filings, Petition of CenturyLink Communications, LLC to Reject and to Suspend and Investigate AT&T Tariff Filings (filed June 14, 2017).*

⁴ See *Connect America Fund*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) ("*Connect America Fund Order*").

⁵ 47 C.F.R. § 51.907(g)(2).

Switched Transport Access Service rates for “terminating traffic traversing a tandem switch that the terminating carrier or its affiliates owns....”⁷ The “terminating carrier” referenced in the rules must be a price-cap LEC. Not only does section 51.907(g)(2) explicitly apply to “each price cap carrier,” but section 51.907 as a whole is titled “[t]ransition of price cap carrier access charges.” Given that the “terminating carrier” must be a price-cap LEC, the scope of the rules is limited to traffic a price-cap LEC terminates via a tandem it or an affiliate owns.

The *Connect America Fund* confirms the interpretation that section 51.907(g)(2) applies only when the terminating carrier is a price-cap LEC. Discussing section 51.907(h), which applies to Step 7, it states “for price cap carriers, in the final year of the transition, transport and terminating switched access shall go to bill-and-keep levels where the terminating carrier owns the tandem.”⁸ And the Commission has sought further comment on the rates for intermediate tandem switching and transport services, including the rates for traffic terminated via a LEC tandem to a CMRS carrier, confirming that the 2011 transitional rules do not cover tandem switching and transport rates for such traffic.⁹

Sprint and CenturyLink’s Petitions are third bites at the apple, but like the first two they also should fail. First, in April 2017, CenturyLink unsuccessfully sought a stay of Rule 51.907(g)(2) and Rule 51.907(h), alleging the rules were ambiguous.¹⁰ Then, CenturyLink on June 14 petitioned to suspend, reject, and investigate AT&T’s tariff implementing Step 6 of the

⁶ See *Connect America Fund Order*, ¶ 1312.

⁷ 47 C.F.R. §§ 51.907(g)(2), 51.907(h).

⁸ *Connect America Fund Order* ¶ 819.

⁹ *Id.* ¶ 1306.

¹⁰ CenturyLink Petition for Limited Stay of Transformation Order Years 6 and 7 ICC Transition—As It Impacts a Subset of Tandem Switching and Transport Charges, *Connect America Fund*, WC Docket No. 10-90; *et al.*, (filed Apr. 11, 2017).

transition, on the same grounds CenturyLink and Sprint raise here.¹¹ CenturyLink's current Petition is nearly identical to that ill-fated petition, and on June 22 the Commission allowed AT&T's tariff to take effect as filed. Now, one day after the AT&T tariff at issue in that petition took effect, CenturyLink and Sprint present Petitions that offer no new reason why the Commission should treat Verizon's tariff any differently.

Verizon's tariff filings follow the informal guidance that CenturyLink concedes Commission Staff provided. In both of its failed petitions, CenturyLink acknowledges Staff's informal guidance that the rate for Tandem Switched Transport Access Service will be reduced to \$0.0007 only for traffic terminated to a price-cap LEC end office through a tandem owned by the price cap LEC or an affiliate.¹² Staff indicated that Sections 51.907(g)(2) and (h) do not apply to traffic terminated through a price cap LEC tandem to a CMRS carrier or CLEC, including a CMRS carrier or CLEC affiliated with the price cap LEC.¹³ Verizon's tariff complies with that informal guidance and with the rules. The Commission should let it take effect as filed.

Finally, CenturyLink's current Petition confounds not only because CenturyLink has twice failed to persuade the Commission of the same position, but also because CenturyLink's price-cap LECs applied Rule 51.907(g)(2) in their tariff filing like Verizon has.¹⁴ CenturyLink cannot have its cake and eat it too by protesting in Verizon's tariff what it included in its own tariffs.

¹¹ *See supra*, fn. 3.

¹² *See, e.g.*, CenturyLink Petition at 5, n. 16.

¹³ *See id.*

¹⁴ *See* CenturyLink Tariff FCC No. 1, Sec. 2.4.7(A)(2)(c)(iii); Transmittal No. 93 (filed June 16, 2017).

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The Commission should deny the Petitions.

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CERTIFICATE OF SERVICE

I, Jennifer Pelzman, do hereby certify that on this 27th day of June 2017, the foregoing Opposition of Verizon to the Petitions to Reject and Suspend, filed by Sprint Corporation and CenturyLink Communications, LLC, was served on the following parties via e-mail:

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