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December 20, 2013

Via E-mail to innovation@fcc.gov

Ms. Diane Cornell
Special Counsel
Office of the Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: A Call for Input: Improving Government Efficiency at the FCC

Dear Ms. Cornell:

In response to the request for suggestions on ways to improve FCC processes, Verizon offers the following proposals that would improve the Commission's efficiency and better match today's competitive and dynamic communications marketplace. Consistent with these proposals, the Commission should (i) put itself on a deadline to issue public notices that impact network changes, discontinuances, and transactions, and to take resulting Commission action; and (ii) more promptly release contribution factors and other data necessary for companies to make required payments into Commission funds. Verizon has proposed other changes to Commission rules and practices in multiple Commission proceedings but focuses on these modifications in response to the Commission's latest request because they are relatively minor, non-controversial, and could be implemented quickly.

Public Notice Timing. The Commission should commit to a reasonable deadline to release certain public notices and to take resulting Commission action. These deadlines should apply to network –change notifications, service discontinuances, and transactions.

The Commission should issue public notice of a Sec. 51.333 network-change notification and a Sec. 63.71 application for permission to discontinue service no later than fourteen days after it receives the notification or application. The service discontinuance approval process is outdated, and it can cause delays that affect the transition to broadband and IP-enabled services. One source of that delay is the unspecified period between the time carriers file an application and the time the Commission issues a public notice requesting comments on the application before it is automatically granted. Establishing a "shot clock" that requires that the Commission issue the public notice within seven to fourteen calendar days of the application would take away at least one unnecessary opportunity for uncertainty and delay. Similarly, the Commission should establish the same timeframe for publishing notice of network-change applications, where the same opportunity for unnecessary uncertainty and delay is built into the current process.

Even when a public notice is issued on a timely basis, in response to comments or for other reasons the Commission sometimes does not automatically grant network change or

discontinuance applications. The resulting process in these circumstances is unclear generally and also a source of delay. Currently, there is no provision in the rules for how the Commission assesses or processes Sec. 51.333 and Sec. 63.71 applications that it does not automatically grant. Providers are left in limbo, unable to judge how their application is faring, or to plan for future product developments or withdrawals. The Commission should establish a deadline for further action in these circumstances.

Likewise, the Commission should issue public notice of a transaction requiring Commission action (assignment, merger, acquisition, transfer of control, etc.) no later than fourteen days after it receives notification of the proposed transaction. Currently, there is no way for companies to reliably know when the Commission will issue a public notice seeking comment on a transaction that requires Commission approval or other action. The uncertainty leaves these companies and other interested parties guessing at a critical time as they arrange financing, put processes in place to transfer systems and migrate customers, and seek approvals from other regulators, among other things. A reasonable deadline to issue the public notice that triggers the Commission's informal 180-day shot clock to act on the transaction would provide clarity and structure to parties with an interest in the transaction. In addition, with respect to transactions that are unopposed following public notice the Commission should establish a shorter deadline to approve the transaction. In almost all cases review of a non-controversial transaction will not – or should not – take six months, and if more time is necessary the Commission always retains authority to extend or stay the deadline.

Regulatory Fees and TRS Factor Timing. The Commission should release the annual regulatory fees factor and Telecommunications Relay Service factor at least one month before annual access charge tariff filings are due. In recent years, the Commission has not released these factors consistent with the filing dates that it has set for incumbent LECs to make their annual tariff filings. As a result, incumbent LECs have had to use the previous year's factors for their annual filings, and then they have had to re-file later in the year once the new factors become available. This results in a waste of resources both at the companies that have to prepare two filings and at the Commission where Staff has to review two sets of filings. The Commission easily could remedy this by releasing the factors at least one month before the annual filings are due.

USF Factor Timing. The Commission should release the quarterly Universal Service Fund contribution factor within seven days after the Universal Service Administrative Company (USAC) delivers to it the data needed to compute the factor. Like the other suggestions in this letter this is purely a process recommendation and does not address the manner in which the factor is developed. The Commission establishes on a quarterly basis the contribution factor setting the rate at which interstate and international service providers must contribute to the universal service program. USAC sends to the Commission its demand projections for the upcoming quarter from which the Commission and others can calculate the likely quarterly factor, but this must be confirmed by the Commission. Because companies are prohibited from over-collecting from end-users this contribution, companies must wait for the Commission to announce the official factor. This routine confirmation of the factor often is delayed to a point that leaves little time for contributing companies to implement it.

Marlene H. Dortch
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Verizon has proposed additional reforms that the Commission should pursue in several other proceedings, including the Biennial Review. While these suggestions in other proceedings may go beyond this immediate call for procedural changes, we encourage the Commission to streamline and eliminate regulations like these, so that its rules better reflect today's competitive marketplace.

We appreciate the opportunity to share these efficiency-enhancing ideas and would be pleased to discuss them at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Ian Dilks". The signature is written in a cursive, slightly slanted style.