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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
2000 Biennial Regulatory Review --	)	CC Docket No. 00-229
Telecommunications Service Quality	)	
Reporting Requirements	)	

REPLY COMMENTS
OF THE
UNITED STATES TELECOM ASSOCIATION

The United States Telecom Association (USTA) respectfully submits its reply to the comments filed January 12, 2001 in the above-referenced proceeding. Among USTA's members are those incumbent LECs that are subject to the Commission's service quality reporting requirements. The ARMIS service quality reports are an anachronism that impose a severe and unnecessary burden on reporting incumbent LECs and are of no value to consumers. The ARMIS Reports 43-05 and 43-06 should be eliminated.

In its comments, USTA observed that the purpose for which these reports were instituted, to monitor service quality as price cap regulation was implemented, has been served. Federal reporting of service quality is no longer necessary. The elimination of Federal service quality reports in no way diminishes the importance of this issue. Service quality continues to be the highest priority of USTA's member companies. The competitive market only heightens the importance of this issue, as high quality service must be maintained in order to retain current customers and attract new ones. However, the current Federal service quality reports are not required to further this priority. If reporting is required, it should be conducted at the state level to ensure that the unique characteristics of serving areas are properly considered and consumers have information regarding the providers that operate in their state. As the Commission stated in

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its NPRM, and as supported by NARUC in its comments, the individual states must retain the ability to mandate that carriers report directly to state commissions to address specific service quality problems that arise in the states' respective jurisdiction. USTA would agree that service quality reporting should not be mandated at the Federal level, but should be addressed at the state level, as needed. As the Illinois Commerce Commission observes, service quality is primarily a local issue.

The comments underscore the futility of Federal reporting. While state regulators generally supported retention of the Federal service quality reports, their comments highlight the differences in data that should be reported. Virtually all indicated that they had imposed state service quality reporting requirements, although there are significant differences in the data required to be provided.[1] The vast majority of states have service quality measurements based on the particular requirements and categories relevant to the particular state. There is no "one size fits all" set of service quality measurements. Given the disparate nature of the state service quality requirements, an additional set of Federal service quality requirements is duplicative and unnecessary. It does not serve any Federal regulatory purpose to impose additional Federal reporting requirements on incumbent LECs that are already subject to state service quality reports, particularly given the state's jurisdiction over this issue. It does not serve any Federal regulatory purpose to require all incumbent LECs to report data that are only required by some states.

Some commenters supported the Commission's suggestions or provided their own suggestions to increase service quality reporting detail. Such proposals to increase regulation are not relevant under a biennial review analysis. Section 11 of the Telecommunications Act of 1996 requires the Commission to review all of its rules "in effect at the time of the review" every

two years and to modify or eliminate those that are no longer necessary in the public interest. The legislative history confirms that Congress intended the Commission to utilize its authority under this Section to eliminate regulation not to increase regulation.[2] Replacing one set of regulations with another is clearly not the intent of this review. Even the Commission recognizes that "as a part of the biennial review process, we do not intend to impose new obligations on parties in lieu of current ones, unless we are persuaded that the former are less burdensome than the latter and are necessary to protect the public interest."[3] None of the parties, including the Commission, demonstrate that increased reporting is less burdensome and is necessary to protect the public interest.

Some of the state commissions that commented do not dispute the fact that the service quality reports no longer serve the purpose for which they were created, and support the Commission's new objective to require incumbent LECs to report in order to provide a consumer clearinghouse on service quality. USTA agrees with SBC and BellSouth that the current ARMIS reports cannot serve this new function because the current reports are too technical to be of help to consumers. There are over thirty categories of highly technical information included in the ARMIS 43-05 report that is of little, in any, interest to the average consumer. Further, consumers cannot receive information on all carriers since only the incumbent LECs under price cap regulation are required to report service quality data. As discussed in their comments in this proceeding, other carriers have no intention of providing this information. However, the new categories proposed by the Commission do not resolve these flaws. The new categories impose new requirements that are clearly outside of the biennial review analysis. The new categories are still too technical to be of value to consumers. Finally, there will be no opportunity for

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[1] See comments of Illinois Commerce Commission, Texas PUC.
[2] See comments of Qwest.

consumers to get a true picture of the marketplace in order to compare service quality. Federal reporting of service quality data is meaningless.

It is not surprising that the competitors of incumbent LECs favor the retention of or an increase in Federal service quality reports for incumbents LECs and strongly oppose expansion of the reports to include other telecommunications providers. These competitors observe that there is no evidence that consumers are dissatisfied with their service quality, but of course there is no evidence regarding their service quality since they are not regulated and are not required to provide any data on service quality. Competitors of the incumbent LECs complain that such reporting would be overly burdensome, expensive and consume resources that would be better spent obtaining facilities to serve customers.[4] Further, while these competitors contend that competition is not sufficient to relieve incumbent LECs of these reporting burdens, the competitors also note that service quality reporting is not required for them because customers can always switch to another carrier. USTA would agree that the reports are overly burdensome, expensive and consume resources better spent on serving customers.

ALTs contends that data on special access circuit provisioning and advanced services should be included in the service quality reports. While the Commission cannot add regulation in this proceeding as discussed above, there is no need for this data to be reported. Most incumbent LECs include provisioning specifications in their tariffs and in their interconnection agreements. As USTA explained in its comments, there is no reason to include broadband services and technologies in any reports where only incumbent LECs would be subject to reporting requirements. These are highly competitive markets with no dominant provider. There is no reason to place incumbent LECs at a competitive disadvantage by requiring them to

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[3] The 2000 Biennial Regulatory Review, CC Docket No. 00-175, *Report,* FCC 00-456 (rel. Jan. 17, 2001).
[4] See Comments of Focal.

provide such information to their competitors. The Commission has already instituted a broadband report. There is no need to duplicate that effort in ARMIS. In addition, as USTA pointed out, the Telecommunications Act requires that ARMIS data be filed on an annual basis. The Commission cannot require more frequent filing as suggested by ALTs and several other parties.

Finally, AT&T and WorldCom continue to argue that competition is not sufficient to warrant any type of regulatory relief. These arguments defy reality. While AT&T and WorldCom will never concede that competition is sufficient to support regulatory reform, the Commission has found sufficient competition to approve Section 271 applications as well as pricing flexibility petitions. In such instances, price cap LECs have met rigorous competitive triggers to enable them to enter new lines of business as well as to obtain pricing flexibility. Competition is sufficient to eliminate two ARMIS reports.

USTA urges the Commission to eliminate the service quality reports. In the alternative, as discussed in its comments, USTA recommends that the Commission streamline the reports by eliminating Tables 1, II, III, IV, IV.A and V of the 43-05 and the 43-06. The NARUC White Paper should not be adopted in any form.

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February 16, 2001

CERTIFICATE OF SERVICE

I, Meena Joshi, do certify that on February 16, 2001, Reply Comments of The United States Telecom Association was either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the attached service list.

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