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October 5, 2012

VIA EMAIL AND FEDERAL EXPRESS

Filing Center
Oregon Public Utility Commission
550 Capitol St. NE, Suite 215
Salem, OR 97301-2551

RE: AR 566 – Verizon’s Reply Comments in the Call Termination Docket

Dear Sir / Madam:

Enclosed are the original and 5 copies of Verizon’s Reply Comments.
Also enclosed are the original and five copies of the Certificate of Service.

Please feel free to contact me at (415) 228-1462 or via email at
christine.becerra@verizon.com if there are any questions. Thank you for your
attention to this matter.

Very truly yours,

A handwritten signature in black ink that reads "Christine Becerra". The signature is written in a cursive style with a large, sweeping initial "C".

Christine Becerra
Asst. to Rudy Reyes
and Richard Severy

Enclosures
cc: Service List (via email)

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

Docket AR 566

In the Matter of)	
)	
Amendments to OAR 860-032-0007)	VERIZON'S COMMENTS
to Address Call Termination Issues)	
<hr/>)	

**VERIZON'S REPLY COMMENTS IN THE
CALL TERMINATION DOCKET**

The opening comments reveal an overwhelming consensus that the Commission should not adopt the rules set forth in the Commission's Notice of Proposed Rulemaking ("Notice"), issued July 13, 2012. Most parties joined Verizon¹ in explaining that call termination issues are a national problem that are best dealt with in a comprehensive manner on a national basis by the Federal Communications Commission ("FCC") and industry standards organizations,² and through the efforts of individual carriers to cooperatively resolve specific problems on a case-by-case basis,³ rather than through the adoption of state-specific rules.

Several parties pointed out that the Commission already has the authority to address service quality and other call termination issues on a case-by-case basis and, thus, it is not necessary to adopt any rules in this area.⁴ The record also demonstrates that the proposed rules are overbroad, vague, conflict with existing FCC regulations and would have significant harmful

¹ MCI Communications Services, Inc. d/b/a Verizon Business Services and MCImetro Access Transmission Services LLC d/b/a Verizon Access (together, "Verizon").

² See Comments of AT&T at 1-5, 7; CenturyLink at 1; Frontier at 1; Oregon Cable Telecommunications Association ("OCTA") at 1, 5-7; tw telecom, Level 3 Communications and Sprint ("Joint Commenters") at 2-4; Verizon at 3-9.

³ AT&T at 6-7, Verizon at 2-3, 9-11; Joint Commenters at 6.

⁴ CenturyLink at 2; OCTA at 1, 3-4.

consequences.⁵ For example, the comments show that, as drafted, the rules have the potential to preclude reasonable practices and legitimate means of routing traffic that have no bearing on call completion issues that are the subject of this proceeding.⁶ Another major criticism of the proposed rules is that they are not narrowly tailored to address only call termination issues, but could potentially expand regulation into new and inappropriate areas, such as regulation of carrier marketing practices.⁷ Several parties complained that the draft rules would impose an unnecessarily harsh strict liability standard, and thereby subject carriers to liability even if they had no knowledge of specific problems, if the causes of the problems were unintentional, or even if the carrier took prompt action to remedy a problem once it became aware of it.⁸

These and numerous other objections have not been countered by a single party. In fact, the lone supporter of the proposed rules that filed extensive comments, the Oregon Telecommunications Association (“OTA”), admitted that the draft rules would likely cause carriers that operate in multiple states (*i.e.*, virtually all interexchange carriers, competitive local exchange carriers and wireless providers) “operating problems and expense.”⁹ OTA also agreed that modifications to the proposed rules in subsections (16) and (17) are appropriate, and did not present any reasons why the proposed rules in subsections (18), (19) or (20) should be adopted.

⁵ AT&T at 7-8, CenturyLink at 3; Frontier at 3-4; OCTA at 3, 8-13; Joint Commenters at 5-11; Verizon at 11-18.

⁶ CenturyLink at 3; OCTA at 9-10; Joint Commenters at 6-7; Verizon at 11-12. OCTA and Joint Commenters explained that, whereas the FCC addressed routing practices very narrowly in its February 2012 *Declaratory Ruling* and expressly refused to dictate how carriers must route their traffic, proposed subsection (17) is far more intrusive; requiring a carrier to “ensure” the quality of its routing practices could chill investment in the design and installation of efficient networks.

⁷ AT&T at 7; CenturyLink at 3-4; Joint Commenters at 7-8; OCTA at 11; Verizon at 15.

⁸ OCTA at 10, 12-13; Joint Commenters at 9-11; Verizon at 13-14, 16-18.

⁹ OTA at 2.

The Commission should not adopt the proposed rules for the reasons stated above and because the record does not justify their adoption. The Commission should focus its energies on encouraging and facilitating resolution of specific customer problems by the carriers themselves, because that approach is more efficient and effective than trying to rely on a new set of rules to deal with a variety of problems. The Commission should also support on-going efforts at the national level, rather than implement regulations that might interfere with those efforts or make it more difficult for carriers that operate in multiple jurisdictions to implement technical solutions in a consistent and efficient manner. While some carriers have proposed alternative language that is intended to eliminate the most significant flaws in the draft rules (and, in fact, those alternative proposals are superior to the language in the Commission's Notice), the adoption of any state-specific regulations that are not identical to FCC policies would present significant problems. Even as potentially modified, the proposed rules do not carry with them the entire body of federal law that informs the similar federal policies. This would inevitably lead to confusion, inconsistencies and conflicts that will get in the way of promptly resolving specific problems.

Finally, if despite the parties' substantial objections and concerns, the Commission nevertheless decides to adopt new regulations (which it should not do), any such rules should be subject to a "sunset" provision. Over the next couple of years, the FCC's intercarrier compensation reforms will substantially reduce incentives for switched access rate arbitrage as an alleged cause of call termination problems, and the Commission will have an opportunity to evaluate how successful other federal policies and industry initiatives are at resolving call termination issues. Thus, any rules that are imposed to address these problems should be automatically eliminated within three years, at the most.

Respectfully submitted,



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October 5, 2012

CERTIFICATE OF SERVICE

AR 566

I hereby certify that on the 5th day of October 2012, I served the foregoing **VERIZON'S REPLY COMMENTS IN THE CALL TERMINATION DOCKET** in the above entitled docket by electronic mail and Federal Express to the following:

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DATED at San Francisco, California, this 5th day of October 2012.

 /s/ Christine M. Becerra
Christine M. Becerra