

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Report on FCC Process Reform

GN Docket No. 14-25

COMMENTS OF VERIZON

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The Commission’s process reform initiative presents a significant opportunity to evaluate, and have a frank discussion about, Commission functions that are working well in addition to opportunities for meaningful change. Verizon supports the Commission’s objectives in this proceeding and looks forward to improving the Commission’s processes in a way that produces tangible, and beneficial, results for consumers and other interested stakeholders. Focused reactions and suggestions for changes to many of the Commission’s specific process reform proposals appear below. Verizon’s suggestions are aimed at accomplishing several overarching goals: First, Verizon supports targeted reforms that increase the speed and transparency of the Commission’s decision-making in ways that better fit today’s fast-changing and dynamic communications marketplace. Second, some of the Commission’s essential processes, such as the way the Commission handles informal complaints, should be modified in order to improve their efficiency and utility.

¹ In addition to Verizon Wireless, the Verizon companies participating in this filing are the regulated, wholly owned subsidiaries of Verizon Communications Inc. (collectively, “Verizon”).

I. Increasing speed and transparency

The Report² correctly observes that to keep pace with the dynamic communications industry, the Commission should ensure that its decision-making processes are as efficient as they can be. Many of the Report's recommendations can enhance the efficiency with which the Commission acts, and the Commission should pursue the Report's goals of improved tracking accountability, streamlined FCC review processes, and fewer backlogs.

Recommendation 1.1: Verizon supports the proposal to put out Petitions for Rulemaking and Petitions for Declaratory Rulings for comment immediately upon receipt if procedurally sound. Further, Verizon suggests that the Wireless Bureau treat assignment and transfer applications in the same manner and place them on the next weekly Wednesday Public Notice if they are complete. This will greatly speed up the process for obtaining comment from interested parties and the Commission's ability to consent to the proposed transactions.

Recommendation 1.2: The Commission's 180-day shot clock for proposed complex transactions was designed to speed Commission review. The shot clock has helped, and as the Report recognizes, there are more steps the Commission could take to improve transaction-review efficiency.

For example, the shot-clock today begins to run when the Commission releases a Public Notice seeking comment on the proposed transaction, instead of the day on which applicants submit a filing for approval. To improve the efficiency of the approval process, the 180-day shot clock should begin on the day that the application is filed. Often it can take weeks for the Commission to release a Public Notice after the applications are filed with the Commission, and starting the shot-clock on release of the Public Notice adds unnecessary delay. At a minimum, if

² See FCC Staff Working Group, *Report on FCC Process Reform*, GN Docket No. 14-25, DA 14-199 (Feb. 14, 2014) ("Report").

the shot-clock continues to be tied to the Public Notice, the Commission should establish a process that ensures that no more than two weeks transpire between the time the applications are filed and when the Commission releases a Public Notice. The Report encourages Staff to determine as early as possible in the process whether additional information is required, and two weeks after filing is sufficient time to review applications to determine if they are complete and eligible for Public Notice. If staff determines applications are incomplete, they should communicate the specific information required to the applicants as soon as possible, but no later than two weeks from submission.

Special public notices should be used only when staff, as part of its initial review, identifies unique facts or issues that are matters of first impression for the Commission. Parties would not be prejudiced by the use of the weekly public notices, which provide the names of the applicants, the services involved, and a list of the related, publically available ULS file numbers. The attachments to the ULS file numbers contain all information required by the FCC's assignment and transfer rules and in most cases contain far more information. And ULS has been modified to allow third party comments to be filed, attached to the relevant application numbers, without a special public notice with an ECFS docket number.

Recommendation 1.9: The suggestion to include initial FOIA decisions on the Commission's website is sound. This will increase transparency and afford parties equal opportunity to review Commission precedent as they take steps to protect confidential information and respond to FOIA requests. The recommendation to post online documents released as part of a FOIA decision, while also geared towards transparency, presents some challenges. At a minimum, due-process safeguards would have to be built in, such as affording parties an opportunity to review and propose redactions before their documents are posted online. In addition, consistent with 47

CFR §0.465(c)(2)'s fees for copying records, there should be a process to ensure that requesting parties are responsible for costs they impose on the Commission through their requests for documents. This might help to deter frivolous document requests.

Recommendation 1.15: The Report correctly identifies the delay that the Executive Branch review of foreign-ownership can introduce into otherwise streamlined FCC processes. The Commission should adopt the Report's recommendation to engage with the Executive Branch and establish timeframes for its review of foreign ownership. The Executive Branch review process should not cause unnecessary delay in otherwise undisputed and uncontroversial applications.

In addition, Verizon recommends that the Commission eliminate the requirement that an assignor or transferor that already has its own international 214 authorization must request assignment or transfer of the entire or part of the assignee's or transferee's international 214. There is no reason to require a licensee to continue to acquire entire or partitioned portions of a redundant 214 authorization. Eliminating the requirement would reduce the administrative burden on the Commission in tracking and noticing changes in ownership of redundant international 214s. In addition, it would save licensees the time necessary to file and obtain approval of the proposed assignment/transfer of these redundant authorizations. The process change would not affect the Commission's obligation to ensure that every licensee that is offering international resale and/or facilities based service is licensed. Every licensee would have its own 214 authorization of rely on its parent's 214. The only resulting change would be that individual licensees would not have multiple 214s that were inherited as a result of an outdated and unnecessary policy.

Recommendation 1.18: Verizon supports the recommendation to extend streamlined treatment to additional matters. The Report offers as an example additional categories of small transactions. Consistent with this recommendation, the Commission should ensure that its general approval procedures are followed. Specifically, 47 C.F.R. § 1.948(j)(iii) requires that “petitions must be filed no later than 14 days following the date of the public notice listing the application as accepted for filing.” Allowing longer periods for filing of petitions is inconsistent with existing rules that were intended to change the process and expedite review of secondary markets transactions.

Recommendation 1.22: To help achieve the Report’s goal of reducing backlogs of routine items, the Universal Licensing System (“ULS”) should automatically accept *pro forma* notifications of assignments and transfers within 30 days of filing. *Pro forma* assignments notifying the Wireless Bureau of changes to corporate structures can often sit idle for months before the Commission accepts the notifications and implements the changes in ULS. Verizon is not aware of an instance over the last decade in which the Commission requested additional information about one of its *pro forma* notifications. These notifications seem ripe for summary disposition. Further, in some cases the backlog in processing can prevent licensees from filing additional *pro forma* notifications or even transfer and assignments to third parties via ULS because ULS is still showing the incorrect entity as the licensee. In those cases, licensees must file applications or notices on paper with a waiver of the Commission’s electronic filing requirement rule. Paper filings create additional work for licensees and Commission staff which must manually enter the data into ULS.

Further, in multi-step transactions where the same license is passing between three or more licensee entities, ULS (FCC Form 603) is not capable of accepting the applications covering the

second or third step in the process. In these cases, applicants must file paper FCC Form 603s with the Commission's Gettysburg office. As above, applicants must include a waiver of the Commission's electronic filing requirement rule and Gettysburg staff must manually enter the data into ULS. Verizon supports modifying ULS to permit the filing of multi-step applications.

Recommendation 1.24: Verizon supports the idea that parties should prepare draft text for inclusion in Commission documents. The Report notes that courts often employ this practice. While, as the Report acknowledges, this practice would not be appropriate in all Commission proceedings, at a minimum the Commission should consider applying this process in petitions for rulemaking where parties can provide specific text of rules or orders that they propose the Commission adopt.

II. Improve efficiency of essential processes

Recommendation 2.6: Verizon supports the proposal to eliminate paper copies of licenses and other communications with licensees, with one caveat. In certain cases, buyers of licenses and some local and state governments require a licensee to provide official paper copies of Commission licenses. Given this, the Commission should continue to allow licensees to request paper copies via ULS, and the Commission should continue to mail them or provide them by PDF to the licensee upon request. But the Commission can and should eliminate mailing copies of licenses that are not requested by the licensee. Similarly, other communication including build out and renewal reminders and Commission Registration System ("CORES") letters should be delivered by email to the contact email address contained in ULS.

Recommendation 2.8: The Commission's license processing should transition away from paper licenses so that license filing can be exclusively electronic. And in addition to the systems work and other revisions that the Report identifies as necessary to implement its

recommendation to transition to electronic licensing, the Commission should consider changing electronic licensing procedures so that forms may be fully completed before the active date.

Under current procedures, parties cannot post-date forms, so that if they fill out license forms ahead of time, parties must return and enter the correct date on the date of filing. This adds an avoidable extra step to complicated transactions.

Recommendation 2.9: Verizon supports the auto-processing of *pro forma* notifications, renewals that do not require a specific showing, and applications for new authorization that have been coordinated by a frequency coordinator. There is no reason why *pro forma* notifications of transfer and assignment applications cannot be automatically granted, which we discussed above. Second, renewal applications in many services do not require a specific showing. So there is nothing to review, and these applications are ripe for auto-processing after the relevant public notice period is complete assuming no comments were filed in the relevant ULS file number. Finally, services that use third party coordinators, like certain microwave frequencies, do not require additional review by the Commission if the relevant coordinator has determined the frequency to be available.

Recommendation 2.10: Verizon supports the proposal to automate password resets for CORES, provided password resets are performed only after confirming the request is being made by an authorized person. For example, if the contact in CORES is “Jane Doe” – the automated system should confirm that the request is being made from a valid email address and person with the standard security code already contained in the CORES database. This will diminish the potential for unauthorized persons to create new passwords and gain access to CORES and ULS. Authentication by the Commission before resetting passwords is crucial to prevent these issues.

Recommendations related to informal consumer complaints: On the whole, the Report’s recommendations to improve the Consumer and Governmental Affairs Bureau’s (“CGB”) Consumer Inquiries and Complaints Division’s processes for handling consumer complaints are sensible and would promote efficiency and transparency. As the Report notes, this will benefit both consumers and service providers.

Verizon supports many of the recommendations. For example, we agree with *Recommendation 2.14* that expeditious treatment of consumer complaints should be a priority. And we agree with *Recommendation 2.15* that CGB should re-focus its handling of informal consumer complaints so that it can focus on data analysis. One way to allow CGB more time to focus on analyzing complaint data would be to free up Staff’s time by limiting the number of rebuttals a customer can make on an individual complaint. *Recommendation 2.16*, which focuses on improving the consumer experience and clarifying expectations, suggests the Commission should provide consumers with guidance on what to expect during the complaint process. Here, too, the guidance should expressly limit the number of customer rebuttals. In addition, an improved customer intake process with increased screening should work to reduce duplicate complaints and to diminish the frequency of with inquiries are improperly filed as complaints.

Recommendation 2.17 suggests a quick and easy single interface for filing consumer complaints. Verizon supports making the process easier for all involved, and encouraging web-based complaint submission makes sense. As the Report notes, using a single interface could ensure that only complete complaints are sent to providers for action and resolution, which would allow companies to focus their resources on addressing actionable items. Verizon expects that CGB staff still would be involved in the intake process to ensure that an automated process is working and that providers are not receiving incomplete complaint data, which would delay

resolution for the customer. The same holds true for *Recommendation 2.20*, which focuses on automating informal-complaint processing. While increased automation should help all involved parties by speeding resolution, a fully automated process without Commission analyst review could result in unintended and unnecessary delays, if complaints are not coded properly or if complaint data is incomplete or invalid.

Verizon agrees with *Recommendation 2.18's* proposal to increase transparency and make consumers more aware of the steps involved in the informal complaint process, as well as other forms of redress. We are concerned, however, that if the Commission elects to provide information about recent related enforcement actions, it should take steps to ensure this information improves the process and does not result in customer confusion. We also welcome the proposal in *Recommendation 2.21* to allow complaints to be served more frequently than once a week. In addition Verizon supports regular meetings with CGB to discuss process and other issues related to complaint handling

Finally, while we support the efforts to make the informal complaint process more accessible and transparent, we are concerned that *Recommendation 2.23's* proposal to make complaint and inquiry data more readily accessible and understandable could become misleading and is ripe for gaming or abuse if, as proposed, information is compiled and released on a carrier-specific basis. All complaints are not created equal, and that can get lost in reporting. The Commission should continue to pursue increased transparency without adopting the carrier-specific proposal suggested here.

III. Improvements to the policy and rulemaking processes

Multi-stakeholder mechanisms: Recommendations 3.1 through 3.6 discuss using multi-stakeholder mechanisms in various contexts. Verizon supports this recommendation as a

preferable approach, in many contexts, to traditional regulation. In fact, there is a long history already in addressing issues that arise in the operation and governance of the Internet through collaborative, multi-stakeholder processes, and this more flexible and nimble approach would work well to address many issues that arise in today's communications marketplace. Consumer choice, competition and effective multi-stakeholder processes together can protect consumers, guide the evolution of technology and services, and address emerging issues or market failures. Adhering to the technology-neutral principles of protecting consumers, promoting competition, and encouraging investment and innovation will better allow for adjustments to market changes and new technologies as they arise.

Among other things, flexible multi-stakeholder governance processes can establish industry standards and practices and serve as a model for problem-solving as new issues emerge, rather than relying on traditional regulatory approaches. This approach has proven successful in the Internet context and can be expanded, particularly as Internet-based services and companies continue to take on an increasing role in communications. It is a more nimble way of addressing new issues as they arise, regardless of the particular service or technology at issue, and with less risk of unintended consequences that often arise from prescriptive regulation.

IV. Functional and Bureau-specific recommendations

Recommendation 5.5: The Report's proposal to direct the Enforcement Bureau to further modernize its interference detection and mitigation efforts makes sense, and Verizon agrees that Staff and the industry should cooperate and work together to identify and resolve problems. Verizon however is concerned about the proposal that wireless carriers give Enforcement Bureau staff access to proprietary, privately held databases that track interference. To the extent the

Commission pursues this approach, any access to privately-held database must be strictly voluntary.

Recommendation 5.7: Consistent with the recommendations above regarding *pro forma* applications, the Commission should remove the requirement that companies seek prior approval of *pro forma* changes in ownership of space and earth station licensees. In fact there is no reason for prior approval of any *pro forma* license changes. The Commission should align these procedures for space and earth station licenses with its procedures for other licenses that do not require this prior approval. The Commission should adopt a rule that only one post-closing notification need be filed in *pro forma* transactions, which would include a list of affected licenses and entities.

Recommendation 5.31: In its proceeding to review the Part 76 cable technical rules (MB Docket No. 12-217), the Commission correctly recognizes that many of its technical rules that apply to cable operators – including various signal quality and signal leakage rules – have become outdated and largely irrelevant with the transition from analog to digital cable services. These rules should be eliminated. In considering adopting rules for new digital technology, the Commission must determine whether, and the extent to which, any such regulation remains warranted. For the most part, the answer is “no,” and the Commission should decline to adopt prescriptive new regulation in the absence of a problem to be addressed. The Commission has not demonstrated that the proposals in its pending Notice of Proposed Rulemaking are necessary to address any technical or market failure, or any safety issue, and, therefore, it should decline to adopt the proposals.

Indeed, as cable operators have moved to digital services, no technical rules for digital cable have been in effect over this period of time, so it is unclear why rules are needed at all.

Moreover, the competitive market for video services will ensure that providers are offering the highest quality service, or otherwise lose customers. If the Commission nevertheless decides to adopt digital cable technical rules, it should ensure that such rules are properly tailored to digital cable technology, networks and business models rather than attempt to simply replicate rules adopted for analog, monopoly cable operators.

Recommendation 5.32: Verizon supports the Report's recommendation to follow up expeditiously on a 2010 Wireless Telecommunications Bureau ("WTB") NPRM proposing changes to tower marking and lighting specifications, maintenance and inspection requirements, and other related matters. The Commission's rules for tower lighting and marking are supposed to effectively pass through FAA requirements to carriers, but they have not kept pace either with Federal Aviation Administration rule changes or with technological advancements, including technology that allows lights to be monitored remotely in lieu of making quarterly inspections. The Commission should follow the recommendation to refresh the record in its 2010 proceeding and then move quickly to adopt changes.

Recommendation 5.35: Verizon remains committed to working with CTIA and the Commission to complete the transition of existing Cellular Geographic Service Areas into market based licenses. The Commission should allocate unserved areas under 50 square miles in a manner consistent with the CTIA's consensus proposal, which includes national and rural licensees. Areas greater than 50 square miles would remain subject to the existing Phase II unserved area licensing rules, under which any eligible licensee could claim those areas. Verizon would support the use of a third party coordinator if it would eliminate the need for additional review by WTB and replace it with an automatic grant process once the coordinator approves an unserved area application and the necessary notification is filed with the Commission. But

Verizon does not support the use of a coordinator in addition to WTB review as that would create a more burdensome process for all involved and would be contrary to the goal of reforming and streamlining cellular licensing.

Recommendation 5.39: Today, parties aggrieved by a USAC decision already have the option to seek review from USAC before seeking Commission review. It should remain an option, but Verizon disagrees that it should become a mandatory step. Adding an additional step such as mandatory USAC review would make the process more complicated and less efficient. Parties should not have to engage with USAC in order to seek relief, although they should retain that option. Mandatory USAC review would create more process and paperwork, and it likely would not affect the Commission's backlog of USAC appeals.

Recommendation 5.45: Eliminating the requirement for OGC review of subpoenas. The Report posits that the Enforcement Bureau should be empowered to issue subpoenas in many circumstances without Office of General Counsel review. But given the paperwork and administrative burdens that subpoenas can impose, and the possibility that subpoena recipients may not agree with Staff's assessment of whether "new or novel issues or significant policy concerns" necessitate OGC review, if the Commission were to adopt this proposal, at a minimum it should adopt a mechanism to seek prompt OGC review of Enforcement Bureau subpoenas.

V. Conclusion

The Commission should adopt these recommendations to improve the Commission's processes in a way that produces tangible, and beneficial, results for consumers and other interested stakeholders.

Respectfully submitted,

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