

The FCC Review of Verizon Section 214 Application and its Implications for the IP Transition

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The IP Transition: Unpacking the Misinformation

- Ongoing campaign of misinformation
 - There are TWO transitions going on
 - Physical Layer: Copper to Fiber
 - Electronics/Protocol Layer: TDM to IP
 - This is NOT about the Internet
 - VOIP or Managed Voice is distinct from best efforts Internet
 - AT&T/Verizon disclose U-Verse/FIOS voice do not touch the Internet
 - PSTN? PRCN? PCN?
 - There will always be a network



The IP Transition: No Crisis

- There is no IP crisis here
 - Continuation of ongoing technology evolution
 - Competitors have led the way on IP – for over a decade
 - In 2010, XO first asked the FCC to establish incentives for IP roll out in ICC docket



The IP Transition: What's Next

- The FCC should confirm IP Interconnection remains in the 251 regime
- The FCC should act on existing dockets
- Trials: What's really going on
 - The FCC Technology Transitions Task Force is broadly examining many transitions
 - No support for trials as proposed by AT&T
 - AT&T actually wants “end user” trials
 - Wire center trials are a rouse for complete deregulation
 - Fire and public safety testing if needed
 - Any testing should be narrowly tailored with FCC oversight and input from all stakeholders



Lessons From Hurricane Sandy: Fire Island / Retail Customers

- Post-Sandy, Verizon decides not to repair copper service and offers VoiceLink, a wireless substitute
- Verizon files notices with state and federal regulatory agencies to discontinue offering wireline service
- Nearly half of Fire Island residents file comments opposing Verizon; public interest community weighs-in as well; they charge VoiceLink is an inferior/unproven product, for example, small business unable to conduct credit card transactions, see: teletruth.org/POTSvsvoicelink.pdf
- NY PSC and NY AG launch proceedings/investigations
- Verizon files a 214 at the FCC to discontinue offering traditional copper-based landline service
- In response, in late September, Verizon amended its discontinuance filings and will roll out FIOS to Fire Island



Lessons From Hurricane Sandy: Manhattan / Wholesale Customers

- After Hurricane Sandy, Verizon's decision to replace copper facilities with fiber in Manhattan impacts ability of competitors to serve end users
- Inconsistent communication, lack of details/plan hinder ability of competitors to plan/restore service to customers
- Sudden unavailability of copper and no requirement to offer access to fiber impact ability to serve customers, especially future growth
- Effectively, allowed Verizon to unilaterally change the competitive landscape of the Manhattan market



The FCC Needs a Plan to Handle Wireline Service Restoration Post-Emergencies

- The FCC gives local wireline providers leeway in responding to emergencies. But, Sandy made it clear that more direction is needed – specifically to address inferior service and effects on competition
 - Public Interest groups have asked the FCC to adopt a disaster plan
 - FCC and state regulators should work in tandem, coordinating actions
 - Carriers should be limited in using Special Temporary Authority (STA) to alter/discontinue a service
 - Carriers should be obligated to file a section 214(a) for post-emergency network changes
 - FCC should establish a process providing greater oversight when STA is invoked
- XO supports the need for a plan post-emergencies
- Unlike typical copper retirement, in an emergency, neither the telephone company nor the customer had any expectation of losing service
- The task of the regulator is to put them back in the same (or equivalent) situation post-emergency, using the same or different transmission media

