



During The Transition From Copper Networks To Internet Phones, The OCC Will Seek A Continuation Of The Historic Protections Afforded All Consumers Of Telecom Services, No Matter What Technology Is Used

The Consumer Counsel has begun responding to many complaints regarding the shift being proposed and subtly implemented by the local exchange companies (LECs) operating in Connecticut (AT&T and Verizon) to transition customers currently using traditional landline service run over copper lines, to a system of Internet-based phones often run over fiber (glass) lines (also known as VoIP, voice over Internet protocol). There remain about 100 million landline customers in the US, and nearly one million remaining in Connecticut, the most vulnerable of whom may lose the consumer protections that have characterized telephone regulation for the last century.

The OCC has joined with AARP and its own national organization, the National Association of State Utility Consumer Advocates (NASUCA), before the Connecticut state legislature and the FCC in warning that this transition for basic “plain old telephone service-POTS” from copper networks to Internet protocol is a change of greater significance than the LECs are claiming, and that it accordingly must be subjected to far greater scrutiny than the providers claim is necessary. The regulatory association of commissioners from utility regulatory bodies in each state, the National Association of Regulatory Utility Commissioners (NARUCA), has also called for greater scrutiny of this transition, including retaining state oversight of such actions by the LECs. The OCC also supports NARUC’s position.

AT&T and Verizon have made public filings indicating that they wish to completely transition all their copper-network customers to Internet phones by 2020. The LECs, true to their historical positions on regulatory matters, claim that regulators such as PURA or the FCC need merely only be notified of their plans, with no approval authority required. The LECs have claimed in Connecticut at the General Assembly and PURA, as well as before the Congress and FCC, that this transition is a simple and small change in technology, while inconsistently also claiming that this transition is so profound that no public scrutiny or further regulation should be required since the Internet itself is unregulated. The LECs include consumer protections in the scope of their claims that regulation is no longer required, even though most phones using IP networks for service do not operate during long power failures or connect all emergency phone calls.



As the Connecticut utility consumer advocate, OCC insists that while this transition may be inevitable due to increased reliability from fiber and a longer lifespan for the equipment, as well as the waste of maintaining two parallel networks when the LECs themselves will have moved entirely to fiber, adequate safeguards for all consumers must be totally installed without a loss of regulatory protections. Plain old telephone service customers must be guaranteed that they will receive telecom service over fiber at the same terms and conditions and at the same or better price, with no changes in the existing features and functionalities in service. In other words, this transition requires regulatory scrutiny and transparency, with the goal being that no consumers are left behind simply because a new technology is being introduced to the Nation's telecommunications system.

The Office intends to continue to be active in monitoring and advocating on this issue. If the companies can merely notify regulators and customers of their intentions without scrutiny and protections being imposed, common carrier and universal service conditions may fall away, and the LECs will rely on their business plans alone for providing service. It may be in the best interests of LEC shareholders if the companies choose not to provide service in unprofitable rural or otherwise handicapped communities, but such a course would have hugely detrimental effects on consumers of all kinds, residential, business, rural, and seniors in particular. Such areas presently represent a large percentage of LEC territories and would have profound negative effects if they are excluded from telephone service.

The OCC believes that there have been many significant technology over the last 138 years since the telephone was invented and notes that none of those resulted in a complete deregulation of telecom services. This transition does not change the nature of telephony for consumers: they will still "dial" an instrument in order to reach a person or business, and will converse as they always have done. Consumers want reliability and fair prices and they do not care what technology is used to complete telephone calls. The OCC finds this conflict regarding consumer protections very concerning, including the potential loss of the historic guarantee of universal access and fair prices and quality of service to all consumers.

NASUCA's May 20 filing - https://apps.fcc.gov/edocs_public/attachmatch/DOC-327320A2.pdf - requested a FCC stay of Verizon's plans until the federal agency investigates the impact copper retirement will have on all present copper-network consumers. The FCC has already ordered trials to test how this transition will affect consumers and the telecom market in order to develop rules focused on this new technology. The FCC's new chair has cited a legacy "network compact" guaranteeing consumer protections for competition among providers, universal service for consumers, and first responders communications technology



improvements, no matter what technology is used. The OCC supports those efforts and will remain active on the state and federal levels to assure a continuation of the historic protections afforded to all consumers of telecom services, no matter what technology is used by the providers of all stripes, telephone companies, cable operators, or Internet-protocol companies.