May 7, 2014

Via ECFS

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554


Dear Ms. Dortch:

On May 6 and 7, 2015, members and staff of the Fiber to the Home Council Americas (“FTTH Council”) had the following meetings with staff of the Commission to discuss the retail copper retirement issue and the backup power for customer premises equipment (“CPE”) issue in the above-referenced dockets:


May 6 – Heather Gold, Gary Bolton, and Thomas Cohen met with Travis Litman, Legal Advisor to Commissioner Rosenworcel.

May 6 – Heather Gold and Gary Bolton met with Amy Bender, Legal Advisor, Wireline, to Commissioner O’Rielly.

May 6 – Heather Gold and Gary Bolton met with Nicholas Degani, Legal Advisor, Wireline, to Commissioner Pai.


At these meetings, representatives of the FTTH Council, using the attached presentation, made the following points, which are consistent with its comments filed earlier this year.¹

**Facts About All-Fiber Networks:** All-fiber networks have enormous performance and operational capabilities and are highly valued by consumers. Today, these networks are marketed to approximately 24 million households in the U.S. The FCC and other government agencies and Congress are partly responsible for the growth of all-fiber networks through numerous actions they have taken over the past 15 years. Yet, deployment of these networks involves significant financial risk, especially in less densely populated areas. Fiber equipment vendors have been successful in reducing the cost of their equipment, which facilitates deployments. However, costs for the provision of backup power supplies are not decreasing, and they continue to constitute a material cost in the installation of the fiber “drop” to the premises.

**Facts About the Provision of Voice Service:** The market for voice service has changed dramatically over the past two decades such that today less than one percent of households are traditional telephone subscribers with line power service, a corded telephone, and no mobile wireless service. Further, we are close to the point where more consumers subscribe to voice service provided over wireless networks than wireline and that trend away from wireline provided service will continue.²

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² See Council Comments for greater detail about the provision of voice service and use of voice service for emergency communications.
Facts About Emergency Communications: To access emergency communications during power outages, almost four out of five consumers use a mobile wireless device. Moreover, consumers increasingly rely on non-voice communication during emergencies, including text and social media.

Retirement of Retail Copper Facilities: When retiring copper and installing fiber facilities for residential subscribers, all-fiber service providers contact subscribers to inform them of the change because they require access to premises to install the optical network terminal and any backup power equipment. From discussions with its members, the Council understands that providers have not received concerns or complaints about their current notification practices. The Council also believes it is appropriate for providers at this time to provide subscribers with information about the new capabilities and services offered by all-fiber networks. The Council notes that the New York Public Service Commission in its comments did not favor the imposition of additional comment requirements by all-fiber providers since this represents a major upgrade of service.

Provision of Backup Power for CPE: The Council shares the Commission’s objective of ensuring consumers have access to emergency communications during power outages. The question is how to achieve this goal. As discussed in the Council Comments, the first step in addressing this need is to correctly identify the problem, and there are numerous factors that need to be considered in undertaking this task. First, as discussed above, there are few traditional telephone subscribers, and consumers are increasingly using mobile wireless or over the top voice service, including for emergency communications, despite the lack of line power capability. Second, consumers are shifting how they communicate during emergencies, from voice to other forms of communication. Third, consumers have different needs and communications capabilities depending on the duration of the power outage. In such a complex and dynamic environment, imposing a battery backup requirement only on wireline providers to support voice service is not a solution that is robust or durable. Rather, it is a significant cost with little or no benefit. To move forward, the Council urges the Commission to institute a process involving all stakeholders that can result in real, longlasting, effective, and efficient solutions for subscribers. That does not mean the Commission cannot act now to materially improve the situation. To that end, the Council supports the adoption of a consumer education effort by the government, service providers, and other interested parties and the adoption of

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The Council opposes efforts by providers to have customers subscribe to additional services without their consent or the use of false or deceptive materials by providers.

reasonable requirements on all providers of voice service to notify their subscribers of the capabilities of their service to access emergency communications during power outages. As a paradigm for the education and notification efforts, the Council believes the Commission should look to the regulations adopted by the California Public Utilities Commission.5

This letter is being filed electronically pursuant to Section 1.1206 of the Commission’s rules.

Sincerely,

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Attachments:  Presentation of the FTTH Council on the Technology Transitions NPRM, May, 2014
RVA Survey Data at a Glance

cc:  Daniel Alvarez
     Travis Litman
     Amy Bender
     Nicholas Degani
     Louis Peraertz
     Lauren Kravetz
     Matthew DelNero

5 See Decision Adopting Guidelines for Customer Education Programs Regarding Backup Power Systems Pursuant to Assembly Bill 2392, Rulemaking 07-04-015 (Jan. 21, 2010) available at: http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/AGENDA_DECISION/112538.PDF
Technology Transitions NPRM

PS Docket No. 14-174
GN Docket No. 13-5

May, 2014
ALL-FIBER NETWORKS

- All-Fiber Networks are Highly Valued
  - Frictionless broadband
  - Enables economic growth, social interaction, citizen engagement, and support for many critical activities
  - More reliable than other communications media
  - Longer usable life than copper

- Consumers are Clamoring for All-Fiber Networks

- Deployment of All-Fiber Networks Has Accelerated
  - Actively marketed to approximately 24M households

- Yet, Deployment of All-Fiber Networks Involves Significant Financial Risk, Especially in Less Dense Areas
ALL-FIBER NETWORKS

• Because of their value, the FCC, other Government Agencies, and Congress have Sought to Drive Deployments of All-Fiber Networks
  – Mandated No Unbundling of FTTH Facilities (*Triennial Review Order*)
  – Lowered Barriers to Video Franchising
  – Adopted Multi-Billion Dollar Broadband Stimulus Programs
  – Instituted Gigabit Community Challenge
  – Modernized E-rate Program and Created Forward-Looking Rural Broadband Experiments
  – Promoted Municipal Broadband Entry and Expansion
VOICE SERVICE: 
THE STATE OF THE MARKET

• Approximately 44% Have Cut the Cord (YE ’13) with amount increasing by ~10% annually
  – 90%+ of Households have mobile devices
  – Wireless Penetration High Regardless of Income
  – Penetration Skews Younger, but Elderly Catching Up

• Wireline Users Split Roughly Evenly Between Copper & VoIP
  – 18% of copper users likely to drop service over next year

• Approximately 58% of Households are Cordless Phone Only

• As a result, less than 1% of Households are Traditional Voice Customers – Copper, Corded Phone, No Wireless

• And these trends are seen in Emergency Calling Practices
  – 75% Used Mobile Phones; 21% Landline
The Council opposes the Commission’s proposal to mandate notice and comment prior to the retirement of consumer copper facilities and installation of fiber for the following reasons:

- Extensive Consumer Engagement Already Occurs Prior to the Provision of Service
  - All-fiber providers already need to notify subscribers several times prior to the provision of service so they can gain access to premises
  - Council members have not received complaints about the current practice

- Imposing extensive notice requirements and waiting for comments imposes costs without benefit

- Delay in deployment = increased cost of deployment

The proposal is not technology or competitively neutral
The Government Should Continue to Encourage Deployment of All-Fiber Networks

- There is no credible, systematic evidence that replacing copper with fiber produces harm
  - All-fiber networks are vastly superior to copper in terms of performance and reliability and so deployment should be encouraged
  - Copper networks are “on their way out” as they deteriorate
  - In its comments, the NYPSC states there is no reason to review replacement with all-fiber since it represents a major upgrade from copper service
The Council opposes the Commission’s proposal to require all-fiber providers to provide battery backup for the following reasons:

- As voice service goes “wireless,” it is not a solution to require all-fiber providers to provide battery backup
  - Adding costs to wireline voice service will accelerate the trend for subscribers to cut the cord
  - Most consumers already rely on wireless for emergency communications, and this number will only increase as more consumers cut the cord
  - By taking voice service from wireless and VoIP providers, consumers have indicated that the benefits of line power voice service are not sufficiently great to offset the costs
PROVISION OF BATTERY BACKUP DURING POWER OUTAGES

- The Council opposes the Commission’s proposal to require all-fiber providers to provide battery backup for the following reasons (continued):
  - All-fiber providers are acting responsibly by informing their subscribers about the lack of line power and offering battery backup
  - There is no credible, systematic evidence of harms from current practices
  - Imposing requirements on all-fiber providers will increase the cost of – and therefore reduce – deployment and/or will increase the cost for their consumers
  - Imposing requirements only on fixed providers is not technology or competitively neutral
RVA Survey Data
At A Glance

Home Phone Service

- **Cellular Only**: 41%
- **Cellular & Landline**: 47%
- **Landline Only**: 12%

88% of homes have one or more mobile phones.

Type of Landline Phone Service

- **Cable, VoIP, etc.**: 7%
- **Line Powered**: 5%

Type of Phone Equipment

- **Cordless Only**: 3%
- **Corded Only**: 1%
- **Both**: 1%

Only 1% still have a corded phone on a line-powered connection.