In the Matter of
Technology Transitions
Policy Task Force

GN Docket No. 13-5

COMMENTS OF VERIZON AND VERIZON WIRELESS

As the Commission considers whether to pursue the various trials mentioned in the Public Notice, it must ensure that any such trials do not inadvertently undermine the transitions that are all well-underway as a result of technological evolution and consumer choice. Any trials should be structured so as not to interfere with or deter voluntary, negotiated outcomes in the case of the Internet Protocol (IP) transition, or with consumer-focused migration to new technologies. In the case of next-generation 911, any trial should be implemented carefully given the critical public safety interests involved. Moreover, participation in any trials should remain voluntary.

If the Commission decides to proceed with trials, it should take into account that, as a result of evolving consumer demand and technology, the transition away from Plain Old Telephone Service delivered over a wireline Public Switched Telephone Network has been underway for some time. And this transition is just one in a long line of technological transitions that have occurred over the years and that affect how consumers communicate. Where once customers needed an operator at a cork board to assist in placing even a local telephone call, technology and products developed to allow consumers to dial calls themselves, first using rotary dial telephones and then touchtone. Analog devices and networks have been replaced by digital. Fiber, wireless, cable, and

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\(^1\) In addition to Verizon Wireless, the Verizon companies participating in this filing are the regulated, wholly owned subsidiaries of Verizon Communications Inc. (collectively “Verizon”).
satellite systems have augmented or supplanted copper ones. These transitions have occurred against the backstop of long-standing Commission policies aimed at encouraging the deployment of next-generation networks and technologies and leaving flexibility for providers to make technology choices about how best to serve their customers.2

And in all of these instances, the transition has been largely driven by the marketplace and technological advancements, as providers seek to offer better, more reliable, and faster technologies, services, and products in response to consumer demand. The transition to new broadband and IP-based services is already occurring, without any regulatory “trials.” Similarly, nearly four in ten households have now completed their own transition to wireless service by cutting the cord completely. And consumers and businesses are switching in massive numbers from TDM-based wireline services to wired and wireless IP-based communications because these alternatives better meet their current demands. So as not to impede this expansion of innovation and consumer choice, the Task Force should proceed cautiously if it decides to pursue any trials. And any trials that do occur must not interfere with ongoing market-based solutions by attempting to shoehorn new technologies into old-model regulations, or by imposing obligations that will make further innovation less economically feasible.

DISCUSSION

1. An IP voice interconnection trial is unnecessary and could interfere with the transformation of technology already taking place. There is no need for an IP interconnection trial, and such a trial would likely do more harm than good. Providers are already exchanging VoIP

traffic in IP format based on commercial arrangements, and they are exploring different ways to interconnect in IP format. In addition to an agreement that Verizon already has in place covering its FiOS Digital Voice traffic (discussed in previous Verizon comments),3 Verizon is actively pursuing IP interconnection arrangements for VoIP traffic with several other companies. We have discussed and are voluntarily negotiating IP interconnection with other companies for both wireline and wireless traffic. In short, we are open for business and will continue to lead the market-based transition to IP interconnection.

The Commission should continue to encourage these business-to-business efforts, and it should avoid a paradigm that suggests there will only be one way for providers to successfully exchange VoIP traffic in IP format. Given the host of technical issues associated with the exchange of voice traffic in IP format, including “routing, addressing, security, signaling, media, quality, accounting/charging, and testing,”4 the transition is complicated, and it takes time to implement and support the customer-driven move to IP-enabled services.

Right now, the industry is working through these technical and practical issues with IP interconnection for VoIP traffic. It is most efficient for parties to engage each other on a commercial basis without the distraction of an IP interconnection trial and the potential for proscriptive regulation. There will not be a one-size-fits-all approach, even if a successful VoIP interconnection trial should occur. Thus, rather than locking companies into one, “trial” interconnection method, the Commission should encourage companies to develop and implement whichever methods of IP interconnection work best for two willing commercial partners. The

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3 See, e.g., Comments of Verizon and Verizon Wireless, AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition; Petition of the National Telecommunications Cooperative Association for a Rulemaking to Promote and Sustain the Ongoing TDM-to-IP Evolution, GN Docket No. 12-353, at 35-40 (Jan. 28, 2013).

Commission should also reject efforts by some parties to use a trial merely to advance their preferred regulatory agenda rather than to work cooperatively on the many technical and practical issues that must be resolved as part of the IP transition.

In any event, if the Commission does conduct an IP interconnection trial, it should make clear that the trial is not a substitute for voluntary commercial negotiations between parties and that it is intended to encourage those negotiations instead of standing in their place. The trial should be strictly voluntary. Companies that are dedicating resources to making IP interconnection work in the marketplace should not be compelled to participate in a trial that could cause them to divert resources away from existing commercial efforts.

2. **Technological changes, including a transition from wireline to wireless, are well underway and providing consumers with services that better serve their needs.** As noted above, communications technology has continually evolved from the earliest operator-placed calls through rotary and touchtone phones, and to the ubiquitous wireless technologies used today. In each iteration, consumers and businesses rapidly took advantage of new modes of communication, including the most recent shift toward wireless services. Like prior technological transitions, there may be some differences in the way a service is provided or in how it is used. But even with these differences, there is little doubt that customers increasingly turn to wireless solutions to meet their voice and broadband needs. Indeed, as wireless networks become ever more ubiquitous and as high speeds possible with 4G LTE become commonplace, customers increasingly rely on wireless devices as their exclusive form of communication. More than 38 percent of consumers now turn to wireless as the exclusive solution for voice service, and approximately another 16 percent turn to

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wireless as their primary solution for voice service. In many places, wireless solutions are both more resilient than legacy services and the most economical method of providing communications services. As Acting Chairwoman Clyburn recently observed, improving broadband availability will require utilization of wireless technologies because “it’s not economically efficient to literally hard-wire this entire country.” In addition, in areas where existing networks may not provide consistent or reliable service due to copper deterioration or damage, wireless service may be the best alternative, particularly where providers use products that enable a customer to use an existing home telephones or jacks.

Given that customers already have and continue to extensively migrate from wireline services to wireless alternatives, it is not clear what purpose a “trial” would serve. However, to the extent any trials occur, they should be optional for providers, consistent with the Notice. The time and resources necessary to conduct trials as envisioned by the Task Force would be significant, and these costs should not be unilaterally imposed on providers. Even for those providers electing to participate in any trials, the Commission should be thoughtful and measured in adopting data collection requirements, and not require burdensome or extensive reporting relating to products or

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6 See id.


8 Notice at 8.

9 Id. at 3 (“We are mindful of the fact that … participation in any trial would be voluntary for providers”).

10 See id. at 9 (proposing that trials be conducted at the wire center level and that participants “be required to collect and submit a variety of data, including a customer satisfaction survey, to the Commission for analysis”). Indeed, given the proposed structure of the trial and the information that ostensibly would be collected, the Commission could be obligated to comply with the requirements of the Paperwork Reduction Act, including securing OMB approval, before compelling participation in trials. See Paperwork Reduction Act of 1995, Pub. L. 104-13, 109 Stat. 163 (1995), codified at 44 U.S.C. § 3501 et seq.
services not specifically part of a wireline-to-wireless service. Moreover, any trials of customers transitioning from wireline to wireless services should not frustrate the deployment of new wireless offerings. In that regard, voluntary trials should be carefully structured so as to not preclude or otherwise undermine efforts by providers to conduct testing of or roll out new wireless services, including those that may serve as a substitute for traditional wireline services. Given the regulatory framework and the widespread competition that exists across communications platforms, the Commission should stick with its successful policy of allowing providers considerable flexibility in determining the technology and serving arrangements that are best suited to meet customer demand. Nor should trials serve as a means to circumvent Congress’s deregulatory mandate under Section 332(c) of the Act by extending to wireless technologies legacy regulatory schemes that may have been appropriate for legacy networks in a different era.

3. Any NG911 Trials Must Be Carefully Planned and Implemented. IP-enabled next generation 911 (“NG911”) technologies will enhance the availability of emergency services and

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11 For example, requiring providers to submit data on “average revenue per user” and to disaggregate data for each product offered seem far afield from the critical information a trial should ostensibly be designed to collect. See Notice at 9.

12 See Mike McCormack et al., Nomura Equity Research, Wireline Broadband Capacity Concerns. . . Video Driving Rapid Data Usage Growth, at 2, Figure 1 (Dec. 27, 2012) (noting that cable operators have deployed broadband networks that pass more than 93 percent of U.S. households); see Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993; Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, Including Commercial Mobile Services, Sixteenth Report, 28 FCC Rcd 3700, at Table 5 (2013) (as of October 2012, there were three or more providers in Census Blocks covering 97.2 percent of the U.S. population, and four or more providers in Census Blocks covering 92.8 percent of the U.S. population); ViaSat News, Exede High-Speed Internet To Be Offered by DIRECTV in New Video/Broadband Bundle (May 17, 2012), http://www.viasat.com/news/exede-high-speed-internet-be-offered-directv-new-videobroadband-bundle (announcing that satellite broadband services recently became available “in all 50 states”).

information to consumers and Public Safety Answering Points (PSAPs), but the transition to NG911 must be undertaken carefully due to 911 services’ critical public safety function. Given the multiple stakeholders involved, the various stages of implementation already under way, and the limits of its authority in the areas of PSAP networks, funding and governance, instead of a trial the Commission might provide an NG911 “clearinghouse” function, in coordination with the new 911 Implementation Coordination Office,\textsuperscript{14} that showcases the accomplishments of and provides useful information to various stakeholders.

Should the Commission nevertheless proceed with a trial, such an effort must be voluntary and should meet certain prerequisites in order to promote important Federal policy goals:

- **Standards-Based Technology.** Many of the underlying IP transport capabilities necessary for NG911 already are available, but many third party NG911 platforms and consumer-level applications are either nascent or under development. To ensure efficient use of participants’ resources and protect public safety, trials should be consistent with standards for commercial service providers and PSAPs, and serve to demonstrate commercially viable technology from competing vendors.

- **Promote Efficient State/Local Government Policy.** In selecting trial venues, the Commission should reward PSAPs that have invested in and completed statewide or wide regional IP-enabled platforms and implemented funding mechanisms consistent with Federal law that requires 911 funds to be used for 911 purposes.

- **Liability.** Adequate liability protection under state law will be critical for PSAPs, participating service providers, and system solution providers and other third party vendors in the NG911 ecosystem. Consistent with Federal policy, trials should occur in states that have codified meaningful liability protection for NG911 participants.\textsuperscript{15}

- **Covered Services.** Trials should reflect broad stakeholder consensus regarding the particular communications that an NG911 environment will support.

- **Competitive Neutrality.** Originating service providers participating in any trials should not be expected to incur costs and liabilities not borne by their competitors, consistent with the Commission’s long-standing policy of competitive neutrality in this area.


\textsuperscript{15} See NG911 Advancement Act § 6506; 47 U.S.C. § 1472 (2012) (applying existing Federal liability protection to NG911 participants more broadly).
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