



Technology Transitions Policy Task Force Overview & Update

December 2, 2013

Changing Communications Landscape

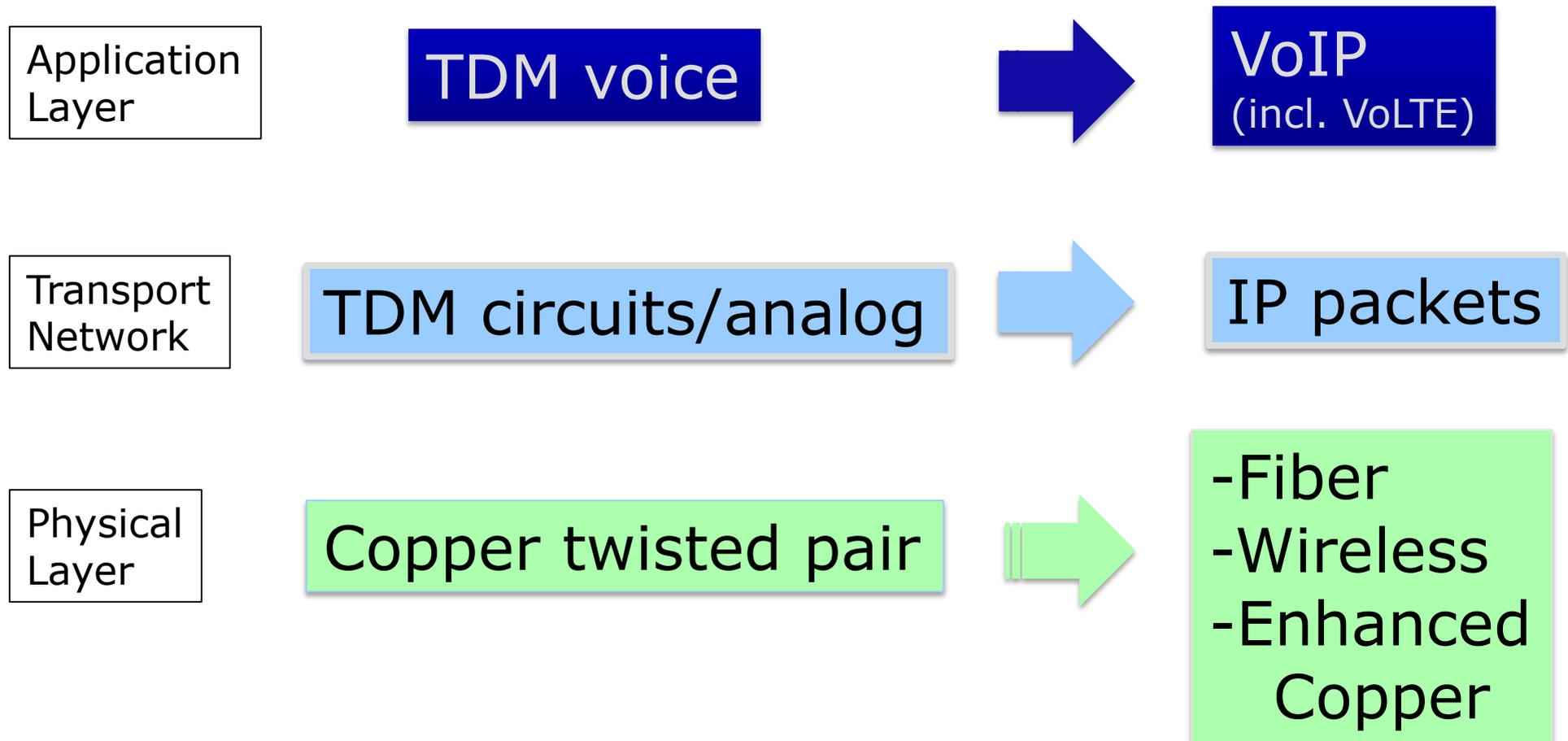
- December 2009 vs. December 2012*
 - **Retail switched access lines:** decrease from 127 million to 96 million
 - ❖ Compound annual decline of 9%
 - **Interconnected VoIP subscriptions:** increase from 26 million to 96 million
 - ❖ Compound annual growth of 17%
 - **Mobile subscriptions:** increase from 274 million to 305 million
 - ❖ Compound annual growth of 4%
- Nearly 40% of U.S. households are now wireless-only (over 60% for adults age 25-29)**
- Over 55% of mobile subscribers now have smartphones (up from 16% in 2009)***
- Widespread rollout of 4G LTE networks
- Gigabit cities from Kansas City, to Burlington, VT to Cedar Falls, IA

Sources: *Nov. 2013 FCC Local Telephone Competition Report

**June 2013 CDC National Health Interview Survey on Wireless Substitution

***comScore January 2013 U.S. Smartphone Subscriber Market Share Report

IP Transition: Multiple Layers, Multiple Transitions



Task Force Background

- FCC Technology Advisory Committee (TAC) Dec. 2011 recommendation; FCC should
 - "establish a task force to conduct a thorough policy and regulatory and review as it relates to the PSTN, which results in policies for the new communication environment."*
- Established by former Chairman Genachowski on Dec. 10, 2012
 - "The Task Force will conduct a data-driven review and provide recommendations to modernize the Commission's policies in a process that encourages the technological transition, empowers and protects consumers, promotes competition, and ensures network resiliency and reliability."*
- Builds on past and ongoing Commission activities
- Coordination through multi-stakeholder process

Core Values Guiding Task Force

- Promote growth, competition, innovation
- Preserve fundamental values (the “Network Compact”)
 - Public Safety
 - Universal Access
 - Competition
 - Consumer Protection

IP Transition: In the Words of the Commissioners

"The way forward is to encourage technological change while preserving the attributes of network services that customers have come to expect – that set of values we have begun to call the Network Compact."

-Nov. 19, 2013, *The IP Transition: Starting Now* (blog by Chairman Tom Wheeler)

"People have a lot of opinions about how the IP transition will affect consumers. But prediction is no substitute for practice. Or, as Albert Einstein put it, a 'pretty experiment is in itself is often more valuable than twenty formulae extracted from our minds.'"

-Mar. 18, 2013, Task Force Workshop Opening Remarks of Commissioner Ajit Pai

"As we develop a new policy framework for IP networks, we must keep in mind the four enduring values that have always informed communications law--public safety, universal service, competition, and consumer protection."

-Sep. 11, 2013, Congressional Testimony of Commissioner Jessica Rosenworcel

IP Transition: In the Words of the Commissioners

"The Commission should explore all relevant issues to ensure that consumers are not harmed, that our networks are resilient and reliable, and that we continue to promote universal service and competition."

-May 10, 2013, Statement of Commissioner Mignon Clyburn

"I think the Internet is a very disruptive technology and that's to the benefit of consumers. So it's difficult to manage and control. However, the Commission has explored the opportunity of running or testing a number of trials in this space and I would be supportive..."

-Sep. 18, 2013, Nominations Hearing Testimony of Commissioner Michael O'Rielly

Task Force Actions To Date

- Dec. 14, 2012: Established a pleading cycle on two technology transition-related petitions from AT&T and the National Telecommunications Cooperative Association (NTCA)
- Jan. 10, 2013: Issued Public Notice indicating that presentations made to the Task Force are subject to the Commission's ex parte rules (Docket 13-5)
- Mar. 18, 2013: Held public workshop focused on the capabilities and limitations of new and emerging technologies
- May 10, 2013: Issued Public Notice proposing to conduct a series of potential technology trials

Task Force Next Steps

- Task Force Presentation at Dec. 12 FCC Open Meeting
- Consideration of item at Jan. 30 FCC Open Meeting to consider recommendations on how FCC can best:
 - Obtain comment on and begin a diverse set of experiments
 - Collect data to supplement lessons learned from experiments
 - Initiate process for FCC consideration of legal, policy, and technical issues outside of experimental process
- See *The IP Transition: Starting Now* (Nov. 19, 2013 blog by Tom Wheeler, FCC Chairman)

Questions?