

FACT SHEET: Chairman Wheeler’s Proposals to Protect Consumers & Promote Competition and Public Safety in the Technology Transitions

Phone and Internet providers are increasingly replacing their legacy copper networks with next-generation networks that enable greater broadband speeds, efficiency, capacity, and a wealth of innovative features. But the FCC’s rules have not kept pace and do not facilitate the transitions now sweeping across the industry.

Today, Chairman Tom Wheeler will circulate two items to his fellow Commissioners that would update the FCC’s rules to help deliver the promise of dynamic new networks and all their benefits while ensuring that consumers, businesses, governments, schools, libraries and hospitals have a voice in that transition. If adopted at the Commission Open Meeting on August 6, these clear rules of the road will give providers the certainty they need to invest, while protecting consumers, competition and public safety.

Protect Emergency Calling While Promoting Consumer Choice

First, the Chairman plans to circulate a Report and Order that would help ensure consumers have the information and tools necessary to maintain available communications at home during an emergency. Traditional, copper-based landline home phone service typically works during electric outages because the service provides its own power, but modern substitutes usually need backup power to keep operating during a power outage. If adopted, these rules would require providers of these substitutes, such as a cable company’s bundled voice service, to offer consumers the option to buy backup power so they can use their home phones during power outages.

- These providers would be required to ensure that a technical solution for 8 hours of standby backup power is available for consumers to purchase, either directly or from a third-party retailer, at the point of sale.
- Within three years, providers would also be required to offer an option for 24 hours of standby backup power.

Importantly, the decision to purchase backup power from the provider would be up to consumers – they will not be forced to purchase equipment they do not want.

The rules also would require providers to inform both current and new customers about service limitations during electric outages and the steps they can take to address those risks through backup power, including how to keep their service operational during a multi-day power outage. This action would empower consumers to make informed choices and support their need for 911 service during emergencies.

Inform and Protect Consumers as Networks Change

A separate Report and Order, Order on Reconsideration and Further Notice of Proposed Rulemaking would, if adopted:

Protect consumers as copper networks are replaced by next-generation networks

- Require that consumers be notified of plans to retire copper networks. Notice would be required approximately six months in advance for non-residential customers and three months in advance for residential customers.
- Define “retirement” in such a way to prevent retirement of networks by neglect (sometimes referred to as “*de facto*” retirement)

- Require notice to interconnecting carriers for retirement of all parts of the copper network that are critical to providing their customers with service
- Retain carrier flexibility to retire copper networks in favor of newer facilities without prior Commission approval – as long as no service is discontinued, reduced, or impaired

Preserve Competitive Choices

Competitive providers often combine their own facilities with the last-mile services of incumbent providers to reach small and medium-sized businesses and institutions, including schools, libraries, health care facilities, and government offices. However, competitive carriers and the customers that depend on them face uncertainty as incumbent carriers prepare to stop offering some of these services. **To preserve competition in the enterprise market**, the draft rules being circulated by the Chairman would:

- Require that replacement services be offered to competitive providers at rates, terms and conditions that are reasonably comparable to those of the legacy services. This would be an **interim measure**, pending the completion of the FCC's special access proceeding which is examining these issues more broadly.
- Clarify that a carrier that plans to discontinue a service that has only carrier customers must still follow the statutory process for discontinuance if the action would negatively impact retail users served by those carrier customers. While a carrier's discontinuation of a wholesale service may not always discontinue service to retail end users, the carrier still must undertake a meaningful evaluation to determine whether the statutory discontinuance process is triggered.

Evaluate Whether New Services Will Meet Consumer Needs

Section 214 of the Communications Act requires that carriers receive FCC approval before they discontinue, reduce or impair a service. However, the FCC has never codified the criteria used to evaluate and compare replacement and legacy services. The item tentatively concludes that both consumers and industry would be served by clarifying these standards, and seeks comment on criteria which include:

- Support for 911 services and call centers
- Network capacity and reliability
- Quality of both voice service and Internet access
- Interoperability with devices and services, such as alarm services and medical monitoring
- Access for people with disabilities, including compatibility with assistive technologies
- Network security in any IP-supported network that is comparable to the legacy network
- Coverage throughout the service area, either by the substitute network or via service from other provider