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Matrix Telecom, Inc., (“Matrix”), pursuant to the Public Notice¹ issued by the Federal Communications Commission (“FCC” or “Commission”) submits the following reply comments regarding the potential for the Commission to conduct certain technical network transition trials.

I. Introduction and Summary

Matrix’s opening comments generally supported the Task Force’s proposal to consider three separate trials, each addressing a unique aspect of the technology transition currently underway in the industry.² Matrix supported the IP Interconnection trial but urged the Commission to require parties to operate under the statutory framework under sections 251 and 252 of the Act. Similarly, Matrix did not object to the Wireline-to-Wireless trial, provided that the Commission took into consideration the rights of wholesale providers to obtain replacement wholesale service so they may continue to serve customers that elected to choose a competitive supplier. In addition, Matrix stated its continued opposition to AT&T’s proposal for more comprehensive “all-IP” trials.³ Matrix’ position on these issues is supported by comments filed by other parties.

The filed comments, however, also illuminate some of the problems with the proposed trials. The IP interconnection trial, for example, focuses on the wrong aspect of IP interconnection. As the Technology Advisory Council has already noted, the impediment to IP interconnection is neither standards nor technical issues but is the unwillingness of the RBOCs to

¹ Public *Notice*, DA 13-1016, Technology Transitions Policy Task Force Seeks Comment On Potential Trials, GN Docket No. 13-5 (May 10, 2013) (“*Notice*”).

² While Matrix supports the proposal to study E911 in a trial, it did not offer any substantive comment on the issue. Matrix Comments, pp. 8-9.

³ *Id.*

negotiate in good faith consistent with their statutory obligation under sections 251 and 252.⁴

The Commission can readily overcome that barrier by declaring IP interconnection for voice — such as SIP interconnection — subject to Sections 251 and 252. Resolution of the technical issues and standards will follow from the bilateral negotiations between carriers similar to those where other carriers have already implemented IP interconnection for voice traffic.

With respect to the Wireline-to-Wireless trial, Verizon is already experimenting with such a technology shift on Fire Island, New York under the supervision of the New York Public Service Commission (“NYPSC”). This experiment has already been the subject of a round of comment on Verizon’s petition for authority to discontinue its wireline services on Fire Island.⁵ The Commission should study that environment before proceeding with a trial of its own. There is already strong public discontent with Verizon’s Voice Link, suggesting that it is not clear that the public is ready to embrace a wireless solution without the backstop of availability of a wireline network. Consistent with that discontent, the Fire Island experiment may demonstrate that wireless technology is not yet capable of replacing many of the robust capabilities of the copper-based wireline network at an affordable price.⁶

II. The Commission Should Not Conduct An IP Interconnection Trial

⁴ Federal Communications Commission Technological Advisory Council, TAC Memo – VoIP Interconnection, at p. 2 (Sept. 24, 2012) (“VoIP interconnection is growing in the USA due to efforts by MSOs [cable operators] and CLECs. This reinforces the point that deployment is technically feasible today but is largely being delayed due to commercial and policy considerations.”)

⁵ Public Notice, Comments invited On Application of Verizon New Jersey Inc. and Verizon New York Inc. to Discontinue Domestic Telecommunications Services, WC Docket No. 13-150, DA 13-1475 (June 28, 2013); Letter from Frederick Moacdieh, Verizon to Marlene H. Dortch, FCC (June 7, 2013) (“Application”).

⁶ Comments of Stephen Placilla, Commissioner of Ocean Bay Park Fire District, Fire Island, NY, WC Docket No 13-150, p. 1-2 (Fire Island “the reliability and security of copper service.” “The conversion to Voice Link ... is not in the best interest of the residents of Fire Island and ... disregard[s] ...the welfare and safety of the public”).

Unless It First Declares That ILECs Must Allow Requesting Carriers To Interconnect In IP Pursuant To Sections 251 And 252 Of The Act

In its opening comments in this proceeding, Matrix told the Commission that the most significant IP interconnection issue was not technical, but regulatory.⁷ Namely, the issue remains the ILECs' refusal to negotiate terms of IP voice interconnection agreements under the technology neutral framework in the Sections 251 and 252 of the Act.⁸ Nothing filed in other parties' comments should dissuade the Commission from these facts.⁹

Other parties' comments buttress the view that the issue is regulatory not technical.¹⁰ A number of parties' comments also provide significant details of the anti-competitive positions the ILEC's have adopted during "commercial" discussions surrounding IP interconnection.¹¹ Except for the RBOCs, other sectors of the industry continue to clamor for the Commission to declare that IP interconnection is required under the Act.¹² As the Commission's Technology Advisory Council has recognized, the RBOCs unwillingness to bargain under the technology neutral framework under the Act remains the most significant impediment to broader adoption of IP interconnection.¹³ Thus, before any trial of IP interconnection proceeds, the Commission must

⁷ Matrix Comments, p. 5.

⁸ *Id.*

⁹ COMPTTEL Comments p. 17 ("the delay is not technical...[its] the result of largest ILECs (the RBOCs) flouting the Act's interconnection obligations").

¹⁰ American Cable Association Comments, p. 2.

¹¹ Sprint Comments, p. 6; Peerless Comments, pp. 2-3, 5; T-Mobile comments, p. 9; HyperCube Comments, p. 18-19.

¹² *See generally* T-Mobile Comments; XO Comments, Public Knowledge Comments, NTCA Comments.

¹³ Federal Communications Commission Technological Advisory Council, TAC Memo – VoIP Interconnection, at p. 2 (Sept. 24, 2012) ("VoIP interconnection is growing in the USA due to efforts by MSOs [cable operators] and CLECs. This reinforces the point that deployment is technically feasible today but is largely being delayed due to commercial and policy considerations").

declare that “IP interconnection arrangements between carriers for the exchange of traffic should be subject to sections 251 and 252”¹⁴ And there is no basis, on the record of this proceeding, to sponsor an IP interconnection trial outside of the section 251 and 252 framework. As COMPTTEL observes, “a trial of ‘negotiations with no regulatory backstop’ has already been conducted. This is the environment the Commission created when it encouraged good faith negotiations in the USF/ICC Transformation Order and FNPRM.” That approach need not be tried a second time.

III. Before Proposing Any Wireline-to-Wireless Trial, The Commission Should Analyze the New York Commission’s Data Collected From Verizon’s Experience on Fire Island

In its initial Comments, Matrix supported the concept of Wireline-to-Wireless trials but raised a number of factors the Commission needed to address, including the availability of a wholesale service for customers served by competitors such as Matrix and whether customers would have the ability to opt out of any trial.¹⁵ Matrix further observed that Verizon’s attempt to replace wireline service on parts of Fire Island with a wireless service left many unanswered questions. It is now clear that the Commission should not proceed with or propose a Wireline-to-Wireless trial until it has had, in conjunction with the NYPSC, sufficient time to analyze the results and data collected from Verizon’s experiment with Voice Link.

As an initial matter, Matrix agrees with Cbeyond that a new FCC led trial is “not the appropriate procedural mechanism” for analyzing the Wireline-to-Wireless technology transition at this time.¹⁶ As Cbeyond observes, since “the New York PSC is already conducting a study of Verizon’s replacement of wireline local exchange facilities on the western portion of Fire Island, where most wireline facilities were destroyed by Hurricane Sandy, with fixed wireless

¹⁴ GVNW Comments, p. 5.

¹⁵ Matrix Comments, pp. 6-7.

¹⁶ Cbeyond et al Comments, p. 23.

facilities,”¹⁷ it is “far more efficient and appropriate for the FCC to work with the New York PSC, Verizon, and other interested and affected parties to ensure that the FCC has access to the results of the Fire Island trial.”¹⁸

It is also critical that Verizon and other ILECs not be allowed to use a wireline-to-wireless trial to deprive the public prematurely of basic wireline network facilities that customers continue to rely on for a broad array of services. It is also critical that the Commission not allow ILECs to abandon prematurely copper networks that still provide a viable means of competition in the provision of affordable broadband such as Ethernet over Copper and other related technologies. These technologies continue to extend the useful life of the copper network, as the ITU is preparing to approve a new standard for copper based broadband network called G.fast that provides hundreds of megabits of bandwidth over last mile copper loops.¹⁹

But that appears to be the situation in New York. After all, Verizon has made it plain that it intends to “kill the copper.”²⁰ And according to the Attorney General of New York, Verizon is seeking to compel customers to switch to Voice Link even in parts of New York that suffered no severe damage as a result of Hurricane Sandy.²¹ Thus it is no surprise that Verizon asks the Commission to “not preclude or otherwise undermine efforts by providers to conduct testing of

¹⁷ *Id.*

¹⁸ *Id.*, p. 24.

¹⁹ Sean Buckley, “G.fast gets ITU first stage approval,” FierceTelecom, July 16, 2013 <http://www.fiercetelecom.com/story/gfast-gets-itu-first-stage-approval/2013-07-16#ixzz2aADXLhxs>.

²⁰ Transcript, Lowell McAdam, CEO, Verizon at Guggenheim Securities Symposium, at p. 8 (June 21, 2012).

²¹ Emergency Petition Of New York Attorney General Eric T. Schneiderman For An Order Preventing Verizon From Illegally Installing Voice Link Service In Violation Of Its Tariff And The Commission's May 16, 2013 Order, Case No. 13-C-0197, p. 3, (NY PSC June 26, 2013).

or roll out new wireless services, including those that may serve as a substitute for traditional wireline services.”²² Matrix disagrees, and instead urges the Commission to require that any similar trial occur under its supervision.

In fact such a renegade trial could jeopardize public safety. Harris Corporation, for example, states that “FAA air traffic control systems rely on TDM wireline network.”²³ These systems have requirements “that may not be achievable with a wireless-only implementation” such that “wireless delivery could result in impacts to air traffic control operations.”²⁴

Matrix is also concerned that any rogue trials would unnecessarily interfere with competitors’ use of ILEC wholesale services. Absent Commission supervision, The ILEC could withdraw the underlying wireline service being used to serve CLEC customers could be and replace it by wireless service that is not available on a wholesale basis to the consumer’s chosen provider. A Wireline-to-Wireless trial “with no actual or potential regulatory backstop would pull the rug out from under the wholesale market” within the trial market.²⁵ This possibility could undermine competition as the CLEC’s “current pricing of customer services within wire centers selected for trials may have been predicated on the actual or potential regulatory backstop and expectation that any alteration of the status quo” would be consistent with the current legal and regulatory framework and “not as the result of a regulatory experiment.”²⁶

IV. The Commission Should Reject AT&T’s All-IP Trial Proposal

In its initial comments, Matrix stated that the three potential trials outlined in the Notice

²² Verizon and Verizon Wireless Comments, p. 6.

²³ Harris Corp. Comments, p. 1.

²⁴ Harris Corp. Comments, p. 2.

²⁵ XO Comments pp. 15-16.

²⁶ *Id.*

— IP Interconnection, Wireline-to-Wireless and E-911--were sufficiently comprehensive as starting points for testing the ongoing technology transition and that AT&T’s “all-IP” trial was unnecessary and unlikely to provide valuable data.²⁷ AT&T and its supporters suggest, however, that the Commission’s proposed trials could lead to inconsistent results and would fail to provide the data the Commission needs.²⁸ But AT&T’s “all IP” trial is simply a pretext for AT&T to obtain premature relief from regulation that is still necessary to protect the public interest, regardless of the technology used in the service provider’s network.²⁹ The opposition to AT&T’s all-IP trial proposal is substantial and not even all the RBOCs support such a trial proposal.³⁰

At its core, AT&T’s proposal is a regulatory trial that is based on AT&T’s erroneous proposition that the evolution of networks from TDM to IP means there is abundant competition and regulatory protections are no longer needed to safeguard consumers.³¹ The Commission “must recognize that the predicate for such trials is AT&T’s desire to demonstrate its proposition to regulators that that there is no need for FCC or state regulation – namely, ILEC obligations to competitors to provide interconnection or access to end user locations on just, reasonable, and nondiscriminatory terms – as ILEC networks evolve to all-IP platforms.”³²

Matrix instead subscribes to the position that “a mere change in technology” does not

²⁷ Matrix Comments, pp. 8-9.

²⁸ Intelepeer Comments, p. 2; AT&T Comments, p. 16.

²⁹ AARP Comments at p. 6.

³⁰ See Verizon and Verizon Wireless Comments, p. 3 (stating preference against IP interconnection trial); p. 5 (noting that “it is not clear what purpose a [Wireline-to-Wireless] ‘trial’ would serve”); p. 1 (stating that Commission should “ensure that any such trials do not inadvertently undermine the transitions that are all well-underway as a result of technological evolution” and that “participation in any trials should remain voluntary”).

³¹ AT&T Comments, pp 2-4.

³² XO Comments, p. 13.

“justify the elimination of virtually all regulation designed to promote competition and protect consumers” and that such a proposition - put forth through AT&T’s trial proposal “does not warrant consideration, and ...should be rejected without wasting resources on further consideration.”³³

, Matrix thus agrees with Cox that the Commission should “use the trial process to focus on questions that trials actually can answer – how to make the technology transition work efficiently.”³⁴ In other words, the Commission’s rules “should not be waived merely based on AT&T’s assertions of what they would like to see happen, if the Commission is indeed interested in its stated objectives of protecting consumers and ensuring that emerging IP networks are to remain resilient.”³⁵

Further, AT&T’s focus of the trial on its policy agenda is evident in the disdain it shows for consumers, urging that the Commission reject the concept of a voluntary trial and telling consumers that the “switch to a [different technology] option is mandatory and irrevocable.”³⁶ As expected other parties are more reasonable and advocate that the consumer should not be compelled to participate in a trial, particularly where the service being offered is inferior and more costly.³⁷ The California PUC, for example “urges the Commission to make any trials fully reversible.”³⁸ The FCC’s own Intergovernmental Advisory Council recommends that “[c]arriers should not be allowed to force customers to accept ‘lesser levels of service’ due to change in

³³ Cbeyond et al Comments, p. 25.

³⁴ Cox Comments, p. 6.

³⁵ GVNW Comments, p. 5.

³⁶ AT&T Comments, p. 18.

³⁷ Mass. Department of Telecom & Cable, p. 7; NY PSC p. 3; Michigan PSC p. 4.

³⁸ CPUC Comments p. 8.

technology.³⁹;

The Commission's trial process, regardless of the type of trial conducted, also must protect wholesale customers. As Matrix stated in its comments, wholesale customers should also have the ability to refrain from participating in the ILEC's trial.⁴⁰ AT&T's trial proposal is at odds with this proposition, and in fact appears to be at odds with the notion of wholesale service altogether. Instead AT&T appears to claim that in a trial, wholesale customers will get only notice, and legacy wholesale service will be discontinued and not replaced. Retail customers, on the other hand, will receive notice regarding the "services being discontinued and the IP-based "successor" products."⁴¹

Such a trial, however, "with no actual or potential regulatory backstop would pull the rug out from under the wholesale market within the selected wire centers."⁴² Indeed, competition exists in part "because of government policies that created and maintain the conditions necessary for competition to flourish."⁴³ It therefore makes no sense to conduct a trial that does not preserve competitors with access to reasonably-priced substitute service that the competitor can continue to use to provide consumers with competitive choice among providers.

V. Conclusion

Matrix believes that for the reasons set forth above, there is no need for the "all-IP" trial proposed by AT&T at this time. With respect to the Commission's proposal to plan for other trials, Matrix urges the Commission to proceed with an IP Interconnection trial only if it first

³⁹ FCC Intergovernmental Advisory Council Comments, p. 1.

⁴⁰ Matrix Comments, pp. 10-11.

⁴¹ AT&T Comments, p. 13.

⁴² XO Comments, p. 15.

⁴³ Remarks of FCC Technology Transitions Policy Task Force Acting Director Sean Lev, TIA Network Transition Event, p. 3 (June 21, 2013).

