Before the
FEDERAL COMMUNICATIONS COMMISSION

Washington, DC 20554

In the Matter of	)	
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	)	
	)	
Technology Transitions	)	GN Docket No. 13-5
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	)	
AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition	)	GN Docket No. 12-353
	)	

COMMENTS OF THE NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES ON AT&T INTERNET TRANSITION TRIALS PROPOSALS[1]

In response to the invitation of the Federal Communications Commission ("FCC" or "Commission"),[2] AT&T[3] filed a proposal for Internet Transition Trial experiments in Alabama and Florida.[4] The FCC then asked for comment on AT&T's proposal.[5]

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[1] These comments should also be viewed as in reply to AT&T's comments on the Iowa Network Services trial proposal (AT&T INS Comments). The AT&T INS Comments were filed in these dockets on March 21, 2014.

[2] See FCC 14-5 (rel. January 31, 2014) ("Transition Trials Order"), ¶ 30.

[3] As self-described, "AT&T Services, Inc. files this proposal on behalf of itself and its operating company affiliates (collectively 'AT&T'" except where otherwise expressly noted). AT&T provides TDM and IP-based services in the wire centers in which AT&T proposes to conduct the TDM-to-IP transition trials proposed herein through multiple affiliates, including AT&T Communications of the Southern States, LLC, AT&T Corp., AT&T Long Distance, AT&T Mobility LLC, BellSouth Long Distance, Inc., BellSouth Telecommunications, LLC, and SBC of Florida. Throughout this operating plan, the term 'AT&T' generically refers to all such entities." AT&T Proposal (February 27, 2014), n.1.

[4] AT&T Proposal at 13. AT&T states that the locations are "one rural and one suburban." AT&T INS Comments at 1-2. The FCC had requested proposals to be filed by February 20, but AT&T announced it would take another week.

I. INTRODUCTION

The National Association of State Utility Consumer Advocates ("NASUCA")[6] provides these comments. NASUCA has a member in Alabama and one in Florida. Because of recent changes in state laws deregulating telecommunications, neither member takes a specific position with respect to these issues.

NASUCA files these comments because the issues raised by the AT&T proposals are national in scope and importance. AT&T itself bases much of its position on this fact.[7] The FCC is talking about a transition that will impact every consumer in the country, from those in the two areas covered by the AT&T trials, to other AT&T customers around the Nation, to customers of other companies that will have to adapt to AT&T's plans,[8] to all of the remaining telecom consumers in the U.S. This transition will take several years.[9]

In the face of AT&T's actual trial proposals, NASUCA holds to its previous positions in this proceeding,[10] but has these comments in direct response to AT&T's proposal. First, the Commission should recognize that only a few proposals for Transition Trials were actually filed.

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[5] DA 14-285 (rel. February 28, 2014).

[6] NASUCA is a voluntary association of advocate offices in more than 40 states and the District of Columbia, incorporated in Florida as a non-profit corporation. NASUCA's members are designated by laws of their respective jurisdictions to represent the interests of utility consumers before state and federal regulators and in the courts. Members operate independently from state utility commissions as advocates primarily for residential ratepayers. Some NASUCA member offices are separately established advocate organizations while others are divisions of larger state agencies (e.g., the state Attorney General's office). NASUCA's associate and affiliate members also serve utility consumers but are not created by state law or do not have statewide authority.

[7] AT&T Proposal at 1-11, 12-13. Likewise, AT&T's INS Comments are national in scope.

[8] After all, AT&T is one of the two largest telecommunications companies in the United States. See http://en.wikipedia.org/wiki/AT&T. The other, Verizon, chose not to file a proposal in response to the Commission's invitation. Instead, it continues to defend Voice Link, which actually reduces customer access to broadband service.

[9] AT&T Proposal at 10, 12. AT&T proposes that the transition will all be over in the "not-too-distant future (id. at 4) or by 2020. Id. at 12. The schedule in AT&T's business plan should not be specifically endorsed by the Commission.

[10] See NASUCA ex parte (August 28, 2013); New Jersey Division of Rate Counsel and NASUCA Reply Comments (August 7, 2013).

AT&T's was the only one that addressed the transition of specific wire centers to all-IP services.[11] Far more Expressions of Interest in FCC rural broadband experiments were submitted.[12]

Despite these metrics, AT&T's proposal is important, especially for recognizing customer protection as a bedrock element for the trials.[13] But AT&T's INS Comments raise significant concerns for its treatment of consumers in the Alabama and Florida trials. Of course, it is equally important that customer protections be maintained **outside** the trials.

II. COMMENTS

Fortunately, the AT&T proposal by and large follows the Commission's intentions for "experiments" in the Transitions Trials Order.[14] Notably, AT&T commits to maintaining the "enduring social values" that are key to the Commission's trials. But there are conditions and exceptions sought by AT&T that risk harm to the public interest.[15]

Voluntariness is crucial for consumers.[16] Although AT&T notes that participation in its trials will be voluntary,[17] that voluntarism is limited and short-lived. For wholesale customers (and those carriers' customers), it's voluntary until AT&T wants to take it away. For AT&T retail customers, the trial is voluntary until AT&T asks the Commission to remove the requirement.

For those retail customers,

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[11] AT&T Proposal at 1. The other major proposal was INS's.

[12] Transition Trial Order, ¶93.

[13] AT&T Proposal at 7.

[14] Id. at 8; see also AT&T INS Comments at 2.

[15] AT&T Proposal at 10-11, 18, 27-29, 40.

[16] See GN Docket No. 13-5, NJ and NASUCA comments (August 7, 2013) at 13-15. .

[17] AT&T Proposal at 10-11, 27-29.

> AT&T proposes to include in the trials all of its consumer TDM-based voice and internet access transport services, and to offer AT&T's U-verse Voice service, AT&T's U-verse High Speed Internet services, and AT&T Mobility's Wireless Home Phone and Wireless Home Phone and Internet with 4G LTE Broadband services in place of those TDM services.[18]

AT&T asserts that it "will offer" U-Verse and Wireless Home Phone – with or without high-speed Internet access – in the trial areas "in place of TDM services."[19] Customers outside the reach of U-Verse will thus be relegated to wireless service.[20]

COMPTEL, et al. note some of the other shortcomings of AT&T's proposal:

> [W]e believe it is important that AT&T actually propose replacement arrangements, test them, and prove their viability prior to discontinuance of established services. That is the only way the Commission can preserve competition and ensure that consumers continue to have choices available to them, consistent with the Commission's finding that competition should be maintained. [21]

COMPTEL, et al. also reasonably criticize AT&T's information-gathering proposal.[22]

AT&T anticipates a "complete migration."[23] At that point, or before, in the experiment areas, AT&T appears to expect to have divested itself of the carrier of last resort (COLR) obligation, and also any responsibility to be a Lifeline provider.[24]

AT&T says the FCC's rules will not stand in its way.[25] These assertions should not be accepted at face value by the FCC.

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[18] Id. at 17-18.

[19] Id. at 18 (emphasis added).

[20] Id. at 40. This will likely make any AT&T broadband access prohibitively expensive for low-income customers in those areas. See COMPTEL, et al. ex parte at 2.

[21] Id.

[22] Id.

[23] Id. at 13.

[24] AARP ex parte at 2.

[25] AT&T Proposal at 8.

AT&T further asserts that its transition (and, presumably, the Commission's transition as well) is the result of competition.[26] Much of the "competition" it cites, however, comes from AT&T itself.[27]

AT&T stresses the need to move away from old "implicit subsidies…."[28] Regardless of the existence of "subsidy"[29] under the old system, basic voice service was required to bear the bulk of the cost of a multi-service TDM network. Those cost allocations do not hold true on the IP network because basic voice service, despite being subject to multiple public interest obligations, is only one application on the network. Transitioned voice telephony service should thus be decreasing in price, not increasing.[30]

And despite its aversion to subsidy, AT&T indeed acknowledges that there are areas where there is "no positive business case" for broadband, and where additional universal service support may be needed.[31] One wonders whether such areas exist within AT&T's Alabama and Florida pilot territories. Indeed, AT&T says it expects to expand U-verse to only 43 per cent of its overall customer footprint.[32]

AT&T should also provide information on why it chose these two locations for the trials. Not that Kings Point in Florida and Carbon Hill in Alabama are undeserving of upgrades, but what singled them out within AT&T's "second largest"[33] territory? Was the regulatory

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[26] Id. at 3.

[27] Id.

[28] Id. at 15-16.

[29] See Faulhaber, G. "Cross Subsidization: Pricing in Public Enterprises," *American Economic Review*, Vol. 65, No. 5, (Dec. 1975), pp. 966-977.

[30] See http://fjallfoss.fcc.gov/edocs_public/attachmatch/DA-14-384A1.pdf.

[31] AT&T Petition at 17. Surely a corporation as large as AT&T should be able to find such a positive business case without federal or state support.

[32] Id. at 5.

[33] See n.8, supra.

environment in the state relevant for AT&T? COMPTEL, et al. reasonably question, on a basic level, the suitability of these locations as experimental testbeds.[34]

In its INS Comments, AT&T accuses INS of prejudging the legal and policy issues in the IP Transition, contrary to the Commission's intention.[35] In those same comments, however, AT&T consistently, definitively and forcefully asserts **its own** position on legal and policy issues.[36] AT&T's comments also ignore that INS is proposing a trial/experiment, in order to answer the very questions that AT&T claims must be decided in advance for INS while the legal and policy issues inherent in the AT&T experiments are acceptable.

III. CONCLUSION

NASUCA urges the Commission to give careful scrutiny to AT&T's proposals, especially because the proposals are from the originator of the petition for such proposals on which the Commission ruled.[37] NASUCA has not reviewed the AT&T materials for "changes beyond those addressed in" the Transition Trial Order,[38] or other detailed issues. As AT&T did for the INS proposal,[39] NASUCA urges the Commission to make it clear that the authorization of AT&T's trial is not an approval for AT&T on any of the legal and policy issues in play.

There also needs to be continuing review of any experiments approved. As expressed in the Transition Trial Order, the specific goals of this proceeding are a largely rational and

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[34] COMPTEL, et al. ex parte (March 26, 2014) at 2.

[35] See AT&T INS Comments at 2 ff.

[36] Id. at 2, 4, 5, 5. n.11, 7, 7 nns. 12-13.

[37] Given AT&T's enthusiasm for the transition, it is fascinating to see a firm AT&T's size complaining about the extra funds it needs for infrastructure. See http://www.washingtonpost.com/blogs/the-switch/wp/2014/03/25/att-complains-it-needs-more-money-for-infrastructure-upgrades-no-it-doesnt/.

[38] AT&T Proposal at 11.

[39] Id. at 7.

reasonable approach. Yet as important as those goals are, the Commission must also continue to ensure that the enduring social values required for the experiments are maintained in the vast territories outside the experiments, where most consumers reside.

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