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OF THE  
UNITED STATES OF AMERICA

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January 28, 2013

**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: *In the Matter of AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition, GN Docket No. 12-353***

Dear Ms. Dortch:

The U.S. Chamber of Commerce, the world's largest business federation, representing the interests of more than three million businesses and organizations of every size, sector, and region, is pleased to submit these comments to the Federal Communications Commission ("Commission") in response to the Public Notice in the above-captioned proceeding.<sup>1</sup> The Chamber strongly supports AT&T's petition ("Petition") requesting that the Commission "open a new proceeding to facilitate the 'telephone' industry's continued transition from legacy transmission platforms and services to new services based fully on the Internet Protocol ('IP')."<sup>2</sup> In particular, to help guide the Commission's actions related to this transition, the Chamber supports AT&T's proposal for the proceeding to determine the framework for trial runs involving the retirement of legacy facilities and offerings and their replacement with IP-based alternatives.<sup>3</sup>

**I. Broadband is a Key Component of U.S. Economic Growth**

To help our economy recover, the Chamber believes that broadband will be a key component in the creation of jobs and innovation. Chairman Genachowski echoed this sentiment

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<sup>1</sup> Pleading Cycle Established on AT&T and NTCA Petitions, Public Notice, GN Docket No. 12-353, DA 12-1999 (rel. Dec. 14, 2012), available at [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2012/db1214/DA-12-1999A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2012/db1214/DA-12-1999A1.pdf).

<sup>2</sup> AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition, at 1 (filed Nov. 7, 2012), available at <http://apps.fcc.gov/ecfs/document/view?id=7022086087>. ("Petition").

<sup>3</sup> *Id.*

in his speech at the Chamber when he stated that, “[t]o make sure that the U.S. is getting a full and growing share of broadband-enabled jobs, we’ve got to get our broadband infrastructure right.”<sup>4</sup> Jobs and new business opportunities are being created because broadband providers are investing tens of billions of dollars every year to upgrade their networks allowing for higher speeds and greater capacity, and, at the same time, innovative broadband-enabled applications, services, and devices are being developed.

## **II. The Petition is Consistent with the National Broadband Plan and the Commission’s Technology Transitions Policy Task Force**

Commencing the proceeding and trial runs proposed in the Petition is consistent with the recommendations of the National Broadband Plan (“NBP”) and the intent behind the formation of the Commission’s Technology Transitions Policy Task Force. To ensure that the shift from circuit-switched networks “does not dramatically disrupt communications or make it difficult to achieve certain public policy goals,” the NBP recommended that the Commission should begin a proceeding on the necessary elements of a successful IP transition.<sup>5</sup> In announcing the recent formation of the Commission’s Technology Transitions Policy Task Force, Chairman Genachowski stated that “...the ongoing changes in our nation’s communications networks require a hard look at many rules that were written for a different technological and market landscape.”<sup>6</sup>

## **III. The Commission’s Regulations Must Reflect Today’s Telecommunications Marketplace and Technologies**

IP-based networks bring many benefits to consumers including better products, services, and devices along with new choices. However, as telecom companies move to IP-based networks and vie for the same voice, data, and video consumers, it is increasingly clear that the siloed nature of the Commission’s regulatory structure and many of its regulations have not kept pace with technology and with changes in the telecommunications marketplace.

Therefore, to further the transition to IP-based networks, the Commission should consider whether a number of regulations could be abolished or revised. For example, with many consumers switching from traditional Plain Old Telephone Service (POTS) over the Public Switched Telephone Network (PSTN) to wireless or Voice over Internet Protocol (VoIP)

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<sup>4</sup> FCC Chairman Julius Genachowski, *Prepared Remarks to U.S. Chamber of Commerce* at 4, Oct. 14, 2011, available at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-310395A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-310395A1.pdf). (“Genachowski U.S. Chamber Remarks”).

<sup>5</sup> Federal Communications Commission, *Connecting America: The National Broadband Plan* at 59, Mar. 2010, available at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-296935A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296935A1.pdf). (“NBP”).

<sup>6</sup> News Release, “FCC Chairman Julius Genachowski Announces Formation of Technology Transitions Policy Task Force,” (Dec. 10, 2012), available at [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2012/db1210/DOC-317837A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2012/db1210/DOC-317837A1.pdf).

services, the Commission should consider preempting state Carrier of Last Resort (COLR) obligations for incumbent local exchange carriers (ILECs). For the first half of 2012, 35.8% of U.S. households were “wireless-only” and an additional 15.9% of U.S. households were “wireless-mostly” (i.e., the household has a landline but receives all or most calls on a wireless phone).<sup>7</sup> By 2014, it is estimated that VoIP will represent 35.7% of residential telephone lines.<sup>8</sup> When most customers can choose among multiple providers and technologies, COLR obligations and similar legacy regulations do not make sense and divert resources away from next generation networks.

The NBP also recognizes the need to ensure that legacy regulations and services do not become “a drag” on the shift to more modern and efficient next generation networks.<sup>9</sup> For example, the NBP acknowledged the concern that as consumers leave the PSTN, “requiring an incumbent to maintain two networks—one copper and one fiber—would be costly, inefficient,” and “[siphon] investments away from new networks and services.”<sup>10</sup>

#### IV. Conclusion

Today our nation faces many significant challenges, but no priority is more important than job creation. Innovative services and products enabled by IP-based networks will be a key component of our nation’s economic recovery. Therefore, to help ensure a smooth and efficient transition to all IP-based networks and to address any related concerns, the Chamber respectfully urges the Commission to grant the Petition and launch the requested proceeding. Thank you for the opportunity to provide comments in this matter.

Sincerely,



William L. Kovacs

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<sup>7</sup> Stephen J. Blumberg & Julian V. Luke, Div. of Health Interview Statistics, Nat’l Ctr. for Health Statistics, Centers for Disease Control and Prevention, *Wireless Substitution: Early Release of Estimates from the National Health Interview Survey, January-June 2012*, at 1-2 (Dec. 2012), available at <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201212.PDF>.

<sup>8</sup> *Ex Parte*, Telecommunications Industry Association, GN Docket No. 12-353 at 5, (Jan. 11, 2013), available at <http://apps.fcc.gov/ecfs/document/view?id=7022102575>.

<sup>9</sup> *NBP* at 59.

<sup>10</sup> *Id.* at 49 and 59.