Summary of the FCC’s IP Trials Order, Report and Order, FNPRM and Ongoing Data Collection Initiative

VOLUNTARY SERVICE-BASED EXPERIMENTS

In Section III of the Order, the FCC solicits proposals for experiments in which incumbent providers replace TDM-based services with new technologies in order to “speed technological advances by preserving the positive attributes of network services that customers have come to expect,” specifically public safety, universal service, competition and consumer protection. The purpose of these experiments is not to “test technologies per se or resolve legal or policy debates.”

The FCC encourages proposals from a diverse array of network providers: ILECs, CLECs, cable operators, fixed and mobile wireless providers, electric co-ops, municipalities and others. It also encourages proposals that provide geographic, topographic, seasonal and demographic diversity.

Any applicant proposing to discontinue, reduce or impair service needs to seek specific authority under Section 214 of the statute. All applicants must provide customers with notification of the experiment and publicize a simple mechanism to allow for customer feedback by email and phone.

The FCC encourages experiments that collect and provide data on such aspects of IP-based services as network capacity, call quality, device interoperability, service to persons with disability, 911 and PSAP service and a host of others. It expects each experiment to include a control group to which it can compare the experiment group.

For each of the four network values, the FCC establishes certain conditions that must be met, rebuttable presumptions that will guide its evaluation of proposals, and factors that it will consider during the evaluation period. So, for example, under the value of Universal Service (or Access), the FCC sets conditions requiring applicants to ensure access to people with disabilities and protect service for particular populations (elderly, low-income, residents of Tribal lands, etc.). It also sets rebuttable presumptions – that there shall be no reduction in broadband access or overall quality of broadband service. The FCC proceeds to do this for the other three values as well (starting at para. 38).

Timeline on Voluntary Service-Based Experiments:
Proposals due February 20, 2014
Comments on Proposals due March 21, 2014
Reply comments on proposals due March 31, 2014
FCC makes determinations on proposals by May 2014 Commission meeting

NETWORK AND RESEARCH TARGETED TO NETWORK VALUES

Connect America Phase II Experiments (Price Cap Areas)

The objective of the experiments in Section IV, Part A1 of the Order is to use an application-based competitive bidding process to award support in price cap areas where the incumbent chooses not to accept model-based support to provide service. There are two phases in the applications process. In the first phase, interested entities (e.g., ILECs, municipalities, utilities, etc.,) can submit non-binding expressions of interest by March 7, 2014 – entities must receive ETC designation prior to receiving support for any experiment. These expressions of interest should identify the proposed service area for the experiment (the Order states these experiments will be done at census tract levels and in areas not currently receiving 3 Mbps/768 kpbs broadband service), what type of broadband technology will be deployed, the type of services to be offered (e.g., description of voice service, tiers of broadband service, and type of video service), whether there is state/local or Tribal participation in the experiment, and the estimated dollar amount being requested and whether the request is for one-time support or if recurring funding is needed (the Order states Phase II experiment support may be provided for up to 10 years based on funding availability and if “providers commit to deploy high-speed, scalable, IP-based networks that will provide…an evolving level of service”). Once this phase is complete the formal application process begins to determine which experiments to approve. In the FNPRM, the Commission asks if it should make $50 or $100 million available, or some other amount for these experiments. The funds would come from the CAF reserve account where annual allocations of money have not been completely distributed.

Next Generation Rural Broadband Experiments in Rate of Return Areas

In Section IV, Part A2, the FCC is interested in receiving applications for broadband experiments in rate of return areas before the end of 2014 “which will provide a potential pathway to longer term reforms regarding support for broadband-capable infrastructure in such areas” and as a way to help it decide how to provide “targeted and efficient support over the long-term.” As with the CAF II experiments, entities must file letters of interest by March 7, 2014 (applications received after this date will be considered on a rolling-basis) and provide all of the same information required about the proposal. However, such experiments would be conducted at the census block level in rate of return areas as opposed to census tract levels for the CAF II experiments.

The Commission indicates “experiments will not alter existing universal service obligations and receipt of support by current ROR ETCs regardless of whether a CETC receives experimental support in the same service area” as the ROR carrier. “Any Connect America funding awarded in such a rural broadband experiment would be additive to current support for ETCs.” Incumbent ROR carriers would be able to challenge experiment applications only after the FCC has agreed to provide funding to an entity that has submitted an application for service.
In the FNPRM, the FCC seeks comment on whether incumbent ROR carriers should be given an “initial window of opportunity” to submit applications for experiments in unserved areas before allowing others to submit applications for service. And if so, it asks how much time should be given to the incumbent to indicate its willingness to deploy broadband in the same geographic area for the “same or lesser” amount of support as proposed by a non-incumbent applicant. The FCC also seeks comment on the potential selection factors/criteria to be used to select winning applicants, such as cost effectiveness of the proposal, the number of houses, businesses, schools and libraries, hospitals/clinics, and community anchor institutions to be served, the extent to which the applicant proposes to build robust, scalable networks, the extent to which applicant propose innovative strategies to leverage state, local or Tribal government funding, and whether applicants propose to offer high-capacity connectivity to Tribal lands.

Comment Dates for FNPRM:
Comments due 30 days after date of publication in the Federal Register (~ March 30)
Reply Comments due 45 days after date of publication in the Federal Register (~ April 15)

Research and Development of a Numbering Testbed

In Section IV, Part C of the Order, the FCC delegates authority to the Chief Technology Officer, who, in consultation with the chiefs of the various Bureaus, is instructed to “facilitate the development of a telephony numbering testbed for collaborative, multi-stakeholder research and exploration of technical option and opportunities for telephone numbering in an all-IP network.” The testbed would run for about a year and the public would have opportunities to comment on the project. The FCC sees this effort as a way to make better decisions as to what steps are necessary to facilitate the technology transition and to make informed decisions toward the creation of a next generation flexible numbering management system that is secure and efficient. The testbed could address “number allocation and management as well as database lookup for call routing.” would include features that take security, number authentication, traceability, portability and reliability into consideration, and should be designed to “promote competition and create predictable dialing protocols for end users.”

DATA COLLECTION PROPOSAL FOR ONGOING DATA INITIATIVE

In addition to the data collection processes outlined in relation to the service based experiments, in Section V of the Order, the FCC is launching an ongoing data collection program that will go beyond the scope and geography of each particular trial. The FCC will attempt to collect data that will measure the effects of the IP transition on consumers, NG911 deployment, and healthcare facilities.

To begin its data collection program, the FCC is seeking comments on ways to enhance the consumer complaint and inquiry process, including ways to improve the searchability of the complaint database, in an effort to understand the IP transition from a consumer perspective. The FCC is seeking comments on ways to increase data collection transparency and on developing consistent definitions and metrics for the data collected. More specifically, the FCC is asking for comments on what types of questions need to be asked on the effects of the transition, to whom
they need to be asked, and how. To facilitate the data collection, the FCC plans to work with state, local, and tribal leaders, in addition to crowdsourcing and soliciting comments from academics and experts.

Additionally, the FCC intends to begin a structured voluntary data collection process on NG911 deployment from major commercial entities implementing NG-911 to supplement current NG-911 data collection efforts being conducted by NENA and the National 911 Program. The FCC is also looking to collect data on the effects of the IP transition on healthcare facilities and patients and invite proposals for public-private partnerships to facilitate the necessary studies.

Finally, the FCC is seeking to collect data on how the IP transition will affect “our enduring values.” To do this the FCC wants information on the current state of the IP transition, how the transition is affecting the core network values, what matters most to consumers and industry participants, and what trade-offs are most acceptable. The FCC gives a series of questions as examples of the kind of information they are seeking to collect, including looking at cord-cutting rates by each demographic, the importance of certain features of the TDM network for certain demographics, what percentage of wireless only households depend on DSL (and thus the existing last mile copper loop) and the impact of the transition on employment and productivity in the telecommunications sector. The FCC is soliciting any interested party to either provide the data or point to relevant data sources.

Timeline for Ongoing Data Initiative:
Comments on Proposal due March 14, 2014
Replies on Proposal due April 14, 2014