### FCC FACT SHEET\*

### Reducing Barriers to Network Improvements and Service Changes; Accelerating Network Modernization

Notice of Proposed Rulemaking – WC Docket Nos. 25-209, 25-208

<u>Background</u>: This Notice of Proposed Rulemaking would seek comment on deregulatory options to encourage providers to build, maintain, and upgrade their networks so all consumers and businesses can benefit from technological strides in the communications marketplace, while safeguarding consumers' access to critical emergency services. The Notice would propose to reduce regulatory barriers that prevent much-needed investment in and deployment of next-generation broadband networks, and seek comment on ways to further speed the transition to modern, all-IP networks delivering a plethora of advanced communications services to consumers, while protecting public safety.

### What the Notice of Proposed Rulemaking Would Do:

- Propose to eliminate all filing requirements in the Commission's network change disclosure rules
  and seek comment on the alternative of forbearing from all of the Commission's network change
  disclosure requirements.
- Propose to simplify the process for technology transitions discontinuance applications by replacing the Adequate Replacement Test and the Alternative Options Test with one consolidated rule and seek comment on alternative approaches, including (1) granting forbearance relief from discontinuance obligations under section 214(a) of the Act and the Commission's implementing rules, or (2) revising the discontinuance rules in a targeted fashion, including by codifying the recent relief granted by the Wireline Competition Bureau.
- Propose to eliminate the requirement that a carrier seeking to grandfather a legacy service or interconnected VoIP service provisioned over copper lines file a section 214(a) discontinuance application and seek comment on extending that relief to all situations in which a carrier intends to grandfather any service.
- Propose to expand the 31-day automatic grant period applicable to applications to discontinue a service for which the discontinuing carrier is non-dominant to apply to all discontinuance applications eligible for streamlined processing regardless of the carrier's classification in the provision of that service, and seek comment on forbearing from all discontinuance requirements for all data telecommunications services with speeds lower than 25/3 Mbps.
- Seek comment on forbearing from the requirement that domestic carriers notify the relevant state Governor and the U.S. Secretary of Defense when seeking to discontinue a service.
- Seek comment on revising the Commission's rules to explicitly permit carriers that previously filed for emergency discontinuance authority to permanently discontinue service where the carrier has had no customers for the relevant service or requests for that service during the preceding 60 days.
- Propose to eliminate various obsolete, irrelevant, or redundant discontinuance rules.

<sup>\*</sup>This document is being released as part of a "permit-but-disclose" proceeding. Any presentations or views on the subject expressed to the Commission or its staff, including by email, must be filed in WC Docket Nos. 25-209 and 25-208, which may be accessed via the Electronic Comment Filing System (<a href="https://www.fcc.gov/ecfs">https://www.fcc.gov/ecfs</a>). Before filing, participants should familiarize themselves with the Commission's *ex parte* rules, including the general prohibition on presentations (written and oral) on matters listed on the Sunshine Agenda, which is typically released a week prior to the Commission's meeting. *See* 47 CFR § 1.1200 *et seq*.

### Before the Federal Communications Commission Washington, D.C. 20554

| In the Matter of   | )           |                      |
|--|-------------|----------------------|
| Reducing Barriers to Network Improvements and<br>Service Changes | )<br>)<br>) | WC Docket No. 25-209 |
| Accelerating Network Modernization                               | )           | WC Docket No. 25-208 |

#### NOTICE OF PROPOSED RULEMAKING\*

Adopted: [] Released: []

Comment Date: 30 days after Federal Register publication Reply Comment Date: 60 days after Federal Register publication

By the Commission:

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<sup>\*</sup> This document has been circulated for tentative consideration by the Commission at its July 24, 2025 open meeting. The issues referenced in this document and the Commission's ultimate resolutions of those issues remain under consideration and subject to change. This document does not constitute any official action by the Commission. However, the Chairman has determined that, in the interest of promoting the public's ability to understand the nature and scope of issues under consideration, the public interest would be served by making this document publicly available. The Commission's *ex parte* rules apply and presentations are subject to "permit-but-disclose" *ex parte* rules. *See, e.g.*, 47 CFR §§ 1.1206, 1.1200(a). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules, including the general prohibition on presentations (written and oral) on matters listed on the Sunshine Agenda, which is typically released a week prior to the Commission's meeting. *See* 47 CFR §§ 1.1200(a), 1.1203.

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#### I. INTRODUCTION

- 1. When providers are able to invest in new, high-speed infrastructure builds, communities across the country benefit from greater access to modern broadband service. Broadband use permeates our daily lives, touching everything from banking to education to healthcare and beyond. But for broadband to be available for use, providers must first have the incentive to deploy the facilities over which broadband can be provisioned. And providers whose resources are tied up with maintaining outdated and deteriorating legacy networks and obsolete services will not be as focused on developing and deploying the next-generation networks and advanced communications services on which consumers and businesses rely.
- 2. This Notice of Proposed Rulemaking (Notice) seeks comment on deregulatory options to encourage providers to build, maintain, and upgrade their networks such that all consumers and businesses can benefit from technological strides in the communications marketplace, while safeguarding consumers' access to critical emergency services such as 911. Today's actions propose to reduce regulatory barriers that prevent much-needed investment in and deployment of broadband and thus hinder the transition to all-IP networks offering a plethora of advanced communications services, and seek comment on ways to further fast-track the delivery of services to consumers through modernized networks while protecting public safety.
- 3. Specifically, we propose to eliminate all filing requirements in the Commission's network change disclosure rules, thus codifying the recent temporary relief granted by the Wireline Competition Bureau (the Bureau). We also seek comment on the alternative of forbearing from all of the Commission's network change disclosure requirements.
- 4. We next take a long overdue comprehensive look at our rules implementing section 214(a) of the Communications Act of 1934, as amended (the Act).<sup>2</sup> We propose simplifying the process for technology transitions discontinuance applications by replacing the existing rules applicable to such applications with one consolidated rule. We then seek comment on alternative actions we could take, including (1) granting forbearance relief from discontinuance obligations under section 214(a) of the Act and our implementing rules, or (2) revising the rules applicable to technology transitions discontinuance applications in a more targeted fashion, including by codifying the recent relief granted by the Bureau.<sup>3</sup>
  - 5. We next lay out a number of ways in which we might further revise our rules

<sup>1</sup> Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84, Order, DA 25-252 (WCB Mar. 20, 2025) (NCD Waiver Order).

<sup>&</sup>lt;sup>2</sup> 47 U.S.C. § 214(a). Section 214(a) of the Act provides that a carrier may not discontinue, reduce, or impair a telecommunications service without Commission authorization. Unless otherwise noted, this Notice uses the term "discontinue" or "discontinuance" as a shorthand for the statutory language "discontinue, reduce, or impair."

<sup>&</sup>lt;sup>3</sup> Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84, Order, DA 25-248 (WCB Mar. 20, 2025) (Stand-Alone and Single-Service Waiver Order); Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84, Order, DA 25-250 (WCB Mar. 20, 2025) (Testing Clarification Order).

implementing the discontinuance requirements imposed by section 214(a) of the Act. First, we propose to eliminate the requirement that a carrier seeking to grandfather a legacy service or interconnected VoIP service provisioned over copper lines file a section 214(a) discontinuance application with the Commission, thus codifying the recent relief granted by the Bureau; in the alternative, we seek comment on extending that relief to all situations in which a carrier intends to grandfather any service. We next seek comment on forbearing from all discontinuance requirements for all data telecommunications services with speeds lower than 25/3 Mbps.<sup>5</sup> We also propose to expand the 31-day automatic grant period applicable to applications to discontinue a service for which the discontinuing carrier is nondominant to apply to all discontinuance applications eligible for streamlined processing regardless of the carrier's classification as dominant or non-dominant in the provision of that service. We next propose to forbear from the requirement that domestic carriers notify the relevant state Governor and the U.S. Secretary of Defense when seeking to discontinue a service. And we seek comment on revising section 63.63 of our rules<sup>6</sup> to explicitly permit carriers that previously filed for emergency discontinuance authority under that rule to permanently discontinue service where the carrier has had no customers for the relevant service or requests for that service during the preceding 60 days. Finally, we take the opportunity to look more broadly at our discontinuance rules to see whether there are any rules that are obsolete, irrelevant, or redundant and that we should thus eliminate.

#### II. BACKGROUND

6. Telephone networks have been a part of Americans' lives for over a century, but those early networks operated independently of and did not interconnect with one another. The government allowed, and even encouraged, monopoly operation of those networks for many years, believing that "service could be provided at the lowest cost to the maximum number of consumers through a regulated monopoly network." Indeed, section 214(a) of the Act<sup>9</sup> was intended "to prevent useless duplication of facilities that could result in increased rates being imposed on captive telephone ratepayers," and the

<sup>&</sup>lt;sup>4</sup> Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84, Order, DA 25-251 (WCB Mar. 20, 2025) (March 2025 Grandfathering Order); Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84, Order, DA 25-459 (WCB May 29, 2025) (May 2025 Grandfathering and Technical Appendix Order).

<sup>&</sup>lt;sup>5</sup> As the Commission noted in the *Second Wireline Infrastructure Order*, "section 214(a)'s discontinuance obligations apply to interstate voice and data telecommunications services, and to interconnected VoIP service to which the Commission has extended section 214(a)'s discontinuance requirements. They do not apply to any carrier's provision of information services, to data or other services offered on a private carriage basis, or to any other communications or non-communications lines of business in which a carrier is engaged that do not come within the purview of Title II of the . . . Act . . . ." *Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment*, WC Docket No. 17-84, Second Report and Order, 33 FCC Rcd 5660, 5662, para. 6 (2018) (*Second Wireline Infrastructure Order*).

<sup>6 47</sup> CFR § 63.63.

<sup>&</sup>lt;sup>7</sup> See Technology Transitions et al., GN Docket Nos. 13-5 et al., Order, Report and Order and Further Notice of Proposed Rulemaking, Report and Order, Order and Further Notice of Proposed Rulemaking, Proposal for Ongoing Data Initiative, 29 FCC Rcd 1433, 1438, para. 12 (2014) (noting that "[b]y the early 1900s, Bell System local exchanges competed briskly for customers with rival, non-interconnecting local exchanges") (2014 Technology Transitions Order).

<sup>&</sup>lt;sup>8</sup> Implementation of the Local Competition Provisions of the Telecommunications Act of 1996 et al., First Report and Order, 11 FCC Rcd 15499, 15505, para. 1 (1996) (First Local Competition Order) (subsequent history omitted).

<sup>&</sup>lt;sup>9</sup> 47 U.S.C. § 214(a).

<sup>&</sup>lt;sup>10</sup> Implementation of Section 402(b)(2)(A) of the Telecommunications Act of 1996; Petition for Forbearance of the Independent Telephone & Telecommunications Alliance, CC Docket No. 97-11, AAD File No. 98-43, Report and Order in CC Docket No. 97-11, Second Memorandum Opinion and Order in AAD File No. 98-43, 14 FCC Rcd 11364, 11366, para. 3 (1999) (Blanket Entry Authority Order).

discontinuance requirements of section 214(a) were aimed at "preventing a loss or impairment of a service offering to a community or part of a community without adequate public interest safeguards," particularly during times of war.<sup>11</sup> The Act paved the way for telephone ownership and use to become nearly ubiquitous.<sup>12</sup>

- 7. Because of changes in the communications marketplace in the intervening decades, in which beneficial competition in the telephone service marketplace began to emerge but was hindered by the monopoly-era regulatory scheme, Congress sought to reduce regulatory burdens and barriers to competition. Through the Telecommunications Act of 1996, Congress took steps to "affirmatively promote efficient competition" by requiring incumbent local exchange carriers (LECs) "to open their networks to competition." As the Commission noted in its first order implementing the 1996 Act: "The opening of all telecommunications markets to all providers will blur traditional industry distinctions and bring new packages of services, lower prices and increased innovation to American consumers. The world envisioned by the 1996 Act is one in which all providers will have new competitive opportunities as well as new competitive challenges." 16
- 8. The years since Congress adopted the 1996 Act have seen the "new packages of services, lower prices and increased innovation" the Commission foretold. <sup>17</sup> Incumbent LECs once "controlled more than 99% of the local voice marketplace because of their 'virtually ubiquitous' networks and subsequently low relative incremental costs." <sup>18</sup> But they have seen their share of the fixed voice marketplace drop to 25% as of June 2024, with the balance largely represented by non-incumbent LEC interconnected VoIP subscriptions. <sup>19</sup> And by the end of 2023, there were more mobile subscriptions in

<sup>&</sup>lt;sup>11</sup> Western Union Tel. Co. Petition for Order to Require the Bell System to Continue to Provide Group/Supergroup Facilities, Memorandum Opinion and Order, 74 F.C.C.2d 293, 296, para. 6 and n.4 (1979) (discussing legislative history surrounding 1943 amendment to section 214(a) adding discontinuance requirements); see also Blanket Entry Authority Order, 14 FCC Rcd at 11368, para. 5.

<sup>&</sup>lt;sup>12</sup> See United States Census Bureau, *Historical Census of Housing Tables: Telephones* (2000), <a href="https://www.census.gov/data/tables/time-series/dec/coh-phone.html">https://www.census.gov/data/tables/time-series/dec/coh-phone.html</a>; Michael DeGusta, *Are Smart Phones Spreading Faster than Any Technology in Human History?*, MIT Technology Review (May 9, 2012), <a href="https://www.technologyreview.com/2012/05/09/186160/are-smart-phones-spreading-faster-than-any-technology-in-human-history">https://www.technologyreview.com/2012/05/09/186160/are-smart-phones-spreading-faster-than-any-technology-in-human-history</a>; 2014 Technology Transitions Order, 29 FCC Rcd at 1438, para. 12 (noting that "by 1983, more than 90 percent of America's 85.8 million households had a telephone").

<sup>&</sup>lt;sup>13</sup> S. Rep. 104-23, at 9-10 (1995).

<sup>&</sup>lt;sup>14</sup> The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (codified at 47 U.S.C. § 151 *et seq.*) (the 1996 Act).

<sup>&</sup>lt;sup>15</sup> First Local Competition Order, 11 FCC Rcd at 15505, para. 1.

<sup>&</sup>lt;sup>16</sup> *Id.* at 15506, para. 4.

<sup>&</sup>lt;sup>17</sup> See, e.g., Petition of USTelecom—The Broadband Association for Limited Waiver, WC Docket No. 17-84 (filed Feb. 27, 2025) (US Telecom Petition); Jim Gustke, Why Your Landline Home Phone Is Getting More Expensive and Less Reliable, OOMA Home Phone Blog (Feb. 6, 2024), <a href="https://www.ooma.com/blog/home-phone/landline-home-phone-is-getting-more-expensive">https://www.ooma.com/blog/home-phone/landline-home-phone-is-getting-more-expensive</a>.

<sup>&</sup>lt;sup>18</sup> Modernizing Unbundling and Resale Requirements in an Era of Next-Generation Networks and Services, WC Docket No. 19-308, Report and Order, 35 FCC Rcd 12425, 12427, para. 5 (2020); see also id. at 12434, para. 22.

<sup>&</sup>lt;sup>19</sup> FCC, Industry Analysis Division, Office of Economics and Analytics, Voice Telephone Services: Status as of June 30, 2024 at 3 fig.2 (May 2025) (May 2025 Voice Telephone Services Report) (reporting that, across both residential and business markets, incumbent LECs hold 25% of the market share of total wireline retail voice telephone service connections including interconnected VoIP service connections, while non-incumbent LECs hold the remaining 75% of the market share, and also reporting that only 29% of incumbent LECs' total wireline retail voice telephone service connections are interconnected VoIP while 95% of non-incumbent LECs total wireline retail voice telephone service connections are interconnected VoIP). The Commission's rules define "interconnected VoIP service" as a service that (i) enables real-time, two-way voice communications; (ii) requires a broadband connection from the user's

the United States than people, and more than 75 percent of adults in this country lived in wireless-only households. Recognizing these significant trends, the Commission took several actions in 2017 and 2018 to streamline and expedite approval processes for section 214 discontinuance applications and other requirements in order to begin a process to bring new services to consumers quickly while avoiding unnecessary costs and delay in carriers' transitions from legacy to next-generation, IP-based infrastructure and services. <sup>21</sup>

### III. DISCUSSION

### A. Copper Retirement (and Other Network Change Disclosures)

- 9. Section 251(c)(5) of the Act, which establishes incumbent LECs' obligations when making changes that could affect the interoperability of their facilities or networks, is a notice-only provision. An incumbent LEC may thus make changes to its network, including switching from copper facilities to fiber or other next-generation facilities, without the need to receive prior Commission authorization so long as it provides "reasonable public notice"—a requirement the Commission historically has reflected in its implementing rules. Section 251(c)(5) reflects the decision by Congress that a notice-based network change process best serves the public by striking a balance between allowing incumbent LECs to make changes to their networks without undue regulatory burdens and giving competitive LECs time to account for those changes. Accordingly, the Commission has periodically reviewed its rules to determine whether they appropriately reflect this balance.
- 10. Earlier this year, the Bureau issued the *NCD Waiver Order*, which waives, for a period of two years, the filing requirements in the Commission's network change disclosure rules adopted pursuant to section 251(c)(5) of the Act.<sup>26</sup> The Bureau also waived its process of issuing public notices for short-

<sup>&</sup>lt;sup>20</sup> Communications Marketplace Report, GN Docket No. 24-119, 2024 Communications Marketplace Report, FCC 24-136, at 119, para. 158 (Dec. 30, 2024) (2024 Communications Marketplace Report) (reporting approximately 386.1 million mobile subscriptions in the U.S. based on December 2023 FCC Form 477 data); U.S. Census Bureau, Quick Facts, <a href="https://www.census.gov/quickfacts/fact/table/US/PST045223">https://www.census.gov/quickfacts/fact/table/US/PST045223</a> (showing estimate of over 334 million people in the U.S. as of July 2023) (last viewed Apr. 17, 2025).

<sup>&</sup>lt;sup>21</sup> See Second Wireline Infrastructure Order, 33 FCC Rcd at 5660, para. 1; Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84, Report and Order, Declaratory Ruling, and Further Notice of Proposed Rulemaking, 32 FCC Rcd 11128, 11129, para. 2 (2017) (First Wireline Infrastructure Order) (stating that "[t]o close th[e] digital divide, we seek to use every tool available to us to accelerate the deployment of advanced communications networks").

<sup>&</sup>lt;sup>22</sup> 47 U.S.C. § 251(c)(5); First Wireline Infrastructure Order, 32 FCC Rcd at 11138, para. 23.

<sup>&</sup>lt;sup>23</sup> See 47 CFR § 51.325 et seq. Consistent with section 251(c)(5), the Commission's implementing rules require that an incumbent LEC provide public notice regarding any network change that (1) will affect a competing service provider's performance or ability to provide service; (2) will affect the incumbent LEC's interoperability with other service providers; or (3) will result in a copper retirement. *Id.* § 51.325(a). The rules define copper retirement as "[t]he removal or disabling of copper loops, subloops, or the feeder portion of such loops or subloops; or [t]he replacement of such loops with fiber-to-the-home loops or fiber-to-the-curb loops." *Id.* § 51.325(a)(3).

<sup>&</sup>lt;sup>24</sup> First Wireline Infrastructure Order, 32 FCC Rcd at 11138, para. 24.

<sup>&</sup>lt;sup>25</sup> See, e.g., id. at 11137-60, paras. 22-79; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers et al., CC Docket No. 01-338 et al., Report and Order and Order on Remand and Further Notice of Proposed Rulemaking, 18 FCC Rcd 16978, 17146-47, paras. 281-83 (2003) (*Triennial Review Order*).

<sup>&</sup>lt;sup>26</sup> NCD Waiver Order at 3, 6, paras. 6, 14 (waiving portions of 47 CFR §§ 51.329, 51.333); 47 U.S.C. § 251(c)(5). On April 21, 2025, the Irregulators filed an application for a review of action taken pursuant to delegated authority under 47 CFR § 1.115. See Application of Irregulators for a Full Review by the Full Commission; & Other Actions (continued....)

term network changes and copper retirements, as well as the associated objection process for interconnected service providers.<sup>27</sup> Pursuant to the waiver, incumbent LECs are only required to post public notice of planned network changes through industry fora, industry publications, or on the carrier's publicly accessible Internet site.<sup>28</sup> Incumbent LECs are still required to provide direct notice of copper retirements and short-term network changes to interconnected telephone exchange service providers.<sup>29</sup> Additionally, incumbent LECs must continue to provide public notice and communicate directly with interconnected telephone exchange service providers about network changes resulting from *force majeure* events and other events outside of the carrier's control.<sup>30</sup>

11. The Bureau found that this waiver would result in "more effective implementation of overall policy" of the transition from legacy networks to next-generation networks.<sup>31</sup> It also concluded that by reducing unnecessary regulatory burdens, as contemplated by the *First Wireline Infrastructure Order*, the waiver would serve the public interest by freeing up incumbent LEC resources to devote to the development and deployment of networks capable of supporting more advanced communications services.<sup>32</sup> The Bureau noted that over the past two years, the Commission has processed more than 400 network change disclosure filings and did not receive a single comment in opposition despite the public notices released by the Bureau.<sup>33</sup> The Bureau thus concluded that the requirement of filing with the Commission "serve[s] no purpose but to unnecessarily duplicate the information that incumbent LECs are already required to publicly post on their websites or in other public places."<sup>34</sup>

### 1. Codify Waiver of Network Change Disclosure Filing Requirements

- 12. We propose to eliminate all filing requirements with the Commission currently set forth in our network change disclosure rules.<sup>35</sup> We seek comment on this proposal.
- 13. What benefit, if any, does the public gain from requiring incumbent LECs to file their network change disclosures with the Commission? What benefit, if any, does the public gain from public notices released by the Commission notifying the public of incumbent LEC network change disclosures? Conversely, what costs do incumbent LECs incur in connection with these requirements? What would be the likely cost savings to carriers from eliminating all of these filing requirements? Does eliminating all filing requirements, while maintaining public notice requirements consistent with section 251(c)(5), meaningfully reduce the regulatory burdens on carriers? Does publishing public network change disclosures through carriers' own channels, and not with the Commission, provide reasonable public notice, as required by section 251(c)(5) of the Act?

### 2. Forbearance from All Section 251(c)(5) Requirements

14. As an alternative to our proposal to eliminate all network change disclosure filing and associated requirements, we seek comment on whether we should instead forbear from all public notice requirements imposed by section 251(c)(5) and our implementing rules.

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(Continued from previous page)

Requested, WC Docket No. 17-84 (filed Apr. 21, 2025). This application remains under review.

27 NCD Waiver Order at 3, para. 6; see 47 CFR § 51.333(a).

28 NCD Waiver Order at 3, para. 6.

29 Id. at 3, para. 7.

30 Id.; see 47 CFR § 51.333(g)(1)(ii).

31 NCD Waiver Order at 4, para. 8 (quoting WAIT Radio v. FCC, 418 F.2d 1153, 1159 (D.C. Cir. 1969)).

32 Id. (citing First Wireline Infrastructure Order, 32 FCC Rcd at 11138, 11142, paras. 24, 33).

33 Id. at 5, para. 11.
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<sup>&</sup>lt;sup>35</sup> See 47 CFR §§ 51.325 et seq.

- 15. Section 251(c)(5)'s "reasonable public notice" requirement ensures that all providers are aware of changes that may affect a carrier's ability to provide service.<sup>36</sup> Congress enacted section 251(c)(5) as one of a number of market-opening provisions at a time when incumbent LECs held a virtual monopoly in the communications marketplace.<sup>37</sup> The Commission based its rules implementing section 251(c)(5)'s public notice requirements on the then-existing industry practice of notifying carriers of network changes via industry fora, industry publications, and the Internet.<sup>38</sup> The filing requirements served as an additional measure to ensure "wide availability of pertinent network change information," particularly for small entities with limited resources.<sup>39</sup> In the *NCD Waiver Order*, the Bureau concluded that the need for incumbent LECs to also file notice with the Commission in addition to providing public notice imposes "redundant regulatory filing requirements that serve no practical purpose."<sup>40</sup>
- Section 10 of the Act requires the Commission to forbear from applying any requirement of the Act or of our regulations to a telecommunications carrier or telecommunications service if the Commission determines that (1) enforcement of the requirement "is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory," (2) enforcement of that requirement "is not necessary for the protection of consumers," and (3) "forbearance from applying such provision or regulation is consistent with the public interest." 41 When determining whether forbearance is consistent with the public interest, the Commission must consider "whether forbearance from enforcing the provision or regulation will promote competitive market conditions."42 Forbearance is warranted only if all three criteria are satisfied. 43 Section 10 of the Act also requires the Commission to determine whether the requirements in section 251(c) of the Act "have been fully implemented" before forbearing from them. 44 The Commission has previously concluded that the requirements in section 251(c) have been fully implemented because the Commission issued rules implementing that section that went into effect.<sup>45</sup> The D.C. Circuit upheld this conclusion using a *Chevron* analysis in *Owest Corp. v. FCC.* 46 We seek comment on any current and relevant aspects of the fully implemented requirement and on whether the Commission's determination in the Owest Forbearance Order that section 251(c) has been fully implemented constitutes the best reading of the statute.47
- 17. Ensuring practices are just and reasonable (section 10(a)(1)). Should the Commission forbear from section 251(c)(5)'s requirements, incumbent LECs would be allowed to make any network change or copper retirement without providing public notice of any type or filing with the Commission.<sup>48</sup>

<sup>&</sup>lt;sup>36</sup> 47 U.S.C. § 251(c)(5).

<sup>&</sup>lt;sup>37</sup> See generally 1996 Act; Second Local Competition Order, 11 FCC Rcd 19392.

<sup>&</sup>lt;sup>38</sup> Second Local Competition Order, 11 FCC Rcd at 19483, para. 198.

<sup>&</sup>lt;sup>39</sup> *Id.* at 19483, para. 199.

<sup>&</sup>lt;sup>40</sup> NCD Waiver Order at 5, para. 10.

<sup>&</sup>lt;sup>41</sup> 47 U.S.C. § 160(a).

<sup>&</sup>lt;sup>42</sup> *Id.* § 160(b).

<sup>&</sup>lt;sup>43</sup> *Id.* § 160(a).

<sup>&</sup>lt;sup>44</sup> *Id.* § 160(d).

<sup>&</sup>lt;sup>45</sup> *Qwest Corporation for Forbearance Pursuant to 47 U.S.C.* § 160(c) in the Omaha Metropolitan Statistical Area, WC Docket No. 04-223, 20 FCC Rcd 19415, 19440-42, para. 53-56 (2005) (*Qwest Forbearance Order*).

<sup>&</sup>lt;sup>46</sup> Owest Corp. v. FCC, 482 F.3d 471, 477-78 (D.C. Cir. 2007).

<sup>&</sup>lt;sup>47</sup> Loper Bright Enterprises v. Raimondo, 603 U.S. 369, 395, 400 (2024).

<sup>&</sup>lt;sup>48</sup> 47 U.S.C. § 251(c)(5).

Is section 251(c)(5)'s requirement that incumbent LECs provide "reasonable public notice of changes in the information necessary for the transmission and routing of services using that local exchange carrier's facilities or networks, as well as of any other changes that would affect the interoperability of those facilities and networks" still necessary to ensure that incumbent LECs' practices are just and reasonable and not unjustly or unreasonably discriminatory? If the requirement continues to be necessary, why and to what extent? Do incumbent LECs still exert sufficient control over the marketplace such that an incumbent LEC providing no notice of changes to its network would unreasonably inhibit competing service providers? Would interconnected telephone exchange service providers be adversely affected by receiving no notice of short-term network changes or copper retirements? Do interconnection agreements between incumbent LECs and competitive providers contain notice requirements that make section 251(c)(5)'s requirements redundant?

- 18. Ensuring protection of consumers (section 10(a)(2)). We seek comment on whether enforcement of the public notice requirements in section 251(c)(5) and our implementing rules is necessary to protect consumers, understanding that the notice is directed to interconnecting carriers that are in a business relationship with the incumbent LEC. Would consumers be harmed were we to forbear from section 251(c)(5)'s public notice requirement and the Commission's rules implementing that requirement? Have incumbent LEC network changes affected other carriers' ability to provide services to their customers and, if so, how often and in what ways? In instances where carriers' ability to provide services has been affected, how long have such disruptions lasted? Were consumers harmed as a result of such disruptions and, if so, what was the extent of those harms? Do interconnection agreements between incumbent LECs and competitive LECs provide sufficient protection for consumers?
- 19. Consistent with the public interest (section 10(a)(3)). We seek comment on whether forbearance from section 251(c)(5)'s requirements would be consistent with the public interest. In the Second Local Competition Order, the Commission noted that notice of network changes was necessary to "reduce[] the possibility that incumbent LECs could make network changes in a manner that inhibits competition." At the time, competing providers relied on their connection to incumbent LECs' networks to provide service to customers. The marketplace has since gone through significant developments and become much more competitive. At the end of 2003, the year in which the Commission extended its network change disclosure rules to copper retirements, incumbent LECs provisioned more than 80% of the roughly 181 million reported end-user switched access lines. Since then, reliance on legacy networks in the communications marketplace has drastically decreased, with only 18 million switched access lines by mid-2024 compared to 64.5 million interconnected VoIP subscriptions. And when accounting for all retail voice telephone service connections across both technologies, incumbent LECs have steadily lost market share to non-incumbents, dropping to just 25% of all wireline retail voice telephone service connections as of June 2024. Does this correlate to incumbent LECs having a smaller share of the market? Does this change in the marketplace support

<sup>&</sup>lt;sup>49</sup> Second Local Competition Order, 11 FCC Rcd at 19471, para. 171.

<sup>&</sup>lt;sup>50</sup> *Id.* at 19471, paras. 171-72.

<sup>&</sup>lt;sup>51</sup> Triennial Review Order, 18 FCC Rcd at 17146-47, paras. 281-83.

<sup>&</sup>lt;sup>52</sup> FCC, Wireline Competition Bureau, Industry Analysis and Technology Division, Local Telephone Competition: Status as of December 31, 2004, at 1 & tbl. 1 (July 8, 2005), <a href="https://transition.fcc.gov/Bureaus/Common\_Carrier/Reports/FCC-State\_Link/IAD/lcom0604.pdf">https://transition.fcc.gov/Bureaus/Common\_Carrier/Reports/FCC-State\_Link/IAD/lcom0604.pdf</a>; see also NCD Waiver Order at 4-5, para. 10.

<sup>&</sup>lt;sup>53</sup> May 2025 Voice Telephone Services Report at 3 fig. 2; see also Parties Asked to Refresh the Record on Telephone Access Charges Notice of Proposed Rulemaking, WC Docket No. 20-71, DA 25-508 (WCB June 11, 2025) (noting that "[o]ver the past five years, local exchange carriers' market share has declined while mobile and interconnected VoIP providers' market share has increased").

<sup>&</sup>lt;sup>54</sup> May 2025 Voice Telephone Services Report at 3 fig.2.

elimination of all notice requirements? Should incumbent LECs alone bear the burden of mandated notice requirements when other carriers have no equivalent regulatory burden? Were we to forbear from section 251(c)(5)'s requirements, incumbent LECs would be freed from regulatory burdens that divert their focus from the development and deployment of next-generation networks that give consumers access to more advanced communication services. Does this mean forbearance would be in the public interest? Does this benefit outweigh any harm that could result from forbearance from section 251(c)(5)? Would forbearance have any impact on the ability of critical infrastructure industries or government agencies to maintain critical operations and services? If we were to forbear from section 215(c)(5)'s public notice requirement, could the Commission, through its own outreach, mitigate any potential harm to consumers? If so, how best could the Commission utilize such outreach?

We also seek comment on how to ensure that 911 service remains available and fully functional for consumers if we were to forbear from section 251(c)(5)'s requirements. The Commission has consistently emphasized that a key element of "promoting safety of life and property through the use of wire and radio communications" is to ensure that the American people have access to reliable and resilient 911 communications service.<sup>55</sup> We therefore seek comment on how to ensure that granting forbearance would not lead to interruptions in 911 service. In particular, we note that network transitions subject to section 251(c)(5) may occur in areas where 911 authorities and originating service providers (OSPs) have not yet transitioned to Next Generation 911 (NG911) and will therefore continue for some time to rely on legacy selective routers and other TDM-based infrastructure for delivery of 911 calls to public safety answering points (PSAPs).<sup>56</sup> Some commenters have expressed concern that in such circumstances, discontinuing operation of critical TDM circuits in the 911 call path without prior notice could lead to disruption or interruption of 911 calls.<sup>57</sup> We seek comment on this concern and whether safeguards are needed to ensure the continuity of 911 service. For example, should we require advance notice for network changes that could disrupt traffic to 911 networks to allow time for substitute services to be arranged? Should the Commission reserve the right to direct a carrier to temporarily delay a section 251(c)(5) network change if it would imminently disrupt 911 service? On what basis would the Commission have the authority to do so? Alternatively, could forbearance from section 251(c)(5)'s requirements help accelerate the deployment of the next-generation networks necessary for NG911?

### **B.** Section 214 Discontinuance

authorities to route 911 traffic to PSAPs. *Id.* at 8203-07, paras. 145-53.

21. We next examine our rules governing the section 214(a) discontinuance process. We first take a close look at our rules governing technology transitions discontinuances and seek comment on various ways to replace, forbear from, simplify, or otherwise revise our section 214(a) discontinuance rules to expedite the transition from legacy services to next-generation services. We seek comment on the possible regulatory costs and delays for carriers seeking to discontinue services, and ultimately for consumers who must wait longer for advanced services. We also seek comment on other targeted actions,

<sup>56</sup> Unlike legacy 911 systems that rely on Time Division Multiplexing (TDM) infrastructure, NG911 uses Internet Protocol (IP)-based formats and routing and supports the transmission of text, photos, videos, and data. The Commission recently adopted nationwide NG911 transition rules that define responsibilities and deadlines for originating service providers (OSPs), such as wireless carriers, to deliver 911 calls to NG911 systems, among other requirements. *See Facilitating Implementation of Next Generation 911 Services (NG911) et al.*, PS Docket Nos. 21-479 et al., Report and Order, 39 FCC Rcd 8137 (2024) (*NG911 Order*). The *NG911 Order* also establishes the demarcation point for assigning cost responsibilities for OSPs to deliver 911 traffic to NG911 systems and for 911

<sup>&</sup>lt;sup>55</sup> 47 U.S.C. § 151.

<sup>&</sup>lt;sup>57</sup> See, e.g., Letter from Tamar E. Finn and J.G. Harrington, Counsel to Bandwidth Inc. and Bandwidth.com, to Marlene Dortch, Secretary, FCC, WC Docket No. 25-158, at 1-2 (rec. May 5, 2025) (requesting that, before carriers are allowed to discontinue interconnecting facilities, "[a]t a minimum, the Commission should afford affected companies [needing to route 911 calls] sufficient time to seek out and obtain substitute facilities or to transition to IP-based interconnection"); Intrado Life & Safety, Inc. Comments, WC Docket No. 25-158 (rec. Apr. 24, 2025).

such as whether to extend application of the no-customer rule<sup>58</sup> to the emergency discontinuance context in cases in which customers migrate to other services while their provider attempts to restore their existing service. Finally, we undertake a long-overdue broad review of specific outdated discontinuance regulations to determine whether any existing rules have become fully obsolete in this modern communications era.

- 22. Section 214(a) of the Act provides that a carrier may not discontinue, reduce, or impair a telecommunications service without Commission authorization.<sup>59</sup> In evaluating whether to grant such authorization, the Commission must determine whether the discontinuance would adversely impact the public interest.<sup>60</sup> All applicants seeking to discontinue a service on a streamlined basis are required to file a section 214 application in accordance with the Commission's rules governing notice, opportunity for comment, review, and processing requirements.<sup>61</sup> Such applications are automatically granted on a specified date unless the Bureau has notified the applicant that the grant will not be automatically effective.<sup>62</sup> The Bureau will generally authorize the discontinuance "unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience is otherwise adversely affected."<sup>63</sup>
- 23. Technology Transitions Discontinuances. In the 2016 Technology Transitions Order, the Commission adopted an updated approach for section 214 applications involving technology transitions, 64 having determined that the adequacy of the replacement service has "heightened importance" in the context of technology transitions. 65 It thus established the three-prong Adequate Replacement Test, which a carrier must meet to be eligible for streamlined treatment and automatic grant for their own

<sup>&</sup>lt;sup>58</sup> 47 CFR § 63.71(g).

<sup>&</sup>lt;sup>59</sup> 47 U.S.C. § 214(a). Section 214(a)'s discontinuance obligations apply to interstate voice and data telecommunications services, but not to services provisioned by a carrier that fall outside of the purview of Title II of the Act, such as information services or data or other services offered on a private carriage basis. *See Second Wireline Infrastructure Order*, 33 FCC Rcd at 5662, para. 6. While the Commission has not categorized interconnected VoIP as either a telecommunications service or an information service, it extended the section 214(a) discontinuance obligations to include that service. *See IP-Enabled Services*, WC Docket No. 04-35, Report and Order, 24 FCC Rcd 6039 (2009).

<sup>&</sup>lt;sup>60</sup> 47 U.S.C. § 214(a) (providing that "[n]o carrier shall discontinue, reduce, or impair service to a community, or part of a community, unless and until there shall first have been obtained from the Commission a certificate that neither the present nor future public convenience and necessity will be adversely affected thereby").

<sup>&</sup>lt;sup>61</sup> 47 CFR § 63.71(a)-(b).

<sup>&</sup>lt;sup>62</sup> *Id.* § 63.71(f)(1). Under such streamlined processing, a discontinuance application is automatically granted on the 31st day (for non-dominant carriers) or the 60th day (for dominant carriers) after the Bureau accepts the application for filing. *Id.* The Bureau has the discretion to remove an application from streamlined processing "when the public interest demands a more searching review." *2016 Technology Transitions Order*, 31 FCC Rcd at 8300, para. 51, 8303, para. 61.

<sup>&</sup>lt;sup>63</sup> See 47 CFR § 63.71(a)(5)(i)-(ii). In evaluating whether "the public convenience and necessity is otherwise adversely affected" by the discontinuance, the Commission has long applied a five-factor balancing test. This test analyzes: (1) the financial impact on the common carrier of continuing to provide the service; (2) the need for the service in general; (3) the need for the particular facilities in question; (4) increased charges for alternative services; and (5) the existence, availability, and adequacy of alternatives. 2016 Technology Transitions Order, 31 FCC Rcd at 8304, para. 62; Applications for Authority Pursuant to Section 214 of the Communications Act of 1934 to Cease Providing Dark Fiber Service, Memorandum Opinion and Order, 8 FCC Rcd 2589, 2600, para. 54 (1993), remanded on other grounds, Southwestern Bell v. FCC, 19 F.3d 1475 (D.C. Cir. 1994).

<sup>&</sup>lt;sup>64</sup> The Commission defines a "technology transition" as "any change in service that would result in the replacement of a wireline TDM-based voice service with a service using a different technology or medium for transmission to the end user, whether internet Protocol (IP), wireless, or another type." 47 CFR § 63.60(i).

<sup>65 2016</sup> Technology Transitions Order, 31 FCC Rcd at 8304, para. 62.

replacement service.<sup>66</sup> With this test, the Commission sought "to minimize uncertainty or confusion that could slow or even discourage technology transitions."<sup>67</sup>

24. In the June 2018 Second Wireline Infrastructure Order, in furtherance of its commitment to accelerate the transition to next-generation networks and advanced communications services, the Commission amended its technology transitions discontinuance rules to provide an additional, more streamlined option, the Alternative Options Test, for carriers seeking to discontinue legacy voice services. An application filed by a carrier meeting these requirements shall be automatically granted on the 31st day after filing unless the Commission has notified the applicant otherwise. 9

### 1. Reexamining the Technology Transitions Discontinuance Process

25. We first propose replacing the Adequate Replacement Test and the Alternative Options Test with one rule that would apply to all technology transition discontinuance applications. We next seek comment on two alternatives to this approach, namely: (1) eliminating the tests and the technology transition discontinuance distinction altogether; or (2) granting forbearance relief in certain contexts. We also seek comment more generally on whether there are additional ways in which we might further streamline the discontinuance process for carriers choosing to discontinue legacy voice services beyond those we describe below. We encourage commenters to be as specific as possible and to support any proposals with as much evidence as is available.

# a. Replacing the Adequate Replacement Test and the Alternative Options Test with One Simplified Rule

26. We propose to replace both the Adequate Replacement Test and the Alternative Options Test with one consolidated rule applicable to all technology transitions discontinuance applications. Specifically, we propose that an application to discontinue an existing retail service as part of a technology transition be eligible for streamlined processing if the applicant certifies that one or more of

<sup>66</sup> Under the Adequate Replacement Test, technology transitions discontinuance applications must: (1) demonstrate that an adequate replacement for their voice service exists "by either certifying or showing, based on the totality of the circumstances, that one or more replacement service(s) . . . offers substantially similar levels of network infrastructure and service quality"; (2) "show the replacement service complies with regulations regarding the availability and functionality of 911 service for consumers and public safety answering points"; and (3) show that the replacement service "offers interoperability with key applications and functionalities." 47 CFR § 63.602(b). Applicants relying on a third-party replacement service rather than their own replacement service are allowed to make a *prima facie* showing based on publicly available information that the third-party service is an adequate replacement. 2016 Technology Transitions Order, 31 FCC Rcd at 8312, para. 86.

<sup>&</sup>lt;sup>67</sup> *Id.* at 8307, para. 70.

Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84, Declaratory Ruling, Order on Reconsideration, and Order, 35 FCC Rcd 11750, 11752, para. 7 (WCB 2020) (Third Wireline Infrastructure Order). Under the Alternative Options Test, an application seeking to discontinue a legacy retail voice service as part of a technology transition is eligible for streamlined treatment if (1) the applicant offers a stand-alone interconnected VoIP service throughout the affected service area, and (2) at least one other alternative stand-alone facilities-based wireline or wireless voice service is available from another unaffiliated provider throughout the affected service area, unless the Commission notifies the applicant otherwise. 47 CFR § 63.71(f)(2)(ii). A service is "stand-alone" if a customer is "not required to purchase a separate broadband service to access the voice service." The Commission's rules exempt a carrier from the requirement to include in its application a certification or showing that it satisfies the adequate replacement test for streamlined processing if the carrier satisfies both prongs of the Alternative Options Test. See id. § 63.71(h). Where only one potential replacement service exists, a carrier must meet the more rigorous demands of the Adequate Replacement Test in order to receive streamlined treatment of its discontinuance application. See supra note 66; see also Second Wireline Infrastructure Order, 33 FCC Rcd at 5675, para. 34.

<sup>69 47</sup> CFR § 63.71(f)(1).

the following replacement services exists throughout the affected service area: (1) a facilities-based interconnected VoIP service; (2) a facilities-based mobile wireless service; (3) a voice service offered pursuant to an obligation from one of the Commission's modernized high-cost support programs; (4) a voice service that has been available from the applicant throughout the affected service area for the previous six months and for which the carrier has at least a certain number of existing subscribers; or (5) a widely adopted alternative voice service. We seek comment on this proposal.

- 27. Proposal generally. We first seek comment on our proposal generally. Do commenters agree that we should replace both the Adequate Replacement Test and the Alternative Options Test with a single, consolidated rule applicable to all technology transition discontinuance applications? Should we retain the definition of "technology transition" in section 63.60(i) of our rules, 70 or should we adopt a different definition. If commenters believe we should adopt a different definition, what should that definition be? Do commenters believe either the Adequate Replacement Test or the Alternative Options Test—whether with possible targeted revisions as contemplated below, or as they stand today—provides any benefit to carriers seeking to discontinue legacy voice services as part of a technology transition, or to consumers? We note that in spite of the Commission's goal that consumers receive the benefits of technology transitions with "all reasonable efficiency," the first discontinuance application seeking streamlined processing under the Adequate Replacement Test without relying on the existence of a third-party cable VoIP service was filed in July 2024, almost eight years after the Commission adopted the test, and six years after its effective date. 12 Is this evidence that the Adequate Replacement Test, rather than supporting the Commission's goal of accelerating the transition to IP-based voice services, actually "impede[s] the industry from a prompt transition to newer technologies"?
- We seek comment on whether the Alternative Options Test has had the intended effect of "[r]emoving regulatory barriers causing unnecessary costs or delay when carriers seek to transition from legacy networks and services to broadband networks and services," or whether, as USTelecom argues, it has "fallen short of the Commission's intent"? As discussed further below, the Bureau concurred with USTelecom's assertion that "in the nearly seven years since the Alternative Options Test . . . was adopted, the Wireline Competition Bureau . . . has found that presumptive streamlined treatment under the . . . test was available only eight times" and thus adopted a limited waiver of the word "stand-alone" in the Alternative Options Test. To commenters think this waiver is sufficient to enable the test, as USTelecom states, "to align . . . with the Commission's aims"? Or, would the replacement of both this test and the Adequate Replacement Test with a single, consolidated rule more effectively accelerate and

<sup>&</sup>lt;sup>70</sup> *Id.* § 63.60(i).

<sup>&</sup>lt;sup>71</sup> 2016 Technology Transitions Order, 31 FCC Rcd at 8309, para. 76.

<sup>&</sup>lt;sup>72</sup> Technology Transitions et al., GN Docket No. 13-5 et al., Final Rule; Announcement of Effective Date, 83 Fed. Reg. 36467 (2018); Comments Invited on AT&T's Section 214 Application to Grandfather and Discontinue Legacy Voice Service as Part of a Technology Transition, WC Docket No. 24-220, Public Notice, DA 24-1158 (WCB Nov. 20, 2024) (accepting AT&T's application for filing and establishing an automatic grant date of December 21, 2024).

<sup>&</sup>lt;sup>73</sup> 2016 Technology Transitions Order, 31 FCC Rcd at 8305, para. 64; see Testing Clarification Order, DA 25-250 at 4, para. 7 ("We believe that confusion . . . has prevented carriers from pursuing technology transition discontinuances under the Adequate Replacement Test.").

<sup>&</sup>lt;sup>74</sup> Second Wireline Infrastructure Order, 33 FCC Rcd at 5660, para. 1.

<sup>&</sup>lt;sup>75</sup> USTelecom Petition at 2.

<sup>&</sup>lt;sup>76</sup> *Id.* at 2 (citing eight Bureau-level Accepted for Filing notices).

<sup>&</sup>lt;sup>77</sup> Stand-Alone and Single Service Waiver Order at 7, para. 10 ("We therefore conclude that the waiver of the standalone requirement is appropriate and needed at this time to 'allow the alternative options test to be a meaningful path to streamlining, as the Commission intended." (quoting USTelecom Petition at 9)).

<sup>&</sup>lt;sup>78</sup> USTelecom Petition at 5.

streamline the technology transitions discontinuance process while providing adequate protection to consumers? We also seek comment on the extent to which our proposal ensures that subscribers maintain ready access to emergency services via 911.

- Specified replacement services. We seek comment on our proposal to adopt five specific options for services that would each satisfy the applicant's requirement to certify that a replacement service exists throughout the affected service area.<sup>79</sup> Would adopting any of the options enumerated above adversely impact the current or future public convenience and necessity?80 In 2016, the Commission declined to adopt presumptions or exclusions regarding specific types of replacement services "because our public interest analysis demands that applicants provide objective evidence showing a replacement service will provide quality service and access to needed applications and functionalities."81 The Commission also noted that "it is critical that we retain the ability to examine each discontinuance application given the potential for variability in different implementations of the same technology," adding that "[t]he same technology could nonetheless utilize different features, be produced by different vendors with different methodologies, and use different quality measurement techniques, any of which could result in varied service quality and thus lead to potential interoperability issues."82 Do commenters agree that, over the course of nearly a decade, these concerns have become less relevant or irrelevant? In 2018, the Commission considered whether to replace the Adequate Replacement Test with a simple requirement that a discontinuing carrier show that any fixed or mobile voice service, including interconnected VoIP, is available to qualify for streamlined treatment.<sup>83</sup> The Commission declined to do so, stating that such a rule would "fail[] to ensure the availability of a voice replacement service in the community as a condition to obtaining streamlined treatment that sufficiently addresses commenters' concerns . . . about the characteristics of the replacement voice service, and [would] not carry the added benefit of ensuring the availability of multiple alternatives to affected customers, whether present or future."84 Given the state of the voice service marketplace today, are such concerns still relevant?85 If so, do commenters think that our proposed rule, including any or all of the proposed options, addresses these concerns? Are the answers to these questions the same when the customers include critical infrastructure industries and government agencies that provide or support critical operations or services?
- 30. Adequacy of facilities-based interconnected VoIP service. We seek comment on adopting a rule establishing that facilities-based interconnected VoIP service is an adequate replacement for purposes of eligibility for streamlined processing. In adopting the Alternative Options Test, the Commission noted that "the stand-alone interconnected VoIP service option required to meet the . . . test embodies managed service quality and underlying network infrastructure, and disabilities access and 911 access requirements . . . . "86 In the Stand-Alone and Single Service Waiver Order, however, the Bureau pointed to the improvements in technology and the "new and innovative communications technologies

<sup>&</sup>lt;sup>79</sup> As is already the case under our rules, customers would have the opportunity to comment on or object to the discontinuance application, 47 CFR § 63.71(a)(5), and Commission staff would have the discretion to remove an application from streamlined processing if they determine the application requires a more thorough review.

<sup>80</sup> See 47 U.S.C. § 214(a).

<sup>&</sup>lt;sup>81</sup> 2016 Technology Transitions Order, 31 FCC Rcd at 8308-09, para. 75. The Commission noted that 911 service is a critical application that must remain available and fully functional as part of any technology transition. *Id.* at 8307-08, para. 72.

<sup>82</sup> Id. at 8309, para. 75.

<sup>83</sup> Second Wireline Infrastructure Order, 33 FCC Rcd at 5675, para. 35.

<sup>&</sup>lt;sup>84</sup> *Id.* at 5675-76, para. 35.

<sup>&</sup>lt;sup>85</sup> See, e.g., Stand-Alone and Single Service Waiver Order at 6, para. 10 (noting that "rapid changes in the marketplace mean that consumers now have access to a wide array of voice services").

<sup>&</sup>lt;sup>86</sup> Second Wireline Infrastructure Order, 33 FCC Rcd at 5675, para. 34.

and bundled service offerings that benefit consumers" that have come about since that time in waiving the Alternative Options Test's stand-alone requirement. To subscribers to facilities-based interconnected VoIP service have comparable access to services used by individuals with disabilities and to 911? For example, how accurate is the caller location information that these interconnected VoIP services transmit to PSAPs in comparison with legacy wired voice services? And do commenters agree that the availability of "apps running solely on data networks" "obviat[e] the need or desire for stand-alone voice service"? Bureau also pointed to evidence in the record that facilities-based interconnected VoIP service compares favorably in price on average to legacy voice services. Do commenters agree that facilities-based interconnected VoIP service is an adequate replacement service for legacy voice service? Do commenters believe that facilities-based interconnected VoIP service has inherent benefits or drawbacks compared to legacy voice service? If so, please state with specificity the characteristics leading to this conclusion. Do commenters consider the state of competition for facilities-based interconnected VoIP service to be strong in most localities? Are there any drawbacks to adopting this rule?

31. Adequacy of facilities-based mobile wireless service. We seek comment on our proposed rule establishing that a facilities-based mobile wireless service is an adequate replacement for purposes of eligibility for streamlined processing. Mobile telephony (mobile voice) service is a real-time, two-way switched voice service that is interconnected with the public switched network using an in-network switching facility that enables the provider to reuse frequencies and accomplish seamless handoff of subscriber calls. As of December 2023, there were approximately 386.1 million mobile voice subscriptions in the United States. According to preliminary data from the Centers for Disease Control and Prevention, as of December 2023, more people continue to live in wireless-only homes across all age groups. The Commission thus noted recently that "consumers continue to rely more heavily on mobile wireless services" and that, "thus, they have become an essential part of everyday life." The

<sup>&</sup>lt;sup>87</sup> Stand-Alone and Single Service Waiver Order at 5-6, para. 9 (noting that "[t]he proliferation of interconnected VoIP providers in the marketplace has 'brought advanced communications services to the marketplace to the benefit of consumers,' and ensures that strong competition for IP-based voice service exists in every locality with broadband access"); id. at 8, para. 12 n.59 (stating that interconnected VoIP service benefits consumers by providing "access to advanced protocols and technologies . . . such as STIR/SHAKEN, which helps protect consumers from illegally spoofed robocalls, and NG911 which will help save lives by ensuring faster call delivery to 911 call centers, improved service reliability, and more accurate caller location as well as support the transmission of text, photos, videos and data").

<sup>&</sup>lt;sup>88</sup> *Id.* at 6, para. 9.

<sup>&</sup>lt;sup>89</sup> *Id.* at 4, para. 5 n.28 (citing USTelecom Petition at 11-13 (indicating that facilities-based voice service is available from certain providers through unlimited voice/text mobile plans at advertised prices of \$20 per month, or for \$5 per month more, customers can purchase unlimited data, and that depending on where customers live, they can purchase bundled voice and broadband options through providers for \$45 or \$50 per month as compared to, e.g., legacy voice prices of \$45, \$54 and \$87 per month)).

<sup>&</sup>lt;sup>90</sup> The Wireline Competition Bureau recently granted a technology transitions discontinuance application filed by a subsidiary of Lumen Technologies, Inc. seeking streamlined treatment under the Adequate Replacement Test in which Lumen provided a showing of a 4G LTE and 5G NR mobile broadband and voice wireless service as the adequate replacement service. *See* Section 63.71 Application of Qwest Corporation d/b/a CenturyLink QC, WC Docket No. 25-177 (filed May 16, 2025), <a href="https://www.fcc.gov/ecfs/document/105161318508154/1">https://www.fcc.gov/ecfs/document/105161318508154/1</a>. By proposing and seeking comment on a broader rule that a mobile wireless service is an adequate replacement to a legacy voice service, we consider whether and under what circumstances to more broadly enable discontinuing carriers to conduct a technology transition discontinuance with a type of mobile wireless service as the replacement service.

<sup>&</sup>lt;sup>91</sup> 2024 Communications Marketplace Report at 118, para. 155.

<sup>&</sup>lt;sup>92</sup> *Id.* at 119, para. 158.

<sup>&</sup>lt;sup>93</sup> *Id.* at 119, paras. 158-59.

<sup>&</sup>lt;sup>94</sup> *Id.* at 44, para. 54.

Commission found that the three largest nationwide service providers in the marketplace have networks that they report "cover a substantial majority of the country—each reports covering at least 95% of the U.S. population and at least 68% of U.S. road miles with their 4G LTE networks, and at least 75% of the U.S. population and at least 35% of road miles with their 5G-NR networks at speeds of at least 7/1 Mbps."95 Do commenters agree that we should consider mobile wireless service as an adequate replacement for legacy voice service for purposes of the section 214 discontinuance streamlined process? What are the drawbacks, if any, of adopting this rule? If we adopt this rule, what showing should we require carriers to make to satisfy this prong of the test? The National Broadband Map reflects the coverage mobile service providers report to the FCC as part of the Broadband Data Collection. What data source(s), in addition to the availability data depicted on the National Broadband Map, are available for applicants and the Commission to use to determine whether a mobile wireless service is available throughout the affected service area?96 For example, can the Commission's publicly available mobile voice coverage data be used to support a carrier's showing as to the availability of mobile voice service in a given service area?<sup>97</sup> Are there any cognizable benefits of legacy voice service that are not met by mobile wireless service? Are there services used by persons with disabilities that cannot be replicated on mobile wireless services? We propose to exclude from the purview of the proposed rule iterations of mobile services earlier than 4G LTE. We seek comment on this proposal. Would replacement of a legacy voice service by a facilities-based mobile wireless service raise any concerns with respect to 911 emergency services?

32. Adequacy of facilities-based voice services funded by Commission modernized high-cost mechanisms. We seek comment on our proposed rule stating that a facilities-based voice service provided via funding from one of the Commission's modernized high-cost support mechanisms is an adequate replacement for the purposes of eligibility of streamlined processing. The Commission began modernizing its universal service high-cost support mechanisms in 2011 with the USF/ICC Transformation Order, which established the Connect America Fund. In that Order, the Commission required support recipients to offer broadband service in addition to the supported "voice telephony" service. In the intervening years, the Commission established additional mechanisms to support voice-

(continued....)

<sup>&</sup>lt;sup>95</sup> *Id.* at 45, para. 56.

<sup>&</sup>lt;sup>96</sup> See, e.g., Establishing the Digital Opportunity Data Collection; Modernizing the FCC Form 477 Data Program, WC Docket Nos. 19-195 and 11-10, Report and Order and Second Further Notice of Proposed Rulemaking, 34 FCC Rcd 7505 (2019).

<sup>&</sup>lt;sup>97</sup> See FCC, FCC National Broadband Map Data Download, <a href="https://broadbandmap.fcc.gov/data-download/nationwide-data">https://broadbandmap.fcc.gov/data-download/nationwide-data</a>.

<sup>&</sup>lt;sup>98</sup> The federal universal service high-cost program is designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service, both fixed and mobile, at rates that are reasonably comparable to those in urban areas. The program fulfills this universal service goal by allowing eligible carriers that serve these areas to recover some of their costs from the federal Universal Service Fund. FCC, *Universal Service for High Cost Areas—Connect America Fund*, https://www.fcc.gov/general/universal-service-high-cost-areas-connect-america-fund (last visited May 1, 2025).

<sup>&</sup>lt;sup>99</sup> See Connect America Fund et al., WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17695, 17696-702, paras. 87, 91-10517691-92, paras. 75-78 (2011) (*USF/ICC Transformation Order*) (establishing the Connect America Fund (CAF) and requiring recipients of CAF Phase I support to offer broadband service with speeds of at least 4/1 Mbps in most areas, with latency sufficiently low to enable the use of real-time communications (defining "voice telephony" as the supported service and describing its core functionalities). The Commission requires recipients of CAF Phase II support "to offer broadband service with latency suitable for real-time applications, including Voice over Internet Protocol [VoIP], and usage capacity that is reasonably comparable to comparable offerings in urban areas, at rates that are reasonably comparable to rates for comparable offerings in urban areas." 47 CFR § 54.309(a); see also id. § 54.309(a)(2)(i)-(v) (setting forth speed and latency requirements for different performance tiers); Connect America Fund et al., WC Docket Nos. 10-90 et al.,

and broadband-capable networks, including, among others, the Rural Digital Opportunity Fund (RDOF) and the 5G Fund. The Support recipients of these mechanisms must offer voice telephony at rates that are reasonably comparable to urban rates and must report compliance with their deployment obligations showing where they have built out the required facilities and offer voice and broadband service. The Commenters agree that we should adopt this rule? Should we limit the rule to voice service provided through specific funding mechanisms? If so, which ones and why? Is pricing for newly deployed services similar to what consumers were paying for similar legacy services? We do not propose to extend this option to include legacy high-cost support mechanisms that do not contain the same deployment reporting obligations as the modernized mechanisms. Do commenters agree with this limitation? Should we exclude from consideration voice service provided pursuant to any other high-cost support mechanisms, and if so, why? If we adopt this rule, what data source(s) should the Commission and applicants use to determine whether a particular area has voice service provided via funding from one of the modernized high-cost support mechanisms?

- Adequacy of a carrier's already available alternative voice service. As noted above, our proposed rule states that where a carrier has already made available its own alternative voice service throughout the affected service area for a specific period of time, and for which the carrier has at least a certain number of existing subscribers, the service is an adequate replacement for the service being discontinued in that area. We propose to conclude that a minimum time period of the immediately preceding 6 months of service availability throughout the affected service area would adequately balance the need to ensure a service is stable and satisfactory to customers and the Commission's goal of ensuring that carriers can rapidly transition their resources and investments to such next-generation services. Do commenters agree with this proposed conclusion? We propose to conclude that at least 50 percent of the carrier's total voice service customer base in the affected service area must be subscribed to this already available alternative voice service. Do commenters agree with this proposed conclusion? Should the percentage instead be based on the total voice lines in the affected service area regardless of provider? Should we adopt a specific subscriber count for the replacement service rather than a percentage of the carrier's total voice service customer base in the affected service area? Should we limit the analysis to residential subscribers or also include enterprise subscribers? How would this approach affect smaller and larger carriers, and would it affect more densely populated service areas differently than service areas with lower population density? We propose, should we adopt such a rule, to require carriers to describe the replacement service and certify that it meets the time period and subscriber count or penetration requirements.
- 34. Widely adopted alternative voice service. We seek comment on our proposed rule stating that a widely adopted alternative voice service that exists through an affected service area is an adequate replacement for the purposes of eligibility of streamlined processing. How should we define "widely adopted" for purposes of this rule? Should "widely adopted" relate to the number of subscribers of a given service, or a certain proportion of the service area's total number of subscribers to voice services?

100 See Rural Digital Opportunity Fund et al., WC Docket Nos. 19-126 et al., Report and Order, 35 FCC Rcd 686, 689, para. 3 (2020); Establishing a 5G Fund for Rural America, GN Docket No. 20-32, Report and Order, 35 FCC Rcd 12174, 12176, para. 4 (2020) (5G Fund Order) (will distribute up to \$9 billion over this decade to support voice and 5G broadband service); Emergency Broadband Benefit Program, WC Docket No. 20-445, Report and Order, 36 FCC Rcd 4612 (2021) (establishing the Emergency Broadband Benefit program); Affordable Connectivity Program et al., WC Docket Nos. 21-450 et al., Report and Order and Further Notice of Proposed Rulemaking, 37 FCC Rcd 484 (2022) (adopting final rules for the Affordable Connectivity Program, which built upon the Emergency Broadband Benefit program, to offer eligible low-income households discounts off the cost of broadband service and connected devices).

<sup>&</sup>lt;sup>101</sup> See 47 CFR § 54.316(c); USF/ICC Transformation Order, 26 FCC Rcd at 17693, para. 81.

Given that this test would only apply in the case of a technology transition, should we make clear that the relevant subscriber population in a given service area is the population that subscribes to non-legacy voice services as measured by living units, assuming such information can be easily extrapolated from the Commission's collected data? What data sources would a provider use to demonstrate that the alternative voice service is widely adopted? Do commenters believe a different definition or measurement would be more appropriate or less burdensome? If so, please provide as detailed an explanation as possible of such alternative definition or measurement. In the case of a service area that has a plurality of alternative voice services, what showing should we require discontinuing carriers to make to meet the "widely adopted" threshold? Should we instead require discontinuing carriers to provide a showing that the proportion of total subscribers of voice service in a given service area that subscribe to the discontinuing service is a minority? What, if any, other limitations should we place on such a rule?

- Reliability and access to emergency services. We seek comment on whether our proposed consolidated rule replacing the Adequate Replacement Test and the Alternative Options Test should address the reliability of the replacement service and its ability to provide access to emergency services, including access by persons with disabilities, and, if so, how. The Adequate Replacement Test includes requirements that the replacement service "offer[] substantially similar levels of network infrastructure and service quality," and "compl[v] with regulations regarding the availability and functionality of 911 service for consumers and public safety answering points." The Alternative Options Test addresses reliability by virtue of the "stand-alone" requirement (currently waived by the Bureau<sup>103</sup>) and access to emergency services by virtue of its requirement that the discontinuing carrier offer interconnected VoIP service, which is subject to such requirements. 104 Given advancements in technology and the robust state of competition for next-generation services such as interconnected VoIP, what concerns, if any, do commenters have regarding the reliability of next-generation services? We note that some next-generation services, such as interconnected VoIP, enable advanced functionalities such as next-generation 911 (NG911). 105 Do commenters have any concerns about the quality, reliability, or 911 capabilities of interconnected VoIP, mobile wireless, or satellite services specifically, as compared with fixed wireline services? Should we adopt requirements regarding the provision of access to emergency services? Given that providers of interconnected VoIP and CMRS are already subject to our part 9 rules, would adopting a requirement for end-user access to emergency services capabilities for interconnected VoIP and CMRS be unnecessary? Why or why not?
  - b. Eliminating the Technology Transitions Discontinuance Distinction Entirely and Applying Streamlined Processing to All Discontinuance Applications
- 36. As an alternative to our proposal to replace the Adequate Replacement Test and Alternative Options Test with a single, consolidated rule for technology transitions discontinuances, we seek comment on whether we should instead eliminate the technology transitions distinction entirely and make all technology transitions discontinuance applications eligible for streamlined processing, pursuant

<sup>103</sup> See Stand-Alone and Single Service Waiver Order at 5, paras. 8-9 (noting that the Commission adopted the "stand-alone" requirement of the Alternative Options Test in 2018 "to ensure the availability of replacement service options that 'provide comparable network quality and service performance' to the service being discontinued[,]" but concluding that, "[s]ince that time, the technology has improved").

<sup>&</sup>lt;sup>102</sup> 47 CFR § 63.602(b).

<sup>&</sup>lt;sup>104</sup> See 47 CFR § 9.1 ("The purpose of this part is to set forth the 911, E911, and Next Generation 911 service requirements and conditions applicable to . . . interconnected Voice over internet Protocol (VoIP) providers.").

<sup>&</sup>lt;sup>105</sup> See NG911 Order, 39 FCC Rcd at 8144, para. 14. The Commission has found that NG911 will help save lives by ensuring faster call delivery to 911 call centers, improved service reliability, and more accurate caller location as well as support the transmission of text, photos, videos, and data. *Id.* 

to section 63.71(f)(1) of our rules. <sup>106</sup> Before 2016, all discontinuance applications were automatically eligible for streamlined processing. <sup>107</sup> As noted above, the Commission concluded in 2016 that applications seeking to discontinue a legacy voice service warranted enhanced scrutiny due to particular concerns regarding the availability of an adequate replacement service. <sup>108</sup> Does this reasoning apply today? Or has the communications marketplace and the state of competition sufficiently evolved such that the distinction between legacy voice services and more advanced communications services has largely been rendered unnecessary for purposes of evaluating the impact of a discontinuance on the public convenience and necessity, such that all discontinuance applications should be eligible for streamlined processing under current section 63.71(f)(1) of our rules?

#### c. Forbearance

- As an alternative to revising our rules, we seek comment on whether we should forbear, 37. on our own motion, from applying section 214 discontinuance requirements with respect to the discontinuance of legacy voice service in some or all of the following specific instances: (1) where the discontinuing carrier has deployed a replacement network, such as fiber or fixed wireless, in the affected area over which it offers interconnected VoIP service; (2) where interconnected VoIP service is available from either the discontinuing carrier or a third-party provider throughout the affected area; (3) where voice service is available from at least one facilities-based mobile wireless service provider throughout the affected area; (4) where the discontinuing carrier has deployed a replacement voice service throughout the affected area for a specified period of time and for which the carrier has a certain number of existing subscribers; (4) where there is fixed terrestrial broadband with speeds of at least 25/3 Mbps and latency of no more than 100 milliseconds (ms) throughout the affected area; 109 and (5) where there is low earth orbit satellite broadband service with speeds of at least 25/3 Mbps and latency of no more than 100 ms throughout the affected area. Alternatively, should we forbear from applying the discontinuance requirements in section 214 and our rules with respect to all applications to discontinue any type of service, without qualification?
  - 38. The Act requires us to forbear from applying any requirement of the Act or of our

<sup>&</sup>lt;sup>106</sup> Streamlined treatment of a discontinuance application entails the automatic grant of a discontinuance application on a specific date unless the Bureau has notified the applicant that the grant will not be automatically effective. 47 CFR § 63.71(f)(1). Under such streamlined processing, a discontinuance application is automatically granted on the 31st day (for non-dominant carriers) or the 60th day (for dominant carriers) after the Bureau accepts the application for filing. *Id.* Customers that have concerns may still file comments or objections to that carrier's discontinuance application, and the Commission will evaluate those comments or objections to determine whether to remove the application at issue from streamlined processing for further evaluation under the traditional five-factor test. *Second Wireline Infrastructure Order*, 33 FCC Rcd at 5677, para. 37. Applications that are removed from streamlined processing are subject to review under a five-factor balancing test. *See*, *e.g.*, *Verizon Telephone Companies Section 63.71 Application to Discontinue Expanded Interconnection Service Through Physical Collocation*, WC Docket No. 02-237, Order, 18 FCC Rcd 22737, 22742, para. 8 (2003).

<sup>&</sup>lt;sup>107</sup> See 2016 Technology Transitions Order, 31 FCC Rcd at 8303-05, paras. 61, 64.

<sup>&</sup>lt;sup>108</sup> *Id.* at 8306-07, para. 69, 72.

<sup>&</sup>lt;sup>109</sup> The Commission has previously found 25/3 Mbps and latency of no more than 100 ms sufficient to support overthe-top VoIP. *See* FCC, *Broadband Speed Guide*, <a href="https://www.fcc.gov/consumers/guides/broadband-speed-guide">https://www.fcc.gov/consumers/guides/broadband-speed-guide</a> (last updated July 18, 2022) (stating that a minimum download speed of less than 0.5 Mbps is required to conduct VoIP calls); *Connect America Fund*, WC Docket No. 10-90, Order on Reconsideration, 34 FCC Rcd 10109, 10130, para. 56 (2019) ("Based on the standard adopted by the Commission in 2011, WCB used ITU calculations and reported core latencies in the contiguous United States in 2013 to determine that a latency of 100 ms or below was appropriate for real-time applications like VoIP."). Over-the-top VoIP is a type of VoIP traffic routed to or from an end user "over the top" of a broadband connection provided by a third party. *See Connect America Fund et al.*, Declaratory Ruling, 30 FCC Rcd 1587, 1588, 1592, paras. 2, 11 n.35 (2015), *vacated and remanded on other grounds sub nom. AT&T Corp. v. FCC*, 841 F.3d 1047 (D.C. Cir. 2016).

regulations to a telecommunications carrier or telecommunications service if we determine that: (1) enforcement of the requirement is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory; (2) enforcement of that requirement is not necessary for the protection of consumers; and (3) forbearance from applying that requirement is consistent with the public interest. In making the public interest determination, we must also consider, pursuant to section 10(b) of the Act, "whether forbearance from enforcing the provision or regulation will promote competitive market conditions." We seek comment on whether forbearing from all discontinuance requirements under section 214(a) and the Commission's implementing rules in any or all of the situations described above would satisfy each of these statutory criteria.

- 39. Ensuring practices are just and reasonable (section 10(a)(1)). Is maintaining the requirement to obtain discontinuance authorization in any or all of the scenarios laid out above necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that carrier or service are just and reasonable and are not unjustly or unreasonably discriminatory? Is maintaining these requirements necessary to ensure that the charges, practices, classifications, and regulations by, for, or in connection with a carrier or service are just and reasonable and not unjustly or unreasonably discriminatory in *some* of the situations we have described above, but not others? If so, for which of these scenarios is maintaining the requirement to obtain discontinuance authorization necessary, and for which is it unnecessary? Why?
- 40. We seek comment on whether, in instances where a replacement service already exists throughout the affected service area, we should conclude that it necessarily follows that section 214(a) discontinuance processes are not required to ensure just and reasonable and nondiscriminatory terms of service. In such instances, any customers of the legacy voice services being discontinued are free to transition to the replacement service offered by their existing carrier or a third-party provider. Given the state of competition in the marketplace, would a discontinuance involving any of these scenarios provide incentives for new carriers to serve customers following the discontinuance? Are there areas where, despite the broad scope of wireless and satellite service offerings, no alternative services exist, and if so, should the section 214 discontinuance process remain unchanged for those areas?
- 41. Protection of consumers (section 10(a)(2)). Is enforcement of section 214(a)'s requirements, as well as the requirements of the Commission's implementing rules, necessary to protect consumers in any or all of the situations described above? Is it necessary to maintain any protections for consumers regarding the notice or amount of time that must be allowed for customers to transition to alternative services in response to a planned discontinuance? What if a replacement service from the same carrier already exists? What if that replacement service is interconnected VoIP, whether offered by the discontinuing carrier or a third party? Would these circumstances ensure that communities are not deprived of critical links to the larger public communications infrastructure? What if the replacement service is mobile wireless or satellite-based? How should consumers be advised of the different technologies available to them? We seek comment on the similarities and differences between either of these types of services and interconnected VoIP services with respect to their respective abilities to protect consumers. In particular, do these services provide the same levels of reliability, disability access, and access to emergency services? Are there material differences between various mobile wireless

<sup>112</sup> See, e.g., Lincoln Cty. Tel. Sys., Inc., Memorandum Opinion and Order, 81 F.C.C.2d 328, paras. 11-12 (1980) (citing the legislative history and observing that the original purpose of § 214(a)'s discontinuance provision was to prevent a loss of telegraph service to critical wartime institutions resulting from, for example, particular stations); Western Union Tel. Co. Petition for Order to Require the Bell System to Continue to Provide Group/Supergroup Facilities,, Memorandum Opinion and Order, 74 F.C.C.2d 293, 295-96 paras. 6-7 & n.4 (1979).

<sup>&</sup>lt;sup>110</sup> 47 U.S.C. § 160(a).

<sup>&</sup>lt;sup>111</sup> *Id.* § 160(b).

networks that we would need to consider in granting forbearance based on the existence of mobile wireless service in a particular geographic area? Does the Commission's most recent *Wireless E911 Location Accuracy Requirements Further Notice*<sup>113</sup> bear on this analysis? To what extent does the high adoption rate of wireless technologies and high percentage of wireless-only households undercut arguments against the suitability of mobile wireless as a replacement service?<sup>114</sup> Should any forbearance based on the presence of satellite-based replacement services be limited to services provisioned by lowearth orbit satellites? Many markets have already made similar transitions. Are there specific patterns of consumer protection issues that arose during those transitions? If so, what steps can the Commission take to mitigate those issues during future transitions? Should issues arise in their transition to replacement services, what avenues will consumers have to express their concerns? Would Commission outreach and consumer education help to reduce the potential for consumer harm during a transition?

- Consistent with the public interest (section 10(a)(3)). Is forbearance from applying these requirements in any or all of the scenarios described above consistent with the public interest? In which of those scenarios is it consistent with the public interest? In which is it inconsistent? How should we ensure that the public has an opportunity to raise objections or comments, if at all? Will forbearance from applying these requirements help promote competitive market conditions? We propose to conclude that forbearing from applying our section 214 discontinuance requirements in instances where a replacement service already exists will promote competitive market conditions by eliminating superfluous regulations that slow the transition to next-generation IP-based services and by enabling carriers to redirect resources away from legacy voice services—which are no longer competitive and are not in high demand—and toward maintaining and building out the next-generation IP-based services that consumers not only desire but have come to expect. We seek comment on these proposed conclusions. Would forbearance from section 214(a)'s discontinuance requirements in the context of any or all of the scenarios described above help speed the continuing transition to next-generation IP-based services and networks? Would forbearance from applying these requirements reduce unnecessary costs and burdens associated with discontinuing legacy voice networks and/or deploying next-generation IP-based services? Why or why not? We also seek comment on whether forbearance from applying section 214 requirements would affect consumers' access to emergency services. For example, what, if any, impact could it have on the delivery of 911 service to the extent that carriers and 911 authorities are still relying on TDM-based circuits and switches to route 911 calls during the transition to NG911?<sup>115</sup> What impact, if any, would forbearance have on the transition to NG911 itself, and why?<sup>116</sup> We also seek comment on whether forbearance from applying section 214 requirements would affect consumers' access to emergency services. Would the forbearance impact critical infrastructure industries and government agencies responsible for providing or supporting critical operations or services?
- 43. Forbearance conditions. Were we to grant forbearance relief in any of the scenarios described above, should we condition that forbearance in any respect? For example, in instances where the discontinuing carrier has deployed a replacement service throughout the affected area for a specified period of time and for which the carrier has a certain number of existing subscribers or penetration rate in the affected area, for what length of time should the replacement service have to be in place for forbearance to apply? How many existing subscribers or what penetration rate should the replacement

<sup>&</sup>lt;sup>113</sup> Wireless E911 Location Accuracy Requirements, PS Docket No. 07-114, Sixth Further Notice of Proposed Rulemaking, FCC 25-22 (2025) (seeking comment on a variety of proposals to improve the location accuracy of 911 calls).

<sup>&</sup>lt;sup>114</sup> See 2024 Communications Marketplace Report, at 119, para. 158 (reporting approximately 386.1 million mobile subscriptions in the U.S. based on December 2023 FCC Form 477 data).

<sup>&</sup>lt;sup>115</sup> See supra paras. 20 and 35.

<sup>&</sup>lt;sup>116</sup> See generally NG911 Order, 39 FCC Rcd 8137.

service be required to have in the affected area? Should any forbearance be conditioned on ensuring that there are no disruptions to critical infrastructure industry or government agency operations?

- 44. In instances where the discontinuing carrier has deployed a replacement network, such as fiber or fixed wireless, throughout the affected area over which it offers interconnected VoIP service, should we require that services provisioned over such replacement network be of comparable or superior quality to the service being discontinued? How would we define what constitutes "comparable or superior quality" in such instances?
- 45. In instances where fixed terrestrial broadband service with speeds of at least 25/3 Mbps and latency of no more than 100 ms is available throughout the affected area, are there further requirements we should consider, such as the length of time the fixed terrestrial broadband service has been in place or the number of subscribers it has?
- 46. In addition, or in the alternative, in any or all of the scenarios we have described above, should carriers be required to send notice to their customers informing them that their legacy voice service is being discontinued and what sort of replacement services, if any, are available throughout the affected area? Should it be transmitted via traditional mail, email, or some alternative means? Should the form of transmittal align with any communication preferences the consumer has indicated to their current service provider? What information would be included in any such notice? How far in advance of a planned discontinuance should the notice be sent to consumers? Should carriers be required to furnish the Commission or other governing bodies with some similar type of notice? What form should that notice take? Should it be formal or informal?

# 2. Targeted Revisions to Existing Technology Transitions Discontinuance Application Rules

47. In the event that we conclude that our proposal to replace both the Adequate Replacement Test and Alternative Options Test with a single, consolidated test for all technology transitions discontinuance applications is not appropriate, we seek comment on whether we should instead make more targeted revisions to either the Adequate Replacement Test or Alternative Options Test, or both.

### a. Adequate Replacement Test

- 48. We seek comment on whether, if we retain the Adequate Replacement Test for streamlined processing of technology transitions discontinuance applications, we should adopt certain revisions to that test. As noted above, the Commission adopted this test because it found that "clear, streamlined criteria will eliminate uncertainty that could potentially impede the industry from a prompt transition to newer technologies." Do commenters agree that the test has had these effects? If not, how has the test prevented the industry from undertaking such a prompt transition? Do certain prongs of the test pose barriers to rapidly seeking discontinuance authorizations for legacy services? If so, which ones, and how? Are certain prongs of the test unnecessary or redundant? If so, which ones, and how so?
- 49. Network Performance. We seek comment on whether we should codify the Bureau's waiver in the May 2025 Grandfathering and Technical Appendix Order <sup>119</sup> and the Bureau's clarification in the Testing Clarification Order <sup>120</sup> for all applications relying on the Adequate Replacement Test. Specifically, we seek comment on whether to eliminate the specified testing methodology and parameters adopted in the 2016 Technology Transitions Order for carriers to satisfy the test's network performance prong and instead codify the standard that the carrier need only show, based on the results of the carrier's

<sup>&</sup>lt;sup>117</sup> See 47 CFR § 63.602(b).

<sup>&</sup>lt;sup>118</sup> 2016 Technology Transitions Order, 31 FCC Rcd at 8305, para. 64.

<sup>&</sup>lt;sup>119</sup> May 2025 Grandfathering and Technical Appendix Order at 1, para. 1.

<sup>&</sup>lt;sup>120</sup> Testing Clarification Order at 1, para. 1.

routine internal testing or other types of network testing, that "the network still provides substantially similar performance and availability as the service being discontinued." <sup>121</sup>

- 50. As noted above, section 63.602(b)(1) of the Commission's rules requires an applicant seeking streamlined processing of its technology transitions discontinuance application to demonstrate, by either certifying or showing, based on the totality of the circumstances, that one or more replacement service(s) "offers substantially similar levels of network infrastructure and service quality as the service being discontinued." The Commission adopted this prong of the Adequate Replacement Test to ensure that a replacement service "is performing adequately enough to serve as a replacement for a legacy TDM service," and that the "customer experience with the replacement service that is substantially similar to the customer experience with the service being discontinued." In doing so, the Commission acknowledged that "a comparison between a legacy voice service and its potential replacement is not an apples-to-apples comparison," and that it would therefore evaluate "actual performance numbers . . . in a holistic manner to determine the overall network performance." In light of the developments in the voice services marketplace since the adoption of the Adequate Replacement Test in 2016, is compliance with the specific testing methodology and parameters in the Technical Appendix necessary for carriers to ensure that the replacement service offers "substantially similar levels of network infrastructure and service quality as the service being discontinued?" If so, why?
- We alternatively seek comment on whether we should eliminate the network performance prong of the Adequate Replacement Test altogether. As noted above, the Commission adopted the first prong of the Adequate Replacement Test to ensure that "the replacement service will perform as effectively as the legacy voice service." While the Commission acknowledged that, "[f]or most data communications, a packet-switched network (i.e., an IP network) is more efficient than a circuit-switched network (i.e., a TDM network) because a packet-switched network does not dedicate capacity for the duration of a particular call or session," it also cited a 2013 source that suggested that "real-time applications proceed far more smoothly in a circuit-switched environment, where bandwidth is guaranteed, than in a . . . packet-switched environment,' where there is extensive and constant competition for bandwidth."126 We seek comment on whether these concerns about the transmission of voice calls over IP-based networks still apply today. Are concerns regarding the specific network performance benchmarks established in the 2016 Technology Transitions Order<sup>127</sup> still relevant given extensive technological improvements in network infrastructure and design since 2016?<sup>128</sup> On the whole, have advances in network infrastructure mitigated these issues, and if so, how? Are latency and data loss still a concern? As the copper networks providing most legacy TDM-based voice connections become more and more outdated and as severe weather events increase in frequency and severity, do the more advanced and resilient networks, such as fiber, eliminate former concerns about a drop in network

<sup>&</sup>lt;sup>121</sup> 2016 Technology Transitions Order, 31 FCC Rcd at 8314, para. 91.

<sup>&</sup>lt;sup>122</sup> 47 CFR § 63.602(b)(1).

<sup>&</sup>lt;sup>123</sup> 2016 Technology Transitions Order, 31 FCC Rcd at 8314-15, paras. 91-92.

<sup>&</sup>lt;sup>124</sup> *Id.* at 8313-14, para. 90.

<sup>&</sup>lt;sup>125</sup> *Id.* at 8318, para. 97.

<sup>&</sup>lt;sup>126</sup> *Id.* at 8317, para. 96 n.256 (citing Jonathan E. Nuechterlein & Phillip Weiser, Digital Crossroads 169 (2d ed. 2013)).

<sup>&</sup>lt;sup>127</sup> See id. at 8318-21, para. 98-104 (establishing benchmarks of 100 ms or less for latency and less than 1 percent data loss).

<sup>&</sup>lt;sup>128</sup> See, e.g., Tyler Cooper, Low Latency, Low Loss, Scalable Throughput (L4S): A Technical Overview, BroadbandNow (Aug. 22, 2024), <a href="https://broadbandnow.com/guides/what-is-l4s">https://broadbandnow.com/guides/what-is-l4s</a> (explaining that L4S "is a transformative network technology standard aimed at enhancing internet traffic performance" which was "finalized in January 2023," and which "addresses the growing need for efficient, real-time data transmission essential for applications like online gaming, video conferencing, and VoIP").

performance when migrating to IP-based voice services? Given the vast majority of voice service connections use interconnected VoIP—a percentage that continues to grow rapidly—is this evidence that consumers no longer expect or have a need for the network performance characteristics of TDM-based legacy voice service? Do consumers have any lingering concerns regarding the network performance of advanced, next-generation IP-based voice services as compared to legacy TDM voice service connections, or does the continuing growth of interconnected VoIP indicate a consumer preference for the network performance characteristics of IP-based voice services?

- 52. *Interoperability requirement*. We next seek comment on whether we should eliminate the requirement that a technology transitions discontinuance application certify or show that a replacement service offers interoperability and compatibility with an enumerated list of applications and functionalities determined to be key for consumers and competitors.<sup>129</sup>
- 53. The Commission adopted this third prong of the Adequate Replacement Test because it recognized "the importance of specified key applications and functionalities that today are associated with legacy voice services, while at the same time recognizing that consumer preferences will evolve as part of technology transitions." The Commission also made clear that "carriers are not required to provide access to these capabilities in perpetuity," and stated that, after the planned sunset of its initial list of key applications in 2025, "the interoperability requirement will no longer be part of our Section 214 analysis." The Commission also described a framework for identifying whether other applications or functionalities not specifically identified in the list should receive similar status, and adopted a process for modifying the list. The Commission required applicants to "certify or make an appropriate showing that a replacement service offers interoperability and compatibility . . . with the list of key applications and functionalities." Interoperability and compatibility . . . with the list of key applications
- 54. We seek comment on whether this prong of the Adequate Replacement Test is needed or relevant today. Given consumers' rapid shift away from TDM-based services to IP-based services capable of supporting a vast array of applications, do consumers still have any interoperability concerns?<sup>135</sup> Are there any remaining TDM-based devices on which consumers rely for any reason and which cannot be replaced by effective IP-based solutions?
- 55. Are there specific concerns about using IP-based technologies, such as real-time text (RTT), as a replacement for analog text-based technologies, such as TTY, used by people with hearing or speech disabilities?<sup>136</sup> The Commission's rules require wireless providers to comply with RTT-TTY

<sup>&</sup>lt;sup>129</sup> See 47 CFR § 63.602(b)(3).

<sup>&</sup>lt;sup>130</sup> 2016 Technology Transitions Order, 31 FCC Rcd at 8341, para. 157.

<sup>&</sup>lt;sup>131</sup> *Id* 

<sup>&</sup>lt;sup>132</sup> *Id.* at 8345, para. 170. The Commission listed the following devices as key applications for the purposes of the interoperability requirement: fax machines, home security alarms, medical monitoring devices, analog-only caption telephone sets, and point-of-sale terminals. *Id.* at 8342, para. 159.

<sup>&</sup>lt;sup>133</sup> See id. at 8343-44, paras. 162-66.

<sup>&</sup>lt;sup>134</sup> *Id.* at 8344, para. 167.

<sup>&</sup>lt;sup>135</sup> See, e.g., Stand-Alone and Single-Service Waiver Order at 5-6, para. 9 (noting that, while as of June 2018 interconnected VoIP lines accounted for just 51% of all retail voice service connections, that number jumped to 75% by the end of 2023, while the number of switched access connections has dropped precipitously).

<sup>&</sup>lt;sup>136</sup> See Transition from TTY to Real-Time Text Technology; Petition for Rulemaking to Update the Commission's Rules for Access to Support the Transition from TTY to Real-Time Text Technology, and Petition for Waiver of Rules Requiring Support of TTY Technology, CG Docket Nos. 16-145 and 15-178, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 13568, 13575, paras. 8-9 (2016).

interoperability requirements, but do not require that all IP-based technologies support RTT.<sup>137</sup> Are there measures the Commission should take to promote the transition of all TTY users to functionally equivalent IP solutions? Are there reasonably reliable estimates of the approximate number of people in the United States, or in particular jurisdictions, that still use TTY and other analog text-based technologies? What are the primary barriers preventing their migration to IP-based technologies? How should the Commission ensure such users can continue to access telecommunications relay services (TRS) in areas where legacy TDM services have been discontinued? How should the Commission ensure that users of other analog forms of TRS (e.g., Speech-to-Speech Relay and Captioned Telephone Service) are not disconnected from services during a network transition? We note that, in December 2024, the Consumer and Governmental Affairs Bureau issued a public notice seeking comment on a White Paper submitted by State TRS programs, Accessibility Organizations, and academics, which argued that there is a "current compelling need for Federal and state policymakers to proactively adapt TRS obligations and programs to reflect the evolution of the country's analog telecommunications networks to IP-based networks."<sup>138</sup> Comments to the public notice were mixed, with some arguing that the use of legacy analog services is declining and the transition poses minimal problems, <sup>139</sup> while others argued that transitioning to IP-based networks risks leaving some users behind. 140 Does the Adequate Replacement Test still hold relevance specifically for users of analog TRS services? Are there other ways the Commission can protect TTY users during the transition to IP-based networks?

- 56. Single-Service Requirement. We next seek comment on whether we should remove the requirement that a single replacement service satisfy all three prongs of the Adequate Replacement Test. Section 63.602(b) of the Commission's rules requires applicants to show that a single replacement service (whether offered by the carrier or a third party) satisfies all three prongs of the test in order for the application to be eligible for streamlined treatment.
- 57. On March 20, 2025, the Bureau adopted an order waiving this requirement for a period of two years. The Bureau found that developments in the voice service marketplace and the large-scale adoption of broadband among consumers supported waiver of the single-service requirement. Specifically, the Bureau noted that the "shift among consumers away from managed, stand-alone voice service to bundled voice and broadband service, which supports a near-infinite variety of over-the-top services, applications, and functionalities obviates the need for a single voice service that satisfies all three prongs." The Bureau also found that waiver of the single-service requirement serves the public interest because it will help "free up carrier resources to devote to the development and deployment of next-generation networks." The Bureau also noted that the fact that some "technologically advanced VoIP services may only be available in bundles with broadband, text messaging, or some other service" should not preclude an adequate replacement finding if, as is often the case, consumers would pay either

<sup>&</sup>lt;sup>137</sup> See 47 CFR § 67.2(b).

<sup>&</sup>lt;sup>138</sup> Comment Sought on White Paper Regarding Transition of Analog Relay Services to Internet Protocol (IP)-Based Alternatives, CG Docket No. 03-123, Public Notice, DA 24-1209 (CGB 2024) (citing Accessibility Advocacy Organizations, "Transition of Legacy Relay Users Reliant on Analog to IP-Based Telephony Relay Solutions: A White Paper," CG Docket No. 03-123, at 1 (filed Aug. 12, 2024).

<sup>&</sup>lt;sup>139</sup> See, e.g., Missouri Public Service Commission Comments, CG Docket No. 03-123, at 1 (rec. Jan. 17, 2025).

<sup>&</sup>lt;sup>140</sup> See, e.g., Hamilton Relay, Inc. Comments, CG Docket No. 03-123, at 4 (rec. Jan. 17, 2025); CommunicationFIRST Comments, CG Docket No. 03-123, at 2 (rec. Jan. 19, 2025).

<sup>&</sup>lt;sup>141</sup> See generally Single-Service Waiver Order.

<sup>&</sup>lt;sup>142</sup> *Id.* at 7, para. 11.

<sup>&</sup>lt;sup>143</sup> *Id*.

<sup>&</sup>lt;sup>144</sup> *Id.* at 7, para. 12.

the same price or less for the bundle than they did for the legacy voice service. 145

- 58. Do commenters agree with the Bureau's assessment? Have consumers experienced cost savings when transitioning from a single legacy voice service to a service bundle? How has the waiver of the single-service requirement affected carriers' plans to discontinue legacy voice services and transition customers to next-generation replacement services? Given the ever-increasing availability of over-the-top services, is it still reasonable for consumers "to expect a single service to provide adequate network infrastructure and service quality, performance from critical applications, and access to other key applications and functionalities,' such as fax machines, home security alarms, and analog-only caption telephone sets[?]"<sup>146</sup> We seek comment on customer reactions to transitioning from a single service to a service bundle. Have customers experienced difficulties in any of these areas and, if so, what have those difficulties been? For the remaining consumers still without access to a broadband connection, <sup>147</sup> how will carriers ensure such consumers have access to an adequate replacement service?
- 59. *Ministerial updates to section 63.602*. If we retain the Adequate Replacement Test, in addition to any revisions necessitated by the approaches set forth above, we propose to amend section 63.602 of the Commission's rules to update outdated cross-references in paragraph (b)(2)(i) of that rule. Assuming we retain the Adequate Replacement Test, should we make any other changes to section 63.602 and the second prong of the Adequate Replacement Test?

### **b.** Alternative Options Test

- 60. We seek comment on whether, if we retain the Alternative Options Test set forth in section 63.71(f)(2)(ii), we should adopt certain revisions to that test for streamlined processing of technology transitions discontinuance applications. The Commission's stated goal in adopting the Alternative Options Test was to "provid[e] additional opportunities to streamline the discontinuance process for legacy voice services, with appropriate limitations to protect consumers and the public interest, . . . allow[ing] carriers, including small carriers, to more quickly redirect resources to next-generation networks, and the public to receive the benefit of those new networks." Do carriers agree that adoption of the test has had these effects? If not, how has the test prevented the industry from undertaking such a prompt transition? Do certain requirements of the Alternative Options Test pose barriers to rapidly seeking discontinuance authorizations for legacy services? If so, which ones, and how? Are certain requirements of the test unnecessary or redundant? If so, which ones, and how so?
- 61. Codify waiver of the stand-alone requirement. We seek comment on whether we should remove the requirement that a replacement voice service offered by the carrier or an unaffiliated provider be stand-alone in order for a technology transitions discontinuance application to be eligible for streamlined processing under the Alternative Options Test.
- 62. Under section 63.71(f)(2)(iii) of the Commission's rules, a service is "stand-alone" if a customer is "not required to purchase a separate broadband service to access the voice service." On

<sup>&</sup>lt;sup>145</sup> *Id.* at 8, para. 12.

<sup>&</sup>lt;sup>146</sup> Id. at 7, para. 11 (quoting 2016 Technology Transitions Order, 31 FCC Rcd at 8312, para. 87).

<sup>&</sup>lt;sup>147</sup> According to recent Broadband Data Collection (BDC) data, 24 million Americans, or 7% of the nation's population, lack access to fixed broadband. *See 2024 Section 706 Report*, 39 FCC Rcd at 3278-79, para. 61.

<sup>&</sup>lt;sup>148</sup> That rule currently provides that a carrier must certify that the proposed replacement service "[c]omplies with regulations regarding the availability and functionality of 911 service for consumers and public safety answering points (PSAPs), specifically §§ 1.7001 through .7002, 9.5, 12.4, 12.5, 20.18, 20.3, 64.3001 of this chapter." 47 CFR § 63.602(b)(2)(i). Updates would add references to sections 9.3, 9.4, 9.10, and 9.19, and eliminate the references to sections 12.4, 12.5, 20.18, and 64.3001 to account for intervening changes to the numbering of the Commission's public safety-related rules.

<sup>&</sup>lt;sup>149</sup> Second Wireline Infrastructure Order, 33 FCC Rcd at 5674, para. 32.

<sup>&</sup>lt;sup>150</sup> 47 CFR § 63.71(f)(2)(iii).

March 20, 2025, the Bureau, acting on delegated authority, granted USTelecom's petition for waiver of the stand-alone requirement for a period of two years, <sup>151</sup> finding that, since the Alternative Options Test was adopted, "the technology has improved while the marketplace for voice services, such as interconnected VoIP and mobile voice, has vastly expanded and spurred the creation of new and innovative communications technologies and bundled service offerings that benefit consumers." Does the Bureau's rationale in granting the waiver relief support removing the stand-alone requirement altogether? Do commenters agree with the Bureau's assessment and characterization of the voice service and broadband marketplace? How has the stand-alone requirement affected carriers' plans to discontinue legacy voice services and transition customers to next-generation replacement services?

- USTelecom notes that "stand-alone VoIP service typically requires installation and maintenance of broadband equipment and ongoing provision of transmission capability," which is costly for carriers and requires "system and IT support that is difficult to justify for a product with relatively low demand."153 It adds that these inefficiencies "can raise costs for consumers and reduce capital available for investment and innovation."154 Do commenters agree with USTelecom's assessment that the standalone requirement is overly burdensome to carriers? Has the waiver of the stand-alone requirement alleviated these concerns and enabled carriers to rapidly discontinue legacy voice service in favor of promoting next-generation IP-based replacements? Will the proposed changes result in an increase in the pace and frequency of carriers upgrading networks? Given the widespread adoption of broadband connections today, do customers reasonably expect or desire stand-alone voice service? How might removing the stand-alone requirement affect consumers, positively or negatively? Have customers that have transitioned from a stand-alone voice service to a bundled voice service experienced any difficulties or increased costs? For consumers that are transitioning, do carriers offer any introductory promotions that help offset the cost of bundled voice service? We note that consumers remain able to file comments or oppositions to discontinuance applications. 155 Does the comment procedure provide adequate protection for consumers?
- 64. Expand availability of the Alternative Options Test. We seek comment on whether we should expand the Alternative Options Test to allow the existence of third-party, facilities-based interconnected VoIP service to satisfy the first part of the test rather than requiring the existence of facilities-based interconnected VoIP service offered by the discontinuing carrier itself.
- 65. Under section 63.71(f)(2)(ii)(A) of the Commission's rules, an applicant seeking to discontinue a legacy voice service under the Alternative Options Test must show that it offers a standalone interconnected VoIP service throughout the affected service area. The Commission required a showing that the discontinuing carrier itself provides interconnected VoIP service in addition to the availability of a voice service from an unaffiliated third party because it "expect[ed] customers will

<sup>&</sup>lt;sup>151</sup> Stand-Alone and Single-Service Waiver Order at 4, para. 6. On April 21, 2025, the Irregulators filed an application for review of action taken pursuant to delegated authority under 47 CFR § 1.115. See Application of Irregulators for a Full Review by the Full Commission; & Other Actions Requested, WC Docket No. 17-84 (filed Apr. 21, 2025). This application remains pending.

<sup>&</sup>lt;sup>152</sup> Stand-Alone and Single-Service Waiver Order at 5-6, para. 9.

<sup>&</sup>lt;sup>153</sup> USTelecom Petition at 8.

<sup>&</sup>lt;sup>154</sup> *Id*.

<sup>&</sup>lt;sup>155</sup> Stand-Alone and Single-Service Waiver Order at 8, para. 13 ("While a carrier may use the Alternative Options Test to receive streamlined treatment of its discontinuance application by showing that it offers its own VoIP service on a bundled basis as well as by demonstrating the availability of another voice service throughout the affected service area that may only be available on a bundled basis, customers with concerns about a replacement service may still file comments or objections to that carrier's discontinuance application with the Commission.").

<sup>&</sup>lt;sup>156</sup> 47 CFR § 63.71(f)(2)(ii)(A).

benefit from competition between facilities-based providers."<sup>157</sup> This competition would effectively replace the need for a discontinuing carrier to comply with the specific testing methodology and parameters required under the Adequate Replacement Test to ensure the adequacy of the replacement service. <sup>158</sup>

66. How has this requirement inhibited the ability for carriers to rapidly discontinue legacy voice services and transition subscribers to next-generation IP-based voice services? How would revising the first part of the test to include third-party facilities-based interconnected VoIP services affect carriers and consumers? Assuming that competition has indeed worked to ensure that available voice options are adequate for consumers under the current test, and given that a carrier would still need to show that at least one other alternative facilities-based wireline or wireless voice service is available from another unaffiliated provider throughout the affected service area under the second part of the test, what effect, if any, would this change have on the quality of replacement service options? In instances where interconnected VoIP service is available from either the discontinuing carrier or a third-party provider throughout the affected area, does it matter whether the interconnected VoIP service is provided by the discontinuing carrier or a third-party provider? Why or why not?

### 3. Additional Revisions to Section 63.71

67. We next consider whether to adopt a variety of targeted proposals relating to our discontinuance rules under section 63.71, namely: (1) codifying the relief granted in the *March 2025 Grandfathering Order* and the *May 2025 Grandfathering and Technical Appendix Order*; (2) granting forbearance relief from section 214(a) requirements for all data telecommunications services with speeds lower than 25/3 Mbps; (3) eliminating the distinction between dominant and non-dominant providers for purposes of the streamlined processing automatic grant period; and (4) forbearing from the notice requirement to state Governors and the United States Department of Defense.

### a. Eliminating Grandfathering Filing Requirements for Certain Services

- 68. We propose to eliminate any application filing requirements associated with grandfathering a legacy voice service, a data service operating at speeds below 25/3 Mbps, or an interconnected VoIP service provisioned over copper wire, thus codifying the relief granted by the Bureau in the *March 2025 Grandfathering Order* and the *May 2025 Grandfathering and Technical Appendix Order*. Specifically, we propose to replace the requirements in section 63.71(k)-(l) with a statement that, notwithstanding any other provision of section 63.71, a carrier is not required to file an application to grandfather a legacy voice service, a data service operating at speeds below 25/3 Mbps, or an interconnected VoIP service provisioned over copper wire. We seek comment on this proposal.
- 69. *Grandfathering*. A carrier currently has the option under the Commission's rules to seek authorization to "grandfather" a service rather than fully discontinue it. A carrier seeking to grandfather a service requests authorization to stop accepting new customers for the service while continuing to provide the service to existing customers. <sup>160</sup> Because grandfathering is a discontinuance of service offering to

(continued....)

<sup>&</sup>lt;sup>157</sup> Second Wireline Infrastructure Order, 33 FCC Rcd at 5675, para. 34.

<sup>&</sup>lt;sup>158</sup> See id. at 5674-75, para. 34 & n.103 (citing Mark Israel, Daniel Rubinfeld & Glenn Woroch, Analysis of the Regressions and Other Data Relied Upon in the Business Data Services FNPRM and a Proposed Competitive Market Test, at 39-40 (June 28, 2016); Howard A. Shelanski, Adjusting Regulation to Competition: Toward a New Model for U.S. Telecommunications Policy, 24 Yale J. on Reg. 24, 92 (2007)).

<sup>&</sup>lt;sup>159</sup> See generally March 2025 Grandfathering Order; May 2025 Grandfathering and Technical Appendix Order.

<sup>&</sup>lt;sup>160</sup> See First Wireline Infrastructure Order, 32 FCC Rcd at 11161 n.288; Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment, WC Docket No. 17-84, Notice of Proposed Rulemaking, Notice of Inquiry, and Request for Comment, 32 FCC Rcd 3266, 3288, para. 73 (2017) (Wireline Infrastructure Notice); see also Comments Invited on Applications of AT&T Services, Inc. on Behalf of Bellsouth

new customers, grandfathering applications traditionally have been processed in the same way as applications to fully discontinue a service, thereby requiring carriers to file applications, pay processing fees under the Commission's rules, and delay plans to grandfather a service for new customers until they receive approval. <sup>161</sup>

- 70. The Commission expedited the process for discontinuing legacy services in 2017 in the *First Wireline Infrastructure Order*, including legacy service grandfathering applications, where it concluded that the then-existing rules governing the discontinuance process "impose[d] needless costs and delay on carriers that wish to transition from legacy services to next-generation, IP-based infrastructure and services." To that end, the Commission established a more streamlined approval process for discontinuance applications seeking to grandfather low-speed<sup>163</sup> legacy data services for existing customers, shortening the comment and automatic grant periods for these applications. In doing so, the Commission concluded that "longer processing timelines for grandfathering applications are unnecessary to protect consumers from potential harm stemming from discontinuances, and that our current discontinuance rules may unnecessarily impede the deployment of advanced broadband networks by imposing costs on service providers who seek to upgrade legacy infrastructure." 165
- 71. The Commission took additional steps to expedite the discontinuance process for legacy services the following year in the *Second Wireline Infrastructure Order*, where it extended the same streamlined treatment to "applications seeking to grandfather data services with speeds below 25/3 Mbps, so long as the applying carrier provides fixed replacement data services at speeds of at least 25/3 Mbps throughout the affected service area." <sup>166</sup> The Commission concluded that by requiring carriers using this streamlined process to provide replacement data services at speeds of at least 25/3 Mbps, customers were ensured to have access to adequate alternatives. <sup>167</sup> In that same *Order*, the Commission extended this streamlined processing to all applications seeking to grandfather any legacy voice service, including legacy enterprise voice services. <sup>168</sup> In doing so, the Commission determined that existing customers would not be harmed because they would be entitled to maintain their legacy voice services until such time as the carrier seeks to fully discontinue the grandfathered service. <sup>169</sup>
- 72. In the *March 2025 Grandfathering Order*, the Bureau (1) granted blanket section 214(a) authority for carriers to grandfather any legacy voice or data service currently covered by section 63.71(k)-(l) of the rules, and (2) waived the requirement in the Commission's rules that carriers file a

<sup>&</sup>lt;sup>161</sup> 47 CFR §§ 1.1105; 63.71(f), (k); see also Comments Invited on Section 214 Application(s) to Grandfather Domestic Non-Dominant Carrier Telecommunications and/or Interconnected VoIP Services, WC Docket Nos. 25-45 et al., Public Notice, DA 25-101 (WCB Feb. 4, 2025).

<sup>&</sup>lt;sup>162</sup> First Wireline Infrastructure Order, 32 FCC Rcd at 11161, para. 83.

<sup>&</sup>lt;sup>163</sup> Low-speed is defined as speeds below 1.544 Mbps. *Id.* at 11161, para. 84.

<sup>&</sup>lt;sup>164</sup> *Id.* at 11161-64, paras. 84-92.

<sup>&</sup>lt;sup>165</sup> *Id.* at 11162, para. 86.

<sup>&</sup>lt;sup>166</sup> Second Wireline Infrastructure Order, 33 FCC Rcd at 5662-63, para. 7.

<sup>&</sup>lt;sup>167</sup> *Id.* at 5663, para. 9.

<sup>&</sup>lt;sup>168</sup> *Id.* at 5678, para. 39.

<sup>&</sup>lt;sup>169</sup> *Id.* at 5678, para. 40.

section 214(a) discontinuance application seeking Commission authorization in that scenario. The Bureau found such relief to be warranted "by extraordinary developments in communications technologies and services" since 2016, such as the rapid adoption of interconnected VoIP services. The section of the services are serviced to the services of the services are serviced to the services are serviced to the services.

- 73. The Bureau subsequently issued the May 2025 Grandfathering and Technical Appendix Order extending the relief granted in the March 2025 Grandfathering Order to include interconnected VoIP service provisioned over copper lines, concluding that "relief in this instance will advance the Commission's overall policy of transitioning legacy networks and services to next-generation networks and advanced communications services, and that "such relief furthers 'the public interest by freeing up carrier resources for the development and deployment of those next-generation networks and services, to the benefit of consumers." 172
- 74. We seek comment on whether the waiver relief granted in the *March 2025* Grandfathering Order and the May 2025 Grandfathering and Technical Appendix Order should be made permanent in our rules by exempting grandfathering applications from any Commission filing requirements. How, if at all, does the waiver relief granted in the Orders reduce carriers' burdens? Given that consumers have an opportunity to comment or object when the carrier later applies to fully discontinue the grandfathered legacy service, are there any benefits to retaining the grandfathering filing requirements?<sup>173</sup> What are the benefits and drawbacks of this approach? We also seek comment on whether we should extend the blanket 214 authority granted in the March 2025 Grandfathering Order and the May 2025 Grandfathering and Technical Appendix Order to the grandfathering of all services rather than limit it solely to certain legacy services and interconnected VoIP service provisioned over copper as the Bureau did in those Orders. Do the bases on which the Bureau granted the relief in those Orders apply more broadly to all services? Are there concerns that counsel against granting blanket section 214(a) authority for carriers to grandfather any service?
- 75. Rather than maintaining the grant of blanket 214 authority granted in the *March 2025 Grandfathering Order* and the *May 2025 Grandfathering and Technical Appendix Order*, should we instead forbear from section 214(a)'s discontinuance requirements with respect to the grandfathering of the types of services addressed in those *Orders*? Is maintaining the requirement to obtain Commission authorization before grandfathering any or all of those services necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with the grandfathering carrier or the grandfathered service are just and reasonable and are not unjustly or unreasonably discriminatory, particularly given the rapid decline in customer demand for these services?<sup>174</sup> Is maintaining the section 214(a) discontinuance requirements in these contexts necessary to protect consumers, particularly given that existing customers would be able to retain the service at issue after the service is grandfathered?<sup>175</sup> Would forbearing from these requirements in this context serve the public interest?<sup>176</sup> For example, would it speed up the development and deployment of next-generation networks and advanced communications services by reducing regulatory burdens and their attendant costs? Would it negatively

<sup>&</sup>lt;sup>170</sup> March 2025 Grandfathering Order at 3, para. 6. But see Application of Irregulators for a Full Review by the Full Commission; & Other Actions Requested, WC Docket No. 17-84 (filed Apr. 21, 2025) (seeking review of action taken pursuant to delegated authority under 47 CFR § 1.115).

<sup>&</sup>lt;sup>171</sup> March 2025 Grandfathering Order at 5, para. 10.

<sup>&</sup>lt;sup>172</sup> May 2025 Grandfathering and Technical Appendix Order at 4, para. 9.

<sup>&</sup>lt;sup>173</sup> March 2025 Grandfathering Order at 3, para. 5 (noting that subscribers of a grandfathered services "would be entitled to maintain their legacy voice services until such time as the carrier seeks to fully discontinue the grandfathered service").

<sup>&</sup>lt;sup>174</sup> 47 U.S.C. § 160(a)(1).

<sup>&</sup>lt;sup>175</sup> Id. § 160(a)(2).

<sup>&</sup>lt;sup>176</sup> *Id.* § 160(a)(3).

impact critical infrastructure industries or government agencies operations or services?

## b. Forbearance for Lower-Speed Data Telecommunications Services and Interconnected VoIP over Copper Services

- 76. We seek comment on whether we should forbear from all section 214(a) discontinuance requirements, including the Commission's implementing rules, for all data telecommunications services with speeds lower than 25/3 Mbps.<sup>177</sup> As noted above, the Commission previously expedited the streamlined processing of applications to grandfather such services.<sup>178</sup> We seek comment on whether forbearance would satisfy the criteria set forth in section 10 of the Act.<sup>179</sup>
- 77. Ensuring practices are just and reasonable (section 10(a)(1)). Would maintaining the requirement to obtain discontinuance authorization for all data telecommunications services with speeds lower than 25/3 Mbps still be necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with the discontinuing carrier or discontinued service are just and reasonable and are not unjustly or unreasonably discriminatory? As noted, the Commission previously took action to expedite the streamlined processing of applications to grandfather such services. Given the rapid decline in customer demand for such lower speed services, are section 214(a) discontinuance requirements necessary to ensure just and reasonable charges and practices given that consumer demand for such lower speed services is too small to exert a meaningful influence on carrier charges and practices with regards to such services? If not, please provide specific reasons.
- 78. Ensuring protection of consumers (section 10(a)(2)). In light of plummeting customer demand for data telecommunications services with speeds lower than 25/3 Mbps, <sup>180</sup> we seek comment on whether to conclude that section 214(a) discontinuance requirements are not necessary to protect consumers. Do commenters agree? Why or why not? Please provide specificity in responding to this request for comment.
- 79. Consistent with the public interest (section 10(a)(3)). Do commenters believe that forbearing from applying our discontinuance approval requirements for data telecommunications services with speeds lower than 25/3 Mbps will serve the public interest by eliminating superfluous regulations that slow the transition to next-generation IP-based services? Will taking this action promote competitive market conditions by enabling carriers to redirect resources away from lower speed data telecommunications services that are no longer competitive nor in high demand, and toward maintaining and building out the next-generation IP-based services that consumers not only desire but have come to expect? Again, please state with specificity why or why not. Do PSAPs or other public safety entities rely on these low-speed data telecommunications services to provide essential emergency services? If so, are there ready market alternatives in place to substitute for these data telecommunications services if they are discontinued? How do the prices of any substitute services compare? Do public safety entities or their service providers have contractual notice rights that allow sufficient time to arrange substitute data transmission services without a gap in the provision of 911 service?
- 80. Will such forbearance foster advanced communications by providing carriers with incentives to develop and deploy higher-speed data telecommunications services at or above 25/3 Mbps? Will forbearance help promote competition in the market for higher-speed replacement services? Will

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 $<sup>^{177}</sup>$  This alternative would not apply to the discontinuance of legacy voice services, which are encompassed by Sections III.B.1-2, *supra*.

<sup>&</sup>lt;sup>178</sup> Second Wireline Infrastructure Order, 33 FCC Rcd at 5663, para. 9; First Wireline Infrastructure Order, 32 FCC Rcd at 11161-64, paras. 84-92.

<sup>&</sup>lt;sup>179</sup> 47 U.S.C. § 160.

<sup>&</sup>lt;sup>180</sup> See, e.g., Second Wireline Infrastructure Order, 33 FCC Rcd at 5661-62, 5664-65, paras. 5, 11; First Wireline Infrastructure Order, 32 FCC Rcd at 11162, para. 86 (noting that "national marketplace trends show that businesses and consumers alike are moving away from legacy services and toward modern alternatives").

granting such forbearance relief reduce unnecessary costs and burdens associated with compliance with the Commission's discontinuance rules, and free up capital needed for the deployment of next-generation networks?

- 81. Conditions. Are there further conditions for forbearance from applying section 214(a)'s discontinuance requirements, as well as the requirements of the Commission's implementing rules, that we should implement in instances where carriers seek to discontinue data telecommunications services with speeds lower than 25/3 Mbps? For example, should we require that the discontinuing carrier provide fixed replacement data telecommunications service at speeds of at least 25/3 Mbps throughout the affected service area? Would it be sufficient for a replacement service to be mobile or provided via low earth orbit satellite so long as it offers speeds of at least 25/3 Mbps and latency of no more than 100 ms? Are there compelling reasons to require that such replacement service be offered by the discontinuing carrier? Should we require that any such replacement data telecommunications service of at least 25/3 Mbps be of "equivalent quality" to the service being discontinued? How would we define what constitutes "equivalent quality" in such instances? Should we require that the discontinuing carrier ensure that there are no disruptions to critical infrastructure industry or government agency operations?
- 82. In addition or in the alternative, should discontinuing carriers be required to send notice to their customers informing them of the planned discontinuance and any available replacement service in the affected area? How might consumers be affected if a discontinuing carrier does not provide a notice of planned discontinuance? What form should such a notice take? Should it be transmitted via traditional mail, email, or some alternative means? Should the form of transmittal align with any communication preferences the consumer has indicated to their current service provider? What information would be included in any such notice? How far in advance of a planned discontinuance should the notice be sent to consumers? Should carriers be required to furnish the Commission or other governing bodies with some similar type of notice? What form should that notice take? Should it be formal or informal?

# c. Apply the 31-day Automatic Grant Period to All Discontinuance Applications

- 83. We propose to extend the 31-day automatic grant period applicable to applications to discontinue services for which a carrier is non-dominant to apply to all instances in which a domestic carrier submits a request to discontinue service. We seek comment on this proposal.
- 84. Pursuant to section 63.71(f)(1) of the Commission's rules, a non-technology transitions discontinuance application—if filed by a domestic, non-dominant carrier—shall be automatically granted on the 31st day after its filing with the Commission unless the Commission has notified the applicant that the grant will not be automatically effective.<sup>181</sup> For applications to discontinue a service for which the provider is dominant, the automatic grant period is 60 days.<sup>182</sup> We propose to eliminate the distinction between dominant and non-dominant carriers for purposes of discontinuance applications. In doing so, we would apply the 31-day automatic grant period to any domestic carrier who submits a request to discontinue any service.
- 85. We propose to conclude that there is no material reason to limit application of the 31-day automatic grant period to non-dominant carriers given the Commission's available discretion to remove an application from streamlined processing at any time during those 31 days should it deem it appropriate to do so. We propose to conclude that 31 days is sufficient time for the Commission to consider and come to a determination as to whether a grant should be allowed to auto-grant or, instead, whether the

<sup>&</sup>lt;sup>181</sup> See 47 CFR § 63.71(f)(1). As discussed in Section III.B. above, technology transitions discontinuance applications currently are not automatically eligible for streamlined processing, but rather must satisfy either the Adequate Replacement Test or the Alternative Options Test in order to qualify for such processing. *Id.* § 63.71(f)(2).

<sup>&</sup>lt;sup>182</sup> See id. § 63.71(f)(1).

discontinuance raises sufficient questions or concerns that it should be removed from streamlined processing prior to the expiration of the automatic grant period. In light of the backstop provided by the Commission, we propose to conclude that expanding the applicability of the 31-day automatic grant period to include all discontinuance applications is a prudent way of reducing regulatory red tape and speeding the grant of discontinuance requests while still complying with section 214(a)'s mandate to protect the public interest. We seek comment on this proposal.

- 86. What are the benefits and costs of applying the 31-day automatic grant period to all domestic carriers who submit a request to discontinue service? What costs, whether in terms of money or time, does the existing requirement impose on domestic carriers who are not eligible for the 31-day automatic grant period? Is there any reason not to extend the applicability of the 31-day automatic grant period to all discontinuance applications? Does the 31-day automatic grant period allow adequate time for the Commission to review discontinuance applications? We take note of the Commission's 2016 *Declaratory Ruling* in which it noted that "regulatory changes have restructured the marketplace in which incumbent LECs provide interstate switched access services so as to deny them market power," leading it to "declare incumbent LECs non-dominant in their provision of interstate switched access services." Are there particular services for which certain carriers remain dominant that might warrant a longer Commission review period for determining whether the application should be removed from streamlined processing?
- 87. We also seek comment on the length of the existing automatic grant period for non-dominant providers. Should the 31-day automatic grant period be abbreviated to a shorter time frame? As we propose to conclude that dominant and non-dominant providers be treated equally, would commenters feel the same if we were to apply a shortened automatic grant period to dominant and non-dominant providers alike? If so, what should the automatic grant period be and why? Beyond expanding the 31-day automatic grant period to apply to all discontinuance applications, we seek comment on any additional steps we might take to further streamline the automatic grant process for applications to discontinue service.

# d. Forbear from Requirement to Notify State Governor and Department of Defense

- 88. We seek comment on whether we should forbear from section 214(b)'s requirement that domestic discontinuance applications be filed with (1) the Governor of the state in which the discontinuance is proposed, and (2) the Secretary of Defense, and that we eliminate this same requirement from our implementing rules. We seek comment on this proposal.
- 89. Section 214(b) of the Act requires that upon receipt of a discontinuance application, "the Commission shall cause notice thereof to be given to, and shall cause a copy of such application to be filed with, the Secretary of Defense, the Secretary of State (with respect to such applications involving service to foreign points), and the Governor of each State . . . in which such discontinuance, reduction, or impairment of service is proposed." Relatedly, section 63.71(a) of the Commission's rules requires that any domestic carrier seeking to discontinue service notify its customers and submit a copy of its application to the public utility commission and to the Governor of the State in which the discontinuance of service is proposed, to any federally-recognized Tribal Nations with authority over the Tribal lands in which the discontinuance is proposed, and to the Secretary of Defense via the Special Assistant for Telecommunications, as well as file an application with the Commission requesting said discontinuance. We propose to conclude that while section 214(b) directs the Commission to cause

<sup>&</sup>lt;sup>183</sup> 2016 Technology Transitions Order, 31 FCC Rcd at 8290, para. 19.

<sup>&</sup>lt;sup>184</sup> See 47 U.S.C. § 214(b); 47 CFR § 63.71(a).

<sup>&</sup>lt;sup>185</sup> 47 U.S.C. § 214(b).

<sup>&</sup>lt;sup>186</sup> See 47 CFR § 63.71(a).

such notice to be given, that notice requirement concerns applications to discontinue telecommunications services. In that sense, our proposed forbearance, if adopted, would be forbearance from applying section 214(b) to a telecommunications service within the meaning of section 10. We seek comment on this proposed conclusion.

- 90. Ensuring practices are just and reasonable (section 10(a)(1)). Is maintaining the requirement to file domestic discontinuance applications with the Governor of the state in which the discontinuance is proposed and the Secretary of Defense necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that carrier or service are just and reasonable and are not unjustly or unreasonably discriminatory? Is maintaining these requirements necessary to ensure that the charges, practices, classifications, and regulations by, for, or in connection with a carrier or service are just and reasonable and not unjustly or unreasonably discriminatory? If so, why?
- 91. Protection of consumers (section 10(a)(2)). Is enforcement of section 214(b)'s requirement to file domestic discontinuance applications with the Governor of the state in which the discontinuance is proposed and the Secretary of Defense necessary to protect consumers? When seeking to discontinue a service, carriers must notify state public utility commissions, the specific state entities charged with their regulation. Would requiring carriers to file discontinuance applications with other state or local authorities better ensure consumers are protected during a transition? What additional protection does notice to a Governor's office confer on consumers? In this era of multitudinous communications options, what protection does notice to the Secretary of Defense provide to consumers?
- Consistent with the public interest (section 10(a)(3)). Would forbearing from applying the requirement in section 214(b) to file domestic discontinuance applications with the Governor of the state in which the discontinuance is proposed and the Secretary of Defense serve the public interest? We propose to conclude that requiring notice to a Governor's office imposes a redundant and superfluous requirement that slows the transition to next-generation IP-based services by diverting resources from development of next-generation networks and advanced communications services. We also propose to conclude that the requirement that carriers notify and submit a copy of their application to the Governor of the state in which the discontinuance of service is proposed and to the Secretary of Defense serves no purpose other than to increase red tape and regulatory barriers, particularly in light of the many and varied modes of communication available to today's residential and businesses customers. We seek comment on these proposed conclusions. Would the elimination of these notification requirements be likely to save providers time and resources that would be better spent investing in high-speed broadband infrastructure? Are notifications to state Governors and the Secretary of Defense redundant and irrelevant given the requirements to notify customers, state public utility commissions, Tribal Nations, and the Commission? What are the benefits of notifying state Governors and the Secretary of Defense that cannot be achieved by notifying customers, state public utility commissions, Tribal Nations, and the Commission? Are there compelling policy reasons to retain the requirement to notify state Governors and the Secretary of Defense?

### 4. Emergency Discontinuances

93. We propose to revise section 63.63(b) to explicitly provide that a carrier may permanently discontinue a service upon filing a certification with the Commission that (1) the carrier has previously obtained emergency discontinuance authority for the service in question, (2) the service is one for which the requesting carrier has had no customers or reasonable requests for service during the 60-day period immediately preceding the permanent discontinuance, and (3) a comparable service is available in the affected service area. We seek comment on this proposal and on the processing of requests to permanently discontinue a service under section 63.63.

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<sup>&</sup>lt;sup>187</sup> *Id*.

- 94. Section 63.63 of the Commission's rules sets forth procedures carriers must follow when seeking authority for an emergency discontinuance. Providers must submit an application for authority for an emergency discontinuance of service as soon as practicable but not later than 65 days following the occurrence of the conditions which occasion the discontinuance. Authority is deemed granted as of the date the request is filed unless the Commission notifies the carrier otherwise on or before the 15th day after the date of filing, and our rules provide for renewal of such authority unless "the same or comparable service is reestablished before the termination of the emergency authorization" or the carrier submits an informal request for authorization to discontinue the service "for an indefinite period or permanently." 190
- 95. Emergency discontinuances leading to no customers. We propose to revise section 63.63(b) to provide that a carrier may permanently discontinue a service upon filing a certification that (1) it has previously obtained emergency discontinuance authority, (2) the service in question is one for which the requesting carrier has had no customers or reasonable requests for service during the 60-day period immediately preceding the planned permanent discontinuance, and (3) a comparable service is available in the affected service area. In instances where a carrier has previously filed for emergency discontinuance authority, has had no customers nor reasonable requests for service for a minimum of 60 days, and a comparable service is available, we propose to conclude that there is little risk that an emergency discontinuance of service is likely to affect any existing or potential customers. We seek comment on this proposed conclusion.
- 96. We seek comment on the extent to which this would affect consumers, if at all. We also seek comment on the extent to which this would allow carriers to be more deft and responsive in reacting to natural disasters and other emergencies, and to focus their rebuilding efforts on modernized rather than legacy services. Should we leave the requirement open-ended and require merely that a carrier have filed for emergency discontinuance authority at any point in the past? Why or why not? Alternatively, should we specify a particular time period during which the carrier had to have previously filed for emergency discontinuance authority? If so, what should that time period be?
- 97. Is the proposed 60-day period without a customer or a reasonable request for service a reasonable period of time to justify granting a carrier authority to carry out a permanent discontinuance of service? When would the 60-day period commence? Does it differ depending upon whether the permanent discontinuance request is contained in the initial emergency discontinuance application? Is 60 days sufficient to ensure that most customers are likely to have obtained substitute service, thereby obviating any resulting harm? Should the 60-day period be extended? If so, why and by how much? We note that the qualifying period for the exemption in section 63.71(g)—which governs non-emergency-related discontinuances by domestic carriers of services with no customers or reasonable requests for service—is only 30 days. <sup>191</sup> In light of this, should the proposed 60-day qualifying period for section 63.63 be reduced? If so, why and by how much? We encourage commenters to be specific in their suggestions and to support their claims with as much evidence as is available.
- 98. Requests to permanently discontinue. We also seek comment on the processing of requests to permanently discontinue a service under section 63.63. An emergency discontinuance application is deemed granted upon filing unless the Commission notifies the carrier to the contrary on or before the 15<sup>th</sup> day after filing. <sup>192</sup> Grants of emergency discontinuance authority are valid for 60 days,

<sup>&</sup>lt;sup>188</sup> *Id.* § 63.63.

<sup>&</sup>lt;sup>189</sup> See id. § 63.63(a). In the case of public coast stations, notice must be given not later than 15 days following the occurrence of the conditions leading to the discontinuance. *Id.* 

<sup>&</sup>lt;sup>190</sup> *Id.* § 63.63(b).

<sup>&</sup>lt;sup>191</sup> See id. § 63.71(g).

<sup>&</sup>lt;sup>192</sup> *Id.* § 63.63(b).

although a carrier may seek renewal of that authority by informal request no later than 10 days prior to the expiration of the 60-day period. Both an original emergency discontinuance application and a request for renewal are required to contain demonstration that efforts are being made or have been made "to restore the original service or establish comparable service." In either the initial emergency discontinuance application or the renewal request, the carrier may request authority to indefinitely or permanently discontinuance at issue. If, however, the carrier includes a request for indefinite or permanent discontinuance in the emergency discontinuance application, that request is not deemed granted upon filing. There is no streamlined processing of such requests, regardless of whether that request is in the initial application or is made in a subsequent informal request.

99. We seek comment on how the Commission should process requests to permanently discontinue service, either in an initial emergency discontinuance application or in a later informal request. If a carrier submits an emergency discontinuance application that also contains a request to permanently discontinue the service at issue, should we process such a request on a streamlined basis? What benefits or cost savings would there be for carriers from this combined streamlined application? If so, what should the length of that auto-grant period be, and when should it commence? Should the auto-grant period be separate from and subsequent to the 15-day auto-grant period for the emergency discontinuance request, or should it run concurrently? What types of information should such a permanent discontinuance request contain? Should the carrier be required to indicate how the request satisfies the traditional five factors the Commission considers when evaluating a non-streamlined discontinuance application?

### 5. Reviewing Outdated Discontinuance Rules

- 100. We propose to eliminate a number of rules applicable to section 214(a) discontinuances that appear to be remnants of a bygone era. As discussed above, the communications marketplace has evolved significantly over the almost two decades since Congress last undertook significant revisions to the Act, and a thorough review of all of the Commission's rules pertaining to discontinuances is long overdue. We seek comment on this proposal. We also seek comment on any other revisions to our discontinuance rules warranted at this time.
- 101. Public toll stations. We propose to eliminate sections 63.60(f) and 63.504 of the Commission's rules, which pertain to the closure of public toll stations and which we propose to conclude are no longer relevant or necessary in today's communications marketplace. We seek comment on this proposal.
- 102. Section 63.60(f) of the Commission's rules defines the meaning of the term "public toll station" for purposes of part 63 of the Commission's rules as a public telephone station, located in a community, through which a carrier provides service to the public, and which is connected directly to a toll line operated by such carrier. 197 Section 63.504 details the contents of an application to close a public toll station where no other such toll station of the applicant will continue service in the community and where telephone toll service is not otherwise available to the public through a telephone exchange connected with the toll lines of a carrier. 198

<sup>&</sup>lt;sup>193</sup> *Id*.

<sup>&</sup>lt;sup>194</sup> *Id.* § 63.63(a)(7), (b).

<sup>&</sup>lt;sup>195</sup> *Id.* § 63.63(b).

<sup>&</sup>lt;sup>196</sup> Section 63.63 Application of Comcast IP Phone, LLC, WC Docket No. 16-352, Order, 31 FCC Rcd 12346 (WCB 2016) (granting permanent discontinuance request contained in emergency application).

<sup>&</sup>lt;sup>197</sup> 47 CFR § 63.60(f).

<sup>&</sup>lt;sup>198</sup> *Id.* § 63.504.

- 103. These rules were created more than six decades ago, <sup>199</sup> at a time when public toll stations were far more prevalent, personal landlines far less prevalent, and mobile phones nonexistent. Now, with only 100,000 pay phones still remaining in America (a mere 5% of their peak of 2 million in 1999), <sup>200</sup> it no longer makes sense to treat applications to discontinue this service distinctly from other types of service. We thus propose that discontinuances of public toll stations should be subject to the general provisions of section 63.71 of the Commission's rules<sup>201</sup> and that we eliminate sections 63.60(f) and 63.504 as obsolete and redundant. We seek comment on this proposal.
- 104. *Telephone exchanges at military establishments*. We propose to eliminate the requirement that carriers file an informal request with the Commission before altering service hours at telephone exchanges at deactivated military establishments.<sup>202</sup> We seek comment on our proposal.
- 105. Section 63.66 of the Commission's rules requires carriers to "file in quintuplicate an informal request" before closing or reducing the "hours of service at a telephone exchange at a military establishment because of deactivation of the establishment." Authority for the closure or reduction is deemed granted on the 15th day following the filing of the request unless the Commission notifies the carrier otherwise on or before the 15th day. <sup>204</sup>
- 106. This rule was a reflection of Congress's concern when enacting section 214 of the Act regarding "loss or impairment of service during" wartime. Given today's modern communications marketplace and the plethora of communications services available to civilian and military establishments alike, is there any need to maintain section 63.66's requirements? When is the last time a carrier filed an informal request under section 63.66? Should we retain section 63.66, we seek comment on requiring electronic filing of the request in the Commission's Electronic Comment Filing System in lieu of filing "in quintuplicate." Is there any reason why electronic filing of such requests would be impracticable?
- 107. *Publication and posting of notices*. We propose to eliminate section 63.90 of the Commission's rules.<sup>206</sup> We seek comment on our proposal.
- 108. Section 63.90 requires providers filing an application or information request to discontinue or reduce hours of service at a telephone exchange to "post a public notice at least 51 cm by 61 cm (20 inches by 24 inches), with letter of commensurate size, in a conspicuous place in the exchange affected, and also in the window of any such exchange having window space fronting on a public street at street level." Providers then must post a notice in a newspaper for two weeks in the community where

<sup>&</sup>lt;sup>199</sup> FCC, Extension of Lines and Discontinuance of Service by Carriers, 28 Fed. Reg. 13229 (Dec. 5, 1963).

<sup>&</sup>lt;sup>200</sup> Nathaniel Meyersohn, *There are still 100,000 pay phones in America* (Mar. 19, 2018), https://money.cnn.com/2018/03/19/news/companies/pay-phones/index.html.

<sup>&</sup>lt;sup>201</sup> 47 CFR § 63.71.

<sup>&</sup>lt;sup>202</sup> Id. § 63.66.

<sup>&</sup>lt;sup>203</sup> Id.

<sup>&</sup>lt;sup>204</sup> *Id*.

<sup>&</sup>lt;sup>205</sup> See, e.g., Western Union Tel. Co. Petition for Order to Require the Bell System to Continue to Provide Group/Supergroup Facilities, Memorandum Opinion and Order, 74 F.C.C.2d 293, 295, para. 6 n.4 (1979); see also Petitions of the Verizon Telephone Companies for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Boston, New York, Philadelphia, Pittsburgh, Providence and Virginia Beach Metropolitan Statistical Areas, WC Docket No. 06172, Memorandum Opinion and Order, 22 FCC Rcd 21293, 21294, para. 1 & n.4 (2007). "Dominant carrier regulations include, among other things, requirements arising under section 214 related to transfer of control and discontinuance, cost-supported tariffing requirements, and price regulation for services falling under the Commission's jurisdiction." Id. at 21295, para. 2.

<sup>&</sup>lt;sup>206</sup> 47 CFR § 63.90.

<sup>&</sup>lt;sup>207</sup> Id. § 63.90(a).

the telephone exchange is located.<sup>208</sup> If the provider seeks to close a public toll station, it must post a public notice in a newspaper as well.<sup>209</sup> Additionally, section 63.90 requires providers to file a notice and copy of its request with the State Commission of any state where discontinuance or reduction is sought.<sup>210</sup> Once a carrier has completed the requisite posting, publication, and notification, section 63.90 requires the carrier report this fact to the Commission, with specific information regarding the posting, publication, and notification.<sup>211</sup>

- 109. Section 63.90 was enacted in 1980 as a part of the Commission's effort to update domestic public message service rules.<sup>212</sup> Due to technological developments, firms began handling public message services via telephone instead of in offices.<sup>213</sup> The Commission implemented requirements to ensure adequate public notice of changes to office hours instead of requiring firms to seek Commission approval prior to altering or discontinuing hours of service.<sup>214</sup>
- decades, carriers and consumers alike have access to a variety of modes of communication. Indeed, the Commission in 2016 added email as an accepted means of providing notice to customers of a planned discontinuance, <sup>215</sup> noting that "email is the preferred method of notice for many carriers seeking discontinuance, as well as for consumers." Are section 63.90's requirements relevant today? When was the last time a carrier posted a public notice in the window of a telephone exchange? And when was the last time a carrier posted these notices in newspapers? Is there any continuing need to require providers to post notices in accordance with section 63.90? If we eliminate this rule, would a request to discontinue or reduce hours of service at a telephone exchange be covered by section 63.71 and its notice provisions?<sup>217</sup>
- 111. *Notification of service outage*. We propose to eliminate section 63.100 from the Commission's rules, which directs providers to part 4 of the Commission's rules for the requirements concerning notifications of service outages.<sup>218</sup> We seek comment on our proposal.

<sup>&</sup>lt;sup>208</sup> *Id.* § 63.90(b).

<sup>&</sup>lt;sup>209</sup> *Id.* § 63.90(c).

<sup>&</sup>lt;sup>210</sup> Id. § 63.90(d).

<sup>&</sup>lt;sup>211</sup> Id. § 63.90(e).

<sup>212</sup> Regulatory Policies Concerning the Provision of Domestic Public Message Services by Entities Other Than the Western Union Tel. Co. and Proposed Amendment to Parts 63 and 64 of the Commission's Rules, CC Docket No. 78-96, Memorandum Opinion and Order, 75 F.C.C.2d 345 (1980) (Domestic Public Message Services Order).
Public message services encompass the "variety of public record (or message) offerings generally involving acceptance of a message from the public, electronic transmission of the message, production of a physical hard copy, and ultimately some form of delivery to its recipient." Domestic Publication Services Graphnet Systems, Inc. Application to Participate in the Hinterland Delivery of International Communications Messages Regulatory Policies Concerning the Provision of Domestic Public Message Services by Entities Other than the Western Union Telegraph Company and Proposed Amendment to Parts 63 and 64 of the Commission's Rules, CC Docket No. 78-96, Memorandum Opinion and Order 71 F.C.C.2d. 471, 505-06, para. 103 (1979).

<sup>&</sup>lt;sup>213</sup> Domestic Public Message Services Order, 75 F.C.C.2d at 376, paras. 103-04.

<sup>&</sup>lt;sup>214</sup> *Id.* at 375-76, paras. 101-05.

<sup>&</sup>lt;sup>215</sup> See 2016 Technology Transitions Order, 31 FCC Rcd at 8352-53, paras. 187-88; see also 47 CFR § 63.71(a).

<sup>&</sup>lt;sup>216</sup> See 2016 Technology Transitions Order, 31 FCC Rcd at 8353, para. 188.

<sup>&</sup>lt;sup>217</sup> See 47 CFR § 63.71(a).

<sup>&</sup>lt;sup>218</sup> *Id.* § 63.100.

- 112. The Commission's rules did not set forth any specific requirements for reporting outages or service disruptions until the Commission enacted section 63.100 in 1992.<sup>219</sup> The Commission enacted section 63.100 in response to widespread telephone outages, highlighting the need to monitor outages in real time.<sup>220</sup> However, the requirements originally listed in section 63.100 are now found in part 4 of the Commission's rules, and section 63.100 does not contain any substantive regulations.<sup>221</sup>
- 113. Given that section 63.100 merely directs providers to look at part 4 of the Commission's rules for the requirements pertaining to notifications of service outages, is section 63.100 still necessary? Would eliminating section 63.100 cause confusion among providers about their service outage notification obligations?
- 114. *Trunk lines and interchange of traffic with another carrier*. We propose to eliminate sections 63.500 and 63.501 of the Commission's rules. <sup>222</sup> We seek comment on our proposal.
- 115. Section 63.500 sets forth the required contents of applications to dismantle or remove a trunk line.<sup>223</sup> Section 63.501 does the same for applications to sever physical connection or to terminate or suspend interchange of traffic with another carrier. These rules were adopted at a time when copper was the dominant transmission medium.<sup>224</sup> That is no longer the case. Indeed, no domestic applications relying on either of these provisions have been filed for at least two decades. Given the ongoing network evolution and the constantly decreasing reliance on copper lines, we propose to conclude that separate rules governing the contents of applications addressing these two specific situations are no longer necessary and can be addressed under sections 63.71 and 63.505 of our rules. We seek comment on this proposed conclusion. Do sections 63.500 or 63.501 retain any relevance in today's communications marketplace? Should we proceed with our proposal to eliminate these provisions, we propose to make corresponding revisions to sections 63.19 and 63.62 of our rules.<sup>225</sup>
- 116. Public coast stations. We propose to modify the Commission's rules to remove references to public coast stations in sections 63.60(c) and 63.63 of the Commission's rules<sup>226</sup> and eliminate section 63.601,<sup>227</sup> setting forth the requirements for the content of applications seeking to impair or discontinue operation of public coast stations. These provisions relate to other rules and policies regarding public coast stations that the Commission previously eliminated. We propose to conclude that the specific references to public coast stations in these rules are unnecessary vestiges of that previous regulation, and no longer serve any useful purpose. The remaining discontinuance obligations of certain public coast stations are addressed exclusively by other provisions of part 63 governing international service, in conjunction with part 80 of the Commission's rules governing the Maritime Radio Services including public coast stations. We seek comment on this proposal.
- 117. Public coast stations, part of the oldest radio service administered by the Commission, are commercial mobile radio service (CMRS) providers of ship/shore radiotelephone and radiotelegraph

<sup>&</sup>lt;sup>219</sup> Amendment of Part 63 of the Commission's Rules to Provide for Notification by Common Carriers of Service Disruptions, CC Docket No. 91-273, Report and Order, 7 FCC Rcd 2010, 2010-11, paras. 1-5 (1992).

<sup>&</sup>lt;sup>220</sup> *Id.* at 2010-11, 2017, paras. 4-5, 35.

<sup>&</sup>lt;sup>221</sup> 47 CFR pt. 4.

<sup>&</sup>lt;sup>222</sup> 47 CFR § 63.500.

<sup>&</sup>lt;sup>223</sup> Id. § 63.501.

<sup>&</sup>lt;sup>224</sup> See id. §§ 63.500, 63.501 (1963).

<sup>&</sup>lt;sup>225</sup> *Id.* §§ 63.19 (setting forth procedures applicable to discontinuance of international services), 63.62 (stating the types of service discontinuances requiring formal application).

<sup>&</sup>lt;sup>226</sup> *Id.* §§ 63.60(b)(1)-(2), 63.60(c), 63.63.

<sup>&</sup>lt;sup>227</sup> Id. § 63.601.

services, allowing ships along inland waterways, in coastal areas, and on the high seas to send and receive messages and to interconnect with the public switched telephone network.<sup>228</sup> The Commission classified public coast stations as part of CMRS in 1994, and at the same time exercised its authority to forbear from section 214 with respect to discontinuance of service of domestic CMRS stations.<sup>229</sup> The Commission did not include international CMRS in this forbearance, and thus public coast stations providing international (high seas) service are still subject to section 214, as non-dominant carriers, for the provision of new service or discontinuance of existing service.<sup>230</sup>

- 118. In keeping with that forbearance, the Commission modified part 63 of its rules to eliminate provisions addressing impairment or discontinuance of public coast stations.<sup>231</sup> While many references to public coast stations were removed, the instant rule provisions remained.
- 119. We tentatively conclude that these remaining provisions are no longer necessary because the only public coast stations that remain subject to section 214 and regulation under part 63 are those that provide international service. Discontinuances of international services are governed by section 63.19, which specifically provides that CMRS providers are not subject to the provisions of that section.<sup>232</sup>
- 120. We also propose to delete the reference to "public coast stations" in section 63.63(a), applicable to emergency discontinuances. CMRS service is no longer subject to international discontinuance obligations under section 63.19, and the Commission previously forbore from discontinuance requirements for domestic CMRS service, making that reference in section 63.63(a) unnecessary and irrelevant. For the same reasons, and because it relies upon a previously eliminated rule, we also propose to delete section 63.601.<sup>233</sup>
- 121. We also propose to eliminate references to public coast stations in the definitions in sections 63.60(b)(1)-(2) and 63.60(c). The references in 63.60(b)(1)-(2) appear to be unnecessary to

<sup>&</sup>lt;sup>228</sup> See Implementation of Sections 3(n) and 332 of the Communications Act – Regulatory Treatment of Mobile Services, GN Docket No. 93-252, Second Report and Order, 9 FCC Rcd 1411, 1448, para. 83 (1994) (CMRS Second Report and Order), recon. dismissed in part and denied in part, 15 FCC Rcd 5231 (2000); see also 47 CFR §§ 80.5, 80.453.

<sup>&</sup>lt;sup>229</sup> CMRS Second Report and Order, 9 FCC Rcd at 1480-81, 1511, paras. 182, 275; see also 47 CFR §§ 20.15(b)(3), 80.3(f).

<sup>&</sup>lt;sup>230</sup> See CMRS Second Report and Order, 9 FCC Rcd at 1481, para. 182 & n.369; Amendment of Parts 1, 22, 24, 27, 74, 80, 90, 95, and 101 to Establish Uniform License Renewal, Discontinuance of Operations, and Geographic Partitioning and Spectrum Disaggregation Rules and Policies for Certain Wireless Radio Services, WT Docket No. 10-112, Second Report and Order and Further Notice of Proposed Rulemaking, 32 FCC Rcd 8874, 8956, Appx. F, para. 7 (2017).

<sup>&</sup>lt;sup>231</sup> Amendment of the Commission's Rules Concerning Maritime Communications, PR Docket No. 92-257, First Report and Order, 10 FCC Rcd 8419 (1995) (reclassifying international public coast stations as non-dominant common carriers subject to relaxed station closure requirements under part 63). Then-existing sections 63.62(e) ("The closure of, or reduction of hours of service at, a public coast station..."), 63.64 (Alternative procedure in certain specified cases involving public coast stations), 63.69 (Contents of applications to close, or reduce hours of service at, a public coast station), and 63.70 (Alternative procedure in certain specified cases where authority to reduce the hours of service at a public coast station is desired) were deleted. 47 CFR §§ 63.62(e), 63.64, 63.69, 63.70 (1994). References to public coast stations were also eliminated elsewhere in sections 63.62 and 63.90(a). 47 CFR §§ 63.62, 63.90(a) (1994).

<sup>&</sup>lt;sup>232</sup> 47 CFR § 63.19(c).

<sup>&</sup>lt;sup>233</sup> *Id.* § 63.601 (Contents of applications for authority to reduce the hours of service of public coast stations under the conditions specified in § 63.70); *see also supra* note 230.

operation of the rules now applicable to public coast stations providing international service. 234 Moreover, the existing references can be misleading. Section 63.60(b)(1) cross-references the definition of public coast stations in section 80.5235 that is simply a general description applicable to *all* public coast stations, without any indication of the limitation for the purposes of part 63 to only such stations providing international service. Section 63.60(c) includes public coast stations in defining "[e]mergency discontinuance, reduction, or impairment of service" and specifies a "reasonable time" for outage of public coast stations, at the same time pertinent rule provisions applicable to international service are in section 63.25 (Special provisions relating to temporary or emergency service by international carriers). We specifically seek comment on whether the public coast stations provision of section 63.60(c) conflicts with section 63.25 and should be deleted or modified, or whether it should be retained. Also, is there any need to retain or value in retaining the provision in 63.60(c), given the operations-specific regulations governing public coast stations in part 80?237

122. We seek comment on these proposed modifications, as well as any specific suggestions of other modifications or alternatives that would enhance the clarity of the rules on impairment or discontinuance of service of public coast stations.

#### IV. PROCEDURAL MATTERS

#### A. Ex Parte Rules

The proceeding this Notice initiates shall be treated as a "permit-but-disclose" proceeding 123. in accordance with the Commission's ex parte rules.<sup>34</sup> Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b). In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written ex parte presentations and memoranda summarizing oral ex parte presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

 $<sup>^{234}</sup>$  Inclusive of section 63.19, rule sections applicable to international service include sections 63.09 - 63.25 and 63.53(a), 47 CFR §§ 63.09 - 63.25, 63.53(a). Sections 63.09 - 63.24 have their own list of definitions at section 63.09. *Id.* at § 63.09.

<sup>&</sup>lt;sup>235</sup> *Id.* § 80.5.

<sup>&</sup>lt;sup>236</sup> Id. § 63.25.

<sup>&</sup>lt;sup>237</sup> These regulations include section 80.471 (discontinuance or impairment or service of public coast stations), section 80.47 (operation during emergency), section 80.90 (suspension of transmission), sections 80.105 and 80.106 (communication obligations of public coast stations), section 80.121(b)(1) (watch requirement for public coast stations when using telegraphy) and subpart G of part 80 (safety watch requirements and procedures for public coast stations). *Id.* § 80.47, 80.90, 80.105, 80.106, 80.121(b)(1), 80.301-80.303, 80.471.

#### В. **Paperwork Reduction Act Analysis**

124. This document contains proposed new or modified information collection requirements. The Commission, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4), we seek specific comment on how we might further reduce the information collection burden for small business concerns with fewer than 25 employees.

#### C. **Providing Accountability Through Transparency Act**

125. Consistent with the Providing Accountability Through Transparency Act, Public Law 118-9, a summary of this document will be available on https://www.fcc.gov/proposed-rulemakings.

#### D. **Regulatory Flexibility Act**

The Regulatory Flexibility Act of 1980, as amended (RFA), <sup>238</sup> requires that an agency 126. prepare a regulatory flexibility analysis for notice-and-comment rulemaking proceedings, unless the agency certifies that "the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities."<sup>239</sup> Accordingly, the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) concerning potential rule and policy changes contained in this *Notice*. The IRFA is set forth in Appendix B. The Commission invites the general public, in particular small businesses, to comment on the IRFA. Comments must be filed by the deadlines for comments on the Notice indicated on the first page of this document and must have a separate and distinct heading designating them as responses to the IRFA.

#### Ε. Filing of Comments and Reply Comments

- Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS).
  - Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: https://www.fcc.gov/ecfs.
  - Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing.
    - Filings can be sent by hand or messenger delivery, by commercial courier, or by the U.S. Postal Service. All filings must be addressed to the Secretary, Federal **Communications Commission.**
    - Hand-delivered or messenger-delivered paper filings for the Commission's Secretary are accepted between 8:00 a.m. and 4:00 p.m. by the FCC's mailing contractor at 9050 Junction Drive, Annapolis Junction, MD 20701. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
    - Commercial courier deliveries (any deliveries not by the U.S. Postal Service) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.

<sup>&</sup>lt;sup>238</sup> 5 U.S.C. §§ 601 et seq., as amended by the Small Business Regulatory Enforcement and Fairness Act (SBREFA), Pub. L. No. 104-121, 110 Stat. 847 (1996).

<sup>&</sup>lt;sup>239</sup> 5 U.S.C.. § 605(b).

- Filings sent by U.S. Postal Service First-Class Mail, Priority Mail, and Priority Mail Express must be sent to 45 L Street NE, Washington, DC 20554.
- 128. *People with Disabilities*. To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to <a href="fcc504@fcc.gov">fcc504@fcc.gov</a> or call the Consumer & Governmental Affairs Bureau at 202-418-0530.

### F. Contact Person

129. For further information about this proceeding, please contact Michele Berlove, Competition Policy Division, Wireline Competition Bureau, at (202) 418-1477, or <a href="michele.berlove@fcc.gov">michele.berlove@fcc.gov</a>, or Mason Shefa, Competition Policy Division, Wireline Competition Bureau, at <a href="mason.shefa@fcc.gov">mason.shefa@fcc.gov</a>, or (202) 418-2494.

### V. ORDERING CLAUSES

- 130. Accordingly, IT IS ORDERED that pursuant to sections 1-4, 214(a), 251(c)(5) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-54, 214(a), 251(c)(5), the Notice of Proposed Rulemaking hereby IS ADOPTED.
- 131. IT IS FURTHER ORDERED that the Commission's Office of the Secretary, SHALL SEND a copy of this *Notice of Proposed Rulemaking*, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch Secretary

#### APPENDIX A

#### **Proposed Rules**

For the reasons set forth above, Part 63 of Title 47 of the Code of Federal Regulations is amended as follows:

### **PART 51 – INTERCONNECTION**

1. The authority for part 51 continues to read as follows:

AUTHORITY: 47 U.S.C. 151-55, 201-05, 207-09, 218, 225-27, 251-52, 271, 332 unless otherwise noted.

2. Amend section 51.329 by deleting paragraph (c), and revising paragraph (a) as follows:

### 51.329 Notice of network changes: Methods for providing notice.

(a) An incumbent LEC shall provide the required notice to the public of network changes through industry fora, industry publications, or the carrier's publicly accessible Internet site.

\* \* \* \* \*

3. Amend section 51.333 by deleting paragraphs (a)(2), (b)-(f), and (g)(1)(iii), redesignating paragraphs (a)(1) and (g)(1) (iv)-(v) as paragraphs (a) and (b)(i)-(iv), and revising redesignated paragraphs (a) and (b)(1)(i)-(ii) and (b)(2)(i)-(ii), as follows:

### 51.333 Notice of network changes: Short-term network changes and copper retirement.

- (a) *Direct notice*. If an incumbent LEC wishes to provide less than six months' notice of planned network changes, or provide notice of a planned copper retirement, the incumbent LEC must serve a copy of its public notice upon each telephone exchange service provider that directly interconnects with the incumbent LEC's network, provided that, with respect to copper retirement notices, such service may be made by postings on the incumbent LEC's website if the directly interconnecting telephone exchange service provider has agreed to receive notice by website postings. An incumbent LEC must provide the required direct notice of a planned copper retirement at least ninety days prior to implementation.
- (b) Limited exemption from advance notice and timing requirements –
- (1) Force majeure events.
- (i) Notwithstanding the requirements of this section, if in response to a force majeure event, an incumbent LEC invokes its disaster recovery plan, the incumbent LEC will be exempted during the period when the plan is invoked (up to a maximum 180 days) from all advanced notice requirements under this section associated with network changes that result from or are necessitated as a direct result of the force majeure event.
- (ii) As soon as practicable, during the exemption period, the incumbent LEC must continue to comply with § 51.325(a), include in its public notice the date on which the carrier invoked its disaster recovery plan, and must communicate with other directly interconnected telephone exchange service providers to ensure that such carriers are aware of any changes being made to their networks that may impact those carriers' operations.

\* \* \*

- (2) Other events outside an incumbent LEC's control.
- (i) Notwithstanding the requirements of this section, if in response to circumstances outside of its control other than a force majeure event addressed in paragraph (b)(1) of this section, an incumbent LEC cannot comply with the timing requirement set forth in paragraph (a)(1), the incumbent LEC must give notice of the network change as soon as practicable.

(ii) A short-term network change or copper retirement notice subject to paragraph (b)(2) of this section must include a brief explanation of the circumstances necessitating the reduced waiting period and how the incumbent LEC intends to minimize the impact of the reduced waiting period on directly interconnected telephone exchange service providers.

\* \* \*

# PART 63 – EXTENSION OF LINES, NEW LINES, AND DISCONTINUANCE, REDUCTION, OUTAGE AND IMPAIRMENT OF SERVICE BY COMMON CARRIERS; AND GRANTS OF RECOGNIZED PRIVATE OPERATING AGENCY STATUS

1. The authority for part 63 continues to read as follows:

AUTHORITY: Sections 1, 4(i), 4(j), 10, 11, 201–205, 214, 218, 403 and 651 of the Communications Act of 1934, as amended, 47 U.S.C. 151, 154(i), 154(j), 160, 201–205, 214, 218, 403, and 571, unless otherwise noted.

- 2. Amend section 63.19 by revising paragraphs (a) and (b), as follows:
- (a) With the exception of those international carriers described in paragraphs (b) and (c) of this section, any international carrier that seeks to discontinue, reduce, or impair service, including the retiring of international facilities, dismantling or removing of international trunk lines, shall be subject to the following procedures in lieu of those specified in §§ 63.61 through 63.505: \*\*\*
- (b) The following procedures shall apply to any international carrier that the Commission has classified as dominant in the provision of a particular international service because the carrier possesses market power in the provision of that service on the U.S. end of the route. Any such carrier that seeks to retire international facilities, dismantle or remove international trunk lines, but does not discontinue, reduce or impair the dominant services being provided through these facilities, shall only be subject to the notification requirements of paragraph (a) of this section. If such carrier discontinues, reduces or impairs the dominant service, or retires facilities that impair or reduce the service, the carrier shall file an application pursuant to §§ 63.62 and 63.505.

\* \* \* \* \*

3. Amend section 63.60 by deleting paragraph (f), redesignating paragraphs (g)-(i) as paragraphs (f)-(g), respectively, and revising paragraphs (a), (b)(1)-(2), (c) and redesignated paragraph (f), as follows:

### § 63.60 Definitions.

- (a) For the purposes of §§ 63.60 through 63.71, the term "carrier," when used to refer either to all telecommunications carriers or more specifically to non-dominant telecommunications carriers, shall include interconnected VoIP providers.
- (b) Discontinuance, reduction, or impairment of service includes, but is not limited to the following:
- (1) The closure by a carrier of a telephone exchange rendering interstate or foreign telephone toll service;
- (2) The reduction in hours of service by a carrier at a telephone exchange rendering interstate or foreign telephone toll service; the term *reduction in hours of service* does not include a shift in hours which does not result in any reduction in the number of hours of service;

\* \* \*

(c) *Emergency discontinuance, reduction, or impairment of service* means any discontinuance, reduction, or impairment of the service of a carrier occasioned by conditions beyond the control of such carrier where the original service is not restored or comparable service is not established within a reasonable time. For the purpose of this part, a reasonable time shall be deemed to be a period not in excess of 60

days.

\* \* \*

- (f) For the purposes of §§ 63.60 through 63.71, the term "service," when used to refer to a real-time, two-way voice communications service, shall include interconnected VoIP service as that term is defined in § 9.3 of this chapter but shall not include any interconnected VoIP service that is a "mobile service" as defined in § 20.3 of this chapter.
- 4. Amend section 63.62 by revising paragraphs (a), (b), and (d), as follows:

Authority for the following types of discontinuance, reduction, or impairment of service shall be requested by formal application containing the information required by the Commission in the appropriate sections to this part, including § 63.505, except as provided in paragraph (d) of this section, or in emergency cases (as defined in § 63.60(b)) as provided in § 63.63:

- (a) The dismantling or removal of a trunk line for all domestic carriers and for dominant international carriers except as modified in § 63.19;
- (b) The severance of physical connection or the termination or suspension of the interchange of traffic with another carrier;

\* \* \* \* \*

- (d) The closure of a public toll station where no other such toll station of the applicant in the community will continue service: *Provided, however*, That no application shall be required under this part with respect to the closure of a toll station located in a community where telephone toll service is otherwise available to the public through a telephone exchange connected with the toll lines of a carrier;
- (e) Any other type of discontinuance, reduction, or impairment of telephone service not specifically provided set forth in paragraphs (a)-(d) of this section;

\* \* \* \* \*

5. Amend section 63.63 by revising paragraphs (a) and (b), as follows:

#### § 63.63 Emergency discontinuance, reduction or impairment of service.

(a) Application for authority for emergency discontinuance, reduction, or impairment of service shall be made by electronically filing an informal request through the "Submit a Non-Docketed Filing" module of the Commission's Electronic Comment Filing System. Such requests shall be made as soon as practicable but not later than 65 days after the occurrence of the conditions which have occasioned the discontinuance, reduction, or impairment. The request shall make reference to this section and show the following:

\* \* \*

- (b) \* \* \* However, the Commission may, upon specific request of the carrier and upon a proper showing, contained in such informal request or in the initial application, authorize such discontinuance, reduction, or impairment of service for an indefinite period or permanently; except that the carrier may permanently discontinue, reduce, or impair a service, upon the filing of a certification showing that (1) it has received authority for emergency discontinuance, reduction, or impairment; (2) it has had no customers or reasonable requests for service during the 60-day period immediately preceding the stated planned permanent discontinuance date; and (3) a comparable service is available in the affected service areas.
- 6. Delete section 63.66.
- 7. Amend section 63.71 by deleting paragraphs (a)(6), (c)(4), (h), (i), and (l), redesignating paragraphs (c)(5), (j), and (k) as paragraphs (c)(4), (h), and (i), respectively, and revising paragraphs (a), (f)(1), (f)(2), and redesignated paragraph (i), as follows:

#### § 63.71 Procedures for discontinuance, reduction or impairment of service by domestic carriers.

(a) The carrier shall notify all affected customers of the planned discontinuance, reduction, or impairment of service and shall notify and submit a copy of its application to the public utility commission of the State in which the discontinuance, reduction, or impairment of service is proposed and to any federally-recognized Tribal Nations with authority over the Tribal lands in which the discontinuance, reduction, or impairment of service is proposed. Notice shall be in writing to each affected customer unless the Commission authorizes in advance, for good cause shown, another form of notice. For purposes of this section, notice by email constitutes notice in writing. Notice shall include the following:

\* \* \*

(5) The notice shall state: The FCC will normally authorize this proposed discontinuance of service (or reduction or impairment) unless it is shown that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience and necessity is otherwise adversely affected. If you wish to object, you should file your comments as soon as possible, but no later than 15 days after the Commission releases public notice of the proposed discontinuance. You may file your comments electronically through the FCC's Electronic Comment Filing System using the docket number established in the Commission's public notice for this proceeding, or you may address them to the Federal Communications Commission, Wireline Competition Bureau, Competition Policy Division, Washington, DC 20554, and include in your comments a reference to the § 63.71 Application of (carrier's name). Comments should include specific information about the impact of this proposed discontinuance (or reduction or impairment) upon you or your company, including any inability to acquire reasonable substitute service.

\* \* \* \* \*

- (f) (1) The application to discontinue, reduce, or impair service that does not constitute a technology transition or, if constituting a technology transition, meets the requirements of paragraph (f)(2) of this section, shall be automatically granted on the 31st day after its filing with the Commission without any Commission notification to the applicant unless the Commission has notified the applicant that the grant will not be automatically effective. For purposes of this section, an application will be deemed filed on the date the Commission releases public notice of the filing.
- (2) An application to discontinue, reduce, or impair an existing retail service as part of a technology transition, as defined in § 63.60(f), may be automatically granted only if the applicant certifies that at least one of the following types of services, exists throughout the affected service area:
- (i) a facilities-based interconnected VoIP service, as defined in § 9.3 of this chapter;
- (ii) a facilities-based mobile voice wireless service;
- (iii) a voice service offered pursuant to an obligation from one of the Commission's modernized high-cost support programs;
- (iv) a voice service that has been available from the applicant in the affected service area for a period of at least six months, and to which at least 50 percent of the carrier's total voice service customer base in the affected area are subscribed; or
- (v) a widely adopted alternative service.

\* \* \*

- (i) Notwithstanding any other provision of this section, a carrier is not required to file an application to grandfather a legacy voice or data service operating at speeds below 25/3 Mbps, or an interconnected VoIP service provisioned over copper wire.
- 8. Delete section 63.90.

- 9. Delete section 63.100.
- 10. Delete section 63.500.
- 11. Delete section 63.501.
- 12. Delete section 63.504.
- 13. Delete section 63.601.
- 14. Delete section 63.602.

#### APPENDIX B

#### **Initial Regulatory Flexibility Analysis**

1. As required by the Regulatory Flexibility Act of 1980, as amended (RFA)<sup>1</sup> the Federal Communications Commission (Commission) has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the policies and rules proposed in the *Notice of Proposed Rulemaking (Notice)* assessing the possible significant economic impact on a substantial number of small entities. The Commission requests written public comments on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments specified on the first page of the *Notice*. The Commission will send a copy of the *Notice*, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (SBA).<sup>2</sup> In addition, the *Notice* and IRFA (or summaries thereof) will be published in the Federal Register.<sup>3</sup>

## A. Need for, and Objectives of, the Proposed Rules

- 2. The *Notice* seeks to eliminate regulatory burdens in an effort to encourage providers to build, maintain, and upgrade their networks to ensure that all consumers can benefit from today's advanced communication services. Over the course of time, changes in the communications marketplace have altered how providers deliver services to consumers. To reduce regulatory burdens that hinder providers from investing in and deploying next-generation networks, we propose to eliminate all filing requirements in the Commission's network change disclosure rules by codifying the Wireline Competition Bureau's (the Bureau) *NCD Waiver Order*.<sup>4</sup> Alternatively, we seek comment on whether the communications marketplace is sufficiently competitive such that incumbent local exchange carriers (LECs) no longer exert monopoly control over the Nation's communications networks, and forbearing from the Commission's network change disclosure rules altogether.<sup>5</sup> The *Notice* next proposes to simplify the discontinuance process for technology transitions discontinuance applications by consolidating rules governing discontinuance applications into one rule.<sup>6</sup> We seek comment on alternative actions, such as granting forbearance from discontinuance obligations or through a targeted revision of our rules, including codifying relief granted by the Bureau.<sup>7</sup>
- 3. We next provide options for further revision of the Commission's rules implementing the discontinuance requirements imposed by section 214(a) of the Act.<sup>8</sup> We propose to eliminate the requirement that a carrier seeking to grandfather a legacy service file an application with the Commission and alternatively seek comment on extending this relief to the grandfathering of any service.<sup>9</sup> We also seek comment on forbearing from all discontinuance requirements for all data services with speeds lower than 25/3 Mbps.<sup>10</sup> Further, we propose to expand the 31-day automatic grant period applicable to applications to discontinue a service for which the discontinuing carrier is non-dominant to extend to all

<sup>4</sup> Notice Section III.A.1.

<sup>&</sup>lt;sup>1</sup> 5 U.S.C. §§ 601 *et seq.*, as amended by the Small Business Regulatory Enforcement and Fairness Act (SBREFA), Pub. L. No. 104-121, 110 Stat. 847 (1996).

<sup>&</sup>lt;sup>2</sup> *Id.* § 603(a).

 $<sup>^3</sup>$  Id.

<sup>&</sup>lt;sup>5</sup> *Notice* Section III.A.2.

<sup>&</sup>lt;sup>6</sup> Notice Section III.B.1.

<sup>&</sup>lt;sup>7</sup> *Notice* Section III.B.1.

<sup>&</sup>lt;sup>8</sup> *Notice* Section III.B.2.

<sup>&</sup>lt;sup>9</sup> *Notice* Section III.B.3.a.

<sup>&</sup>lt;sup>10</sup> Notice Section III.B.3.b.

discontinuance applications eligible for streamlined processing regardless of carrier classification.<sup>11</sup> In addition, we seek comment on granting forbearance from the requirement that domestic carriers seeking to discontinue a service notify the relevant state Governor and Secretary of Defense.<sup>12</sup> We also seek comment on revising the emergency discontinuance requirements under section 63.63 and requests made under that rule for permanent discontinuance.<sup>13</sup> Lastly, we propose to eliminate various discontinuance rules that are outdated or redundant.<sup>14</sup>

#### B. Legal Basis

4. The proposed action is authorized pursuant to sections 1-4, 214(a), 251(c)(5) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-54, 214(a), 251(c)(5).

## C. Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply

- 5. The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted. The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction." In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act." A "small business concern" is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA. 18
- 6. Small Businesses, Small Organizations, Small Governmental Jurisdictions. Our actions, over time, may affect small entities that are not easily categorized at present. We therefore describe three broad groups of small entities that could be directly affected by our actions. First, while there are industry specific size standards for small businesses that are used in the regulatory flexibility analysis, in general, a small business is an independent business having fewer than 500 employees. These types of small businesses represent 99.9% of all businesses in the United States, which translates to 34.75 million businesses. Next, "small organizations" are not-for-profit enterprises that are independently owned and operated and not dominant their field. While we do not have data regarding the number of non-profits

<sup>&</sup>lt;sup>11</sup> *Notice* Section III.B.3.c.

<sup>&</sup>lt;sup>12</sup> Notice Section III.B.3.d.

<sup>&</sup>lt;sup>13</sup> Notice Section III.B.4.

<sup>&</sup>lt;sup>14</sup> Notice Section III.B.5.

<sup>&</sup>lt;sup>15</sup> 5 U.S.C. § 603(b)(3).

<sup>&</sup>lt;sup>16</sup> *Id.* § 601(6).

<sup>&</sup>lt;sup>17</sup> *Id.* § 601(3) (incorporating by reference the definition of "small-business concern" in the Small Business Act, 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register."

<sup>&</sup>lt;sup>18</sup> 15 U.S.C. § 632.

<sup>&</sup>lt;sup>19</sup> 5 U.S.C. § 601(3)-(6).

<sup>&</sup>lt;sup>20</sup> See SBA, Office of Advocacy, Frequently Asked Questions About Small Business (July 23, 2024), <a href="https://advocacy.sba.gov/wp-content/uploads/2024/12/Frequently-Asked-Questions-About-Small-Business\_2024-508.pdf">https://advocacy.sba.gov/wp-content/uploads/2024/12/Frequently-Asked-Questions-About-Small-Business\_2024-508.pdf</a>.

<sup>&</sup>lt;sup>21</sup> *Id*.

<sup>&</sup>lt;sup>22</sup> 5 U.S.C. § 601(4).

that meet that criteria, over 99 percent of nonprofits have fewer than 500 employees.<sup>23</sup> Finally, "small governmental jurisdictions" are defined as cities, counties, towns, townships, villages, school districts, or special districts with populations of less than fifty thousand.<sup>24</sup> Based on the 2022 U.S. Census of Governments data, we estimate that at least 48,724 out of 90,835 local government jurisdictions have a population of less than 50,000.<sup>25</sup>

#### 1. Internet Access Service Providers

- 7. Wired Broadband Internet Access Service Providers (Wired ISPs). 26 Providers of wired broadband Internet access service include various types of providers except dial-up Internet access providers. Wireline service that terminates at an end user location or mobile device and enables the end user to receive information from and/or send information to the Internet at information transfer rates exceeding 200 kilobits per second (kbps) in at least one direction is classified as a broadband connection under the Commission's rules. 27 Wired broadband Internet services fall in the Wired Telecommunications Carriers industry. 28 The SBA small business size standard for this industry classifies firms having 1,500 or fewer employees as small. 29 U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year. 30 Of this number, 2,964 firms operated with fewer than 250 employees. 31
- 8. Additionally, according to Commission data on Internet access services as of June 30, 2024, nationwide there were approximately 2,204 providers of connections over 200 kbps in at least one direction using various wireline technologies.<sup>32</sup> The Commission does not collect data on the number of employees for providers of these services, therefore, at this time we are not able to estimate the number of providers that would qualify as small under the SBA's small business size standard. However, in light of the general data on fixed technology service providers in the Commission's 2024 Communications Marketplace Report,<sup>33</sup> we believe that the majority of wireline Internet access service providers can be

<sup>&</sup>lt;sup>23</sup> See SBA, Office of Advocacy, Small Business Facts, Spotlight on Nonprofits (July 2019), <a href="https://advocacy.sba.gov/2019/07/25/small-business-facts-spotlight-on-nonprofits/">https://advocacy.sba.gov/2019/07/25/small-business-facts-spotlight-on-nonprofits/</a>.

<sup>&</sup>lt;sup>24</sup> 5 U.S.C. § 601(5).

<sup>&</sup>lt;sup>25</sup> See U.S. Census Bureau, 2022 Census of Governments –Organization, <a href="https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html">https://www.census.gov/data/tables/2022/econ/gus/2022-governments.html</a>, tables 1-11.

<sup>&</sup>lt;sup>26</sup> Formerly included in the scope of the Internet Service Providers (Broadband), Wired Telecommunications Carriers and All Other Telecommunications small entity industry descriptions.

<sup>&</sup>lt;sup>27</sup> See 47 CFR § 1.7001(a)(1).

<sup>&</sup>lt;sup>28</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," https://www.census.gov/naics/?input=517311&year=2017&details=517311.

<sup>&</sup>lt;sup>29</sup> See 13 CFR § 121.201, NAICS Code 517311 (as of 10/1/22, NAICS Code 517111).

<sup>&</sup>lt;sup>30</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

<sup>&</sup>lt;sup>31</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>32</sup> See Federal Communications Commission, Internet Access Services: Status as of June 30, 2024 at 40, Fig. 41 (IAS Status 2024), Industry Analysis Division, Office of Economics & Analytics (May 2025). As of June 30, 2022, FCC Form 477 classifies all fixed wired connections into three mutually exclusive technology categories: (1) Copper Wire, (2) Coaxial Cable (hybrid fiber-coaxial), and (3) Optical Carrier (fiber to the premises). The report can be accessed at <a href="https://www.fcc.gov/economics-analytics/industry-analysis-division/iad-data-statistical-reports">https://www.fcc.gov/economics-analytics/industry-analysis-division/iad-data-statistical-reports</a>.

<sup>&</sup>lt;sup>33</sup> See Communications Marketplace Report, GN Docket No. 24-119, FCC 24-136 at 6, paras. 12-13-27, Figs. II.A.1-3. (2024) (2024 Communications Marketplace Report).

considered small entities.

9. *Internet Service Providers (Non-Broadband)*. Internet access service providers using client-supplied telecommunications connections (e.g., dial-up ISPs) as well as VoIP service providers using client-supplied telecommunications connections fall in the industry classification of All Other Telecommunications.<sup>34</sup> The SBA small business size standard for this industry classifies firms with annual receipts of \$40 million or less as small.<sup>35</sup> For this industry, U.S. Census Bureau data for 2017 show that there were 1,079 firms in this industry that operated for the entire year.<sup>36</sup> Of those firms, 1,039 had revenue of less than \$25 million.<sup>37</sup> Consequently, under the SBA size standard a majority of firms in this industry can be considered small.

## 2. Wireline Service Providers

- 10. Wired Telecommunications Carriers. The U.S. Census Bureau defines this industry as establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired communications networks. Transmission facilities may be based on a single technology or a combination of technologies. Establishments in this industry use the wired telecommunications network facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services, wired (cable) audio and video programming distribution, and wired broadband Internet services. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry. Wired Telecommunications Carriers are also referred to as wireline carriers or fixed local service providers.
- 11. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small.<sup>42</sup> U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year.<sup>43</sup> Of this number, 2,964 firms operated

<sup>&</sup>lt;sup>34</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517919 All Other Telecommunications," <a href="https://www.census.gov/naics/?input=517919&year=2017&details=517919">https://www.census.gov/naics/?input=517919&year=2017&details=517919</a>.

<sup>&</sup>lt;sup>35</sup> See 13 CFR § 121.201, NAICS Code 517919 (as of 10/1/22, NAICS Code 517810).

<sup>&</sup>lt;sup>36</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Sales, Value of Shipments, or Revenue Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEREVFIRM, NAICS Code 517919, <a href="https://data.census.gov/cedsci/table?y=2017&n=517919&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517919&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

<sup>&</sup>lt;sup>37</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard. We also note that according to the U.S. Census Bureau glossary, the terms receipts and revenues are used interchangeably, *see* https://www.census.gov/glossary/#term\_ReceiptsRevenueServices.

<sup>&</sup>lt;sup>38</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," https://www.census.gov/naics/?input=517311&year=2017&details=517311.

<sup>&</sup>lt;sup>39</sup> *Id*.

<sup>&</sup>lt;sup>40</sup> *Id*.

<sup>&</sup>lt;sup>41</sup> Fixed Local Service Providers include the following types of providers: Incumbent Local Exchange Carriers (ILECs), Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs), Cable/Coax CLECs, Interconnected VOIP Providers, Non-Interconnected VOIP Providers, Shared-Tenant Service Providers, Audio Bridge Service Providers, and Other Local Service Providers. Local Resellers fall into another U.S. Census Bureau industry group and therefore data for these providers is not included in this industry.

<sup>&</sup>lt;sup>42</sup> See 13 CFR § 121.201, NAICS Code 517311 (as of 10/1/22, NAICS Code 517111).

<sup>&</sup>lt;sup>43</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

with fewer than 250 employees.<sup>44</sup> Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 4,590 providers that reported they were engaged in the provision of fixed local services.<sup>45</sup> Of these providers, the Commission estimates that 4,146 providers have 1,500 or fewer employees.<sup>46</sup> Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

- 12. Local Exchange Carriers (LECs). Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. Providers of these services include both incumbent and competitive local exchange service providers. Wired Telecommunications Carriers<sup>47</sup> is the closest industry with an SBA small business size standard.<sup>48</sup> Wired Telecommunications Carriers are also referred to as wireline carriers or fixed local service providers.<sup>49</sup> The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small.<sup>50</sup> U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year.<sup>51</sup> Of this number, 2,964 firms operated with fewer than 250 employees.<sup>52</sup> Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 4,590 providers that reported they were fixed local exchange service providers.<sup>53</sup> Of these providers, the Commission estimates that 4,146 providers have 1,500 or fewer employees.<sup>54</sup> Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.
- 13. *Incumbent Local Exchange Carriers (Incumbent LECs)*. Neither the Commission nor the SBA have developed a small business size standard specifically for incumbent local exchange carriers. Wired Telecommunications Carriers<sup>55</sup> is the closest industry with an SBA small business size standard.<sup>56</sup>

<sup>&</sup>lt;sup>44</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>45</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), <a href="https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf">https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf</a>. <a href="https://docs.fcc.gov/public/attachments/DOC-39181A1.pdf">https://docs.fcc.gov/public/attachments/DOC-39181A1.pdf</a>.

<sup>&</sup>lt;sup>46</sup> *Id*.

<sup>&</sup>lt;sup>47</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," https://www.census.gov/naics/?input=517311&year=2017&details=517311.

<sup>&</sup>lt;sup>48</sup> See 13 CFR § 121.201, NAICS Code 517311 (as of 10/1/22, NAICS Code 517111).

<sup>&</sup>lt;sup>49</sup> Fixed Local Exchange Service Providers include the following types of providers: Incumbent Local Exchange Carriers (ILECs), Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs), Cable/Coax CLECs, Interconnected VOIP Providers, Non-Interconnected VOIP Providers, Shared-Tenant Service Providers, Audio Bridge Service Providers, Local Resellers, and Other Local Service Providers.

<sup>&</sup>lt;sup>50</sup> *Id*.

<sup>&</sup>lt;sup>51</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

<sup>&</sup>lt;sup>52</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>53</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), <a href="https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf">https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf</a>.

<sup>&</sup>lt;sup>54</sup> *Id*.

<sup>&</sup>lt;sup>55</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," <a href="https://www.census.gov/naics/?input=517311&year=2017&details=517311">https://www.census.gov/naics/?input=517311&year=2017&details=517311</a>.

The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small.<sup>57</sup> U.S. Census Bureau data for 2017 show that there were 3,054 firms in this industry that operated for the entire year.<sup>58</sup> Of this number, 2,964 firms operated with fewer than 250 employees.<sup>59</sup> Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 1,212 providers that reported they were incumbent local exchange service providers.<sup>60</sup> Of these providers, the Commission estimates that 916 providers have 1,500 or fewer employees.<sup>61</sup> Consequently, using the SBA's small business size standard, the Commission estimates that the majority of incumbent local exchange carriers can be considered small entities.

14. Competitive Local Exchange Carriers (CLECs). Neither the Commission nor the SBA has developed a size standard for small businesses specifically applicable to local exchange services. Providers of these services include several types of competitive local exchange service providers. Wired Telecommunications Carriers is the closest industry with a SBA small business size standard. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 3,378 providers that reported they were competitive local service providers. Of these providers, the Commission estimates that 3,230 providers have 1,500 or

| (Continued from previous page) -          |                             |                     |
|---|-----------------------------|---------------------|
| <sup>56</sup> See 13 CFR § 121.201, NAICS | Code 517311 (as of 10/1/22, | NAICS Code 517111). |

<sup>&</sup>lt;sup>57</sup> *Id*.

<sup>&</sup>lt;sup>58</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

<sup>&</sup>lt;sup>59</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>60</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), <a href="https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf">https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf</a>.

<sup>&</sup>lt;sup>61</sup> *Id*.

<sup>&</sup>lt;sup>62</sup> Competitive Local Exchange Service Providers include the following types of providers: Competitive Access Providers (CAPs) and Competitive Local Exchange Carriers (CLECs), Cable/Coax CLECs, Interconnected VOIP Providers, Non-Interconnected VOIP Providers, Shared-Tenant Service Providers, Audio Bridge Service Providers, Local Resellers, and Other Local Service Providers.

<sup>&</sup>lt;sup>63</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," https://www.census.gov/naics/?input=517311&year=2017&details=517311.

<sup>&</sup>lt;sup>64</sup> See 13 CFR § 121.201, NAICS Code 517311 (as of 10/1/22, NAICS Code 517111).

<sup>65</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

<sup>&</sup>lt;sup>66</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>67</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), <a href="https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf">https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf</a>.

fewer employees.<sup>68</sup> Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

- 15. *Interexchange Carriers (IXCs)*. Neither the Commission nor the SBA have developed a small business size standard specifically for Interexchange Carriers. Wired Telecommunications Carriers<sup>69</sup> is the closest industry with a SBA small business size standard.<sup>70</sup> The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small.<sup>71</sup> U.S. Census Bureau data for 2017 show that there were 3,054 firms that operated in this industry for the entire year.<sup>72</sup> Of this number, 2,964 firms operated with fewer than 250 employees.<sup>73</sup> Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 127 providers that reported they were engaged in the provision of interexchange services. Of these providers, the Commission estimates that 109 providers have 1,500 or fewer employees.<sup>74</sup> Consequently, using the SBA's small business size standard, the Commission estimates that the majority of providers in this industry can be considered small entities.
- a small business size standard specifically for operator service providers. The closest applicable industry with a SBA small business size standard is Wired Telecommunications Carriers. The SBA small business size standard classifies a business as small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2017 show that there were 3,054 firms in this industry that operated for the entire year. Of this number, 2,964 firms operated with fewer than 250 employees. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 20 providers that reported they were engaged in the provision of operator services.

<sup>&</sup>lt;sup>68</sup> *Id* 

<sup>&</sup>lt;sup>69</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," <a href="https://www.census.gov/naics/?input=517311&year=2017&details=517311">https://www.census.gov/naics/?input=517311&year=2017&details=517311</a>.

<sup>&</sup>lt;sup>70</sup> See 13 CFR § 121.201, NAICS Code 517311 (as of 10/1/22, NAICS Code 517111).

<sup>&</sup>lt;sup>71</sup> *Id*.

<sup>&</sup>lt;sup>72</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

<sup>&</sup>lt;sup>73</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>74</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf.

<sup>&</sup>lt;sup>75</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," https://www.census.gov/naics/?input=517311&year=2017&details=517311.

<sup>&</sup>lt;sup>76</sup> See 13 CFR § 121.201, NAICS Code 517311 (as of 10/1/22, NAICS Code 517111).

<sup>&</sup>lt;sup>77</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>.

<sup>&</sup>lt;sup>78</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>79</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), <a href="https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf">https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf</a>. <a href="https://docs.fcc.gov/public/attachments/DOC-379181A1.pdf">https://docs.fcc.gov/public/attachments/DOC-379181A1.pdf</a>.

the Commission estimates that all 20 providers have 1,500 or fewer employees.<sup>80</sup> Consequently, using the SBA's small business size standard, all of these providers can be considered small entities.

17. Other Toll Carriers. Neither the Commission nor the SBA has developed a definition for small businesses specifically applicable to Other Toll Carriers. This category includes toll carriers that do not fall within the categories of interexchange carriers, operator service providers, prepaid calling card providers, satellite service carriers, or toll resellers. Wired Telecommunications Carriers<sup>81</sup> is the closest industry with a SBA small business size standard. The SBA small business size standard for Wired Telecommunications Carriers classifies firms having 1,500 or fewer employees as small. U.S. Census Bureau data for 2017 show that there were 3,054 firms in this industry that operated for the entire year. Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were providers that reported they were engaged in the provision of other toll services. Of these providers, the Commission estimates that 87 providers have 1,500 or fewer employees. Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

#### 3. Wireless Providers—Fixed and Mobile

18. Wireless Telecommunications Carriers (except Satellite). This industry comprises establishments engaged in operating and maintaining switching and transmission facilities to provide communications via the airwaves.<sup>88</sup> Establishments in this industry have spectrum licenses and provide services using that spectrum, such as cellular services, paging services, wireless Internet access, and wireless video services.<sup>89</sup> The SBA size standard for this industry classifies a business as small if it has 1,500 or fewer employees.<sup>90</sup> U.S. Census Bureau data for 2017 show that there were 2,893 firms in this industry that operated for the entire year.<sup>91</sup> Of that number, 2,837 firms employed fewer than 250

<sup>&</sup>lt;sup>80</sup> *Id*.

<sup>&</sup>lt;sup>81</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517311 Wired Telecommunications Carriers," https://www.census.gov/naics/?input=517311&year=2017&details=517311.

<sup>82</sup> See 13 CFR § 121.201, NAICS Code 517311 (as of 10/1/22, NAICS Code 517111).

<sup>&</sup>lt;sup>83</sup> *Id*.

<sup>&</sup>lt;sup>84</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517311, <a href="https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517311&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

<sup>&</sup>lt;sup>85</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>86</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), <a href="https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf">https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf</a>. <a href="https://docs.fcc.gov/public/attachments/DOC-379181A1.pdf">https://docs.fcc.gov/public/attachments/DOC-379181A1.pdf</a>.

<sup>&</sup>lt;sup>87</sup> *Id*.

<sup>&</sup>lt;sup>88</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517312 Wireless Telecommunications Carriers (except Satellite)," https://www.census.gov/naics/?input=517312&year=2017&details=517312.

<sup>&</sup>lt;sup>89</sup> *Id*.

<sup>&</sup>lt;sup>90</sup> See 13 CFR § 121.201, NAICS Code 517312 (as of 10/1/22, NAICS Code 517112).

<sup>&</sup>lt;sup>91</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517312, <a href="https://data.census.gov/cedsci/table?y=2017&n=517312&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517312&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

employees.<sup>92</sup> Additionally, based on Commission data in the 2022 Universal Service Monitoring Report, as of December 31, 2021, there were 594 providers that reported they were engaged in the provision of wireless services.<sup>93</sup> Of these providers, the Commission estimates that 511 providers have 1,500 or fewer employees.<sup>94</sup> Consequently, using the SBA's small business size standard, most of these providers can be considered small entities.

- 19. Wireless Communications Services. Wireless Communications Services (WCS) can be used for a variety of fixed, mobile, radiolocation, and digital audio broadcasting satellite services. Wireless spectrum is made available and licensed for the provision of wireless communications services in several frequency bands subject to Part 27 of the Commission's rules. Wireless Telecommunications Carriers (except Satellite) is the closest industry with an SBA small business size standard applicable to these services. The SBA small business size standard for this industry classifies a business as small if it has 1,500 or fewer employees. U.S. Census Bureau data for 2017 show that there were 2,893 firms that operated in this industry for the entire year. Of this number, 2,837 firms employed fewer than 250 employees. Thus under the SBA size standard, the Commission estimates that a majority of licensees in this industry can be considered small.
- 20. The Commission's small business size standards with respect to WCS involve eligibility for bidding credits and installment payments in the auction of licenses for the various frequency bands included in WCS. When bidding credits are adopted for the auction of licenses in WCS frequency bands, such credits may be available to several types of small businesses based average gross revenues (small, very small and entrepreneur) pursuant to the competitive bidding rules adopted in conjunction with the requirements for the auction and/or as identified in the designated entities section in Part 27 of the Commission's rules for the specific WCS frequency bands. 100
- 21. In frequency bands where licenses were subject to auction, the Commission notes that as a general matter, the number of winning bidders that qualify as small businesses at the close of an auction does not necessarily represent the number of small businesses currently in service. Further, the Commission does not generally track subsequent business size unless, in the context of assignments or transfers, unjust enrichment issues are implicated. Additionally, since the Commission does not collect data on the number of employees for licensees providing these services, at this time we are not able to estimate the number of licensees with active licenses that would qualify as small under the SBA's small

<sup>&</sup>lt;sup>92</sup> *Id*. The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

<sup>&</sup>lt;sup>93</sup> Federal-State Joint Board on Universal Service, Universal Service Monitoring Report at 26, Table 1.12 (2022), <a href="https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf">https://docs.fcc.gov/public/attachments/DOC-391070A1.pdf</a>.

<sup>&</sup>lt;sup>94</sup> *Id*.

<sup>&</sup>lt;sup>95</sup> See 47 CFR §§ 27.1 – 27.1607.

<sup>&</sup>lt;sup>96</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517312 Wireless Telecommunications Carriers (except Satellite)," https://www.census.gov/naics/?input=517312&year=2017&details=517312.

<sup>97</sup> See 13 CFR § 121.201, NAICS Code 517312 (as of 10/1/22, NAICS Code 517112).

<sup>&</sup>lt;sup>98</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Employment Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEEMPFIRM, NAICS Code 517312, <a href="https://data.census.gov/cedsci/table?y=2017&n=517312&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517312&tid=ECNSIZE2017.EC1700SIZEEMPFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

<sup>&</sup>lt;sup>99</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard.

 $<sup>^{100}</sup>$  See 47 CFR §§ 27.201 – 27.1601. The Designated entities sections in Subparts D – Q each contain the small business size standards adopted for the auction of the frequency band covered by that subpart.

business size standard.

22. All Other Telecommunications. This industry is comprised of establishments primarily engaged in providing specialized telecommunications services, such as satellite tracking, communications telemetry, and radar station operation. This industry also includes establishments primarily engaged in providing satellite terminal stations and associated facilities connected with one or more terrestrial systems and capable of transmitting telecommunications to, and receiving telecommunications from, satellite systems. Providers of Internet services (e.g. dial-up ISPs) or Voice over Internet Protocol (VoIP) services, via client-supplied telecommunications connections are also included in this industry. The SBA small business size standard for this industry classifies firms with annual receipts of \$40 million or less as small. U.S. Census Bureau data for 2017 show that there were 1,079 firms in this industry that operated for the entire year. Of those firms, 1,039 had revenue of less than \$25 million. Based on this data, the Commission estimates that the majority of "All Other Telecommunications" firms can be considered small.

## D. Description of Economic Impact and Projected Reporting, Recordkeeping, and Other Compliance Requirements for Small Entities

- 23. The RFA directs agencies to describe the economic impact of proposed rules on small entities, as well as projected reporting, recordkeeping and other compliance requirements, including an estimate of the classes of small entities which will be subject to the requirements and the type of professional skills necessary for preparation of the report or record.<sup>107</sup>
- 24. The *Notice* seeks comment on proposals that we expect will reduce reporting, recordkeeping, and other compliance requirements if adopted, as small and other carriers would then be subject to fewer regulatory burdens. In the *Notice*, we first propose to eliminate all filing requirements in the Commission's network change disclosure rules.<sup>108</sup> We seek comment on forbearing from all of the Commission's network change disclosure rules instead, including whether carriers should remain obligated to provide public notice of network changes or copper retirement.<sup>109</sup> We then examine our rules governing the section 214(a) discontinuance process, with the goal of expediting the transition from legacy services to next-generation IP networks, as well as eliminating unnecessary burdens and costs on carriers. We propose to simplify technology discontinuance applications by consolidating existing rules governing the applications to one rule.<sup>110</sup> Upon application, carriers would be able to discontinue service

<sup>&</sup>lt;sup>101</sup> See U.S. Census Bureau, 2017 NAICS Definition, "517919 All Other Telecommunications," https://www.census.gov/naics/?input=517919&year=2017&details=517919.

<sup>&</sup>lt;sup>102</sup> *Id*.

<sup>&</sup>lt;sup>103</sup> *Id*.

<sup>&</sup>lt;sup>104</sup> See 13 CFR § 121.201, NAICS Code 517919 (as of 10/1/22, NAICS Code 517810).

<sup>&</sup>lt;sup>105</sup> See U.S. Census Bureau, 2017 Economic Census of the United States, Selected Sectors: Sales, Value of Shipments, or Revenue Size of Firms for the U.S.: 2017, Table ID: EC1700SIZEREVFIRM, NAICS Code 517919, <a href="https://data.census.gov/cedsci/table?y=2017&n=517919&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false">https://data.census.gov/cedsci/table?y=2017&n=517919&tid=ECNSIZE2017.EC1700SIZEREVFIRM&hidePreview=false</a>. At this time, the 2022 Economic Census data is not available.

<sup>&</sup>lt;sup>106</sup> *Id.* The available U.S. Census Bureau data does not provide a more precise estimate of the number of firms that meet the SBA size standard. We also note that according to the U.S. Census Bureau glossary, the terms receipts and revenues are used interchangeably, *see* <a href="https://www.census.gov/glossary/#term">https://www.census.gov/glossary/#term</a> ReceiptsRevenueServices.

<sup>&</sup>lt;sup>107</sup> 5 U.S.C. § 603(b)(4).

<sup>&</sup>lt;sup>108</sup> Notice Section III.A.1.

<sup>109</sup> Notice Section III.A.2.

<sup>&</sup>lt;sup>110</sup> Notice Section III.B.1.

so long as they could certify that one of the following replacement services are available in the affected service area: (1) a facilities-based interconnected VoIP service; (2) a facilities-based mobile wireless service; (3) a voice service offered pursuant to an obligation from one of the Commission's modernized high-cost support programs; (4) a voice service deployed by the applicant in the affected area for six months, and for which the carrier has at least a certain number of existing subscribers; or (5) a widely adopted alternative voice service. We seek comment on our expectation that these four alternatives are adequate replacements for purposes of eligibility for streamlined processing. We also seek comment on two alternatives to this approach, (1) eliminating the Adequate Replacement Test and Alternative Options test and the technology transition discontinuance distinction; or (2) forbearing from discontinuance obligations.<sup>111</sup>

- Next, we seek comment on a number of ways in which we might further revise our 25. discontinuance requirements, all of which would reduce reporting and compliance requirements for small entities. 112 This would include eliminating the requirement that a discontinuation application show that a replacement service offers interoperability and compatibility with an enumerated list of applications and functionalities determined to be key for consumers and competitors. We also seek comment on whether to codify the waiver of rules requiring carriers to provide a "stand-alone" voice service to customers which would not require them to purchase a separate broadband service to access the voice service. We further propose to eliminate the requirement that a carrier seeking to grandfather a legacy service file a 214(a) discontinuance application and seek comment on extending this relief to all situations in which a carrier seeks to grandfather any service. 113 We next seek comment on whether to grant forbearance from the requirement that carriers seeking to discontinue service notify the Secretary of Defense and relevant state Governor. 114 The Notice also proposes to eliminate the distinction between dominant and nondominant carriers related to discontinuance applications, expanding the 31-day automatic grant period to include any domestic carrier who submits a request to discontinue any service. Lastly, concerning reporting, recordkeeping, and compliance requirements, we seek comment on granting forbearance to carriers the previously filed for emergency discontinuance authority under section 63.63 of the Commission's rules, where the carrier has had no customers for the service during the preceding 60 days.115
- 26. We expect that the proposals in the *Notice* will decrease regulatory burdens on small and other carriers by eliminating many of the reporting and recordkeeping obligations mentioned above. While we do not anticipate that these carriers will need to hire professionals to comply with the proposals herein, we request comments specific to any potential burdens or costs small entities may incur in connection with these requirements.

## E. Discussion of Significant Alternatives Considered That Minimize the Significant Economic Impact on Small Entities

27. The RFA directs agencies to provide a description of any significant alternatives to the proposed rules that would accomplish the stated objectives of applicable statutes, and minimize any significant economic impact on small entities.<sup>116</sup> The discussion is required to include alternatives such as: "(1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance and reporting requirements under the rule for such small entities; (3) the use of performance

<sup>&</sup>lt;sup>111</sup> Notice Section III.B.2.b-c.

<sup>&</sup>lt;sup>112</sup> Notice Section III.B.3.

<sup>&</sup>lt;sup>113</sup> *Notice* Section III.B.3.a.

<sup>&</sup>lt;sup>114</sup> Notice Section III.B.3.d.

<sup>&</sup>lt;sup>115</sup> Notice Section III.B.4.

<sup>&</sup>lt;sup>116</sup> 5 U.S.C. § 603(c).

rather than design standards; and (4) an exemption from coverage of the rule, or any part thereof, for such small entities."<sup>117</sup>

- 28. The *Notice* seeks comment on proposals and alternatives that we expect will positively impact small entities. We seek comment on several alternatives to remove regulatory barriers and simplify requirements so that carriers can develop and deploy next-generation networks capable of supporting the advanced communication services available today, such as forbearing from the Commission's network change disclosure rules altogether. This would eliminate the need for small and other providers to comply with the current filing and notice requirements for a network change under the Commission's rules. Regarding technology discontinuance applications, we seek comment on the alternatives of forbearing from discontinuance obligations under section 214(a) and the Commission's rules or revising the Commission's rules through codifying relief previously granted by the Bureau to entities that sought assistance. We also propose to replace both the Adequate Replacement Test and the Alternative Options Test with one consolidated rule applicable to all technology transitions discontinuance applications, and seek comment this approach, or alternatives such as targeted revisions to these tests instead.
- 29. To further revise the Commission's discontinuance rules, we seek comment on the alternative of eliminating the need to file a section 214(a) discontinuance application in all situations in which a carrier intends to grandfather any service, instead of the current process which requires Commission authorization. <sup>120</sup> We also consider whether we should forbear from all section 214(a) discontinuance requirements for all data services with speeds lower than 25/3 Mbps, including whether notice should be required to consumers or the Commission and if so, what form that notice should take. The Notice also considers whether to eliminate the distinction between dominant and non-dominant carriers for purposes of discontinuance applications, and requests comment on the alternative of expanding the current 31-day automatic grant period for non-dominant carriers to include any domestic carrier who submits a request to discontinue any service. We also request comment on whether to grant forbearance from the requirement that carriers seeking to discontinue a service provide notice to both the Governor of the affected state and to the Secretary of Defense. In addition, we seek comment on alternatives to revising the emergency discontinuance requirements under section 63.63 and requests made under that rule for permanent discontinuance. 121 Lastly, we propose a number of alternatives to eliminate various discontinuance rules that are outdated or redundant given the current communications marketplace. 122 We seek comment on whether any of the burdens associated with alternatives that alter current filing, recordkeeping, and reporting requirements described in the *Notice* can be further minimized to lessen economic impact on small entities.
- 30. The Commission will fully consider the economic impact on small entities as it evaluates the comments filed in response to the *Notice*, including comments related to costs and benefits. Alternative proposals and approaches from commenters will further develop the record and could help the Commission further minimize the economic impact on small entities. The Commission's evaluation of the comments filed in this proceeding will shape the final conclusions it reaches, the final alternatives it considers, and the actions it ultimately takes to minimize any significant economic impact that may occur on small entities from the final rules.

<sup>&</sup>lt;sup>117</sup> *Id.* § 603(c)(1) - (4).

<sup>&</sup>lt;sup>118</sup> Notice Section III.A.2.

<sup>&</sup>lt;sup>119</sup> Notice Section III.B.1-2.

<sup>&</sup>lt;sup>120</sup> Notice Section III.B.3.a.

<sup>&</sup>lt;sup>121</sup> Notice Section III.B.4.

<sup>&</sup>lt;sup>122</sup> Notice Section III.B.5.

- F. Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules
- 31. None.