



## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 63

[WC Docket No. 17-84; DA 20-1241; FRS 17275]

### Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment

**AGENCY:** Federal Communications Commission

**ACTION:** Denial of reconsideration.

**SUMMARY:** In this document, the Wireline Competition Bureau of the Federal Communications Commission (Commission) denies Public Knowledge's Petition for Reconsideration of the *Wireline Infrastructure Second Report and Order*, published on July 9, 2018, and dismisses as moot Public Knowledge's companion Motion to Hold in Abeyance the same *Order* pending an appeal that has now been denied.

**DATES:** The Commission denies the petition for reconsideration as of [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Federal Communications Commission, 45 L Street, NE, Washington, DC 20554.

**FOR FURTHER INFORMATION CONTACT:** Wireline Competition Bureau, Competition Policy Division, Michele Levy Berlove, at (202) 418-1477, [michele.berlove@fcc.gov](mailto:michele.berlove@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This is a summary of the Wireline Competition Bureau's Order on Reconsideration in WC Docket No. 17-84, adopted October 20, 2020 and released October 20, 2020. The full text of this document is available on the Commission's website at <https://docs.fcc.gov/public/attachments/DA-20-1241A1.docx>. To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to [FCC504@fcc.gov](mailto:FCC504@fcc.gov) or

call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (TTY).

The Wireline Competition Bureau adopted the Order on Reconsideration in conjunction with an Order and a Declaratory Ruling in WC Docket No. 17-84.

This document does not contain new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4).

The Commission will not send a copy of this Order on Reconsideration to Congress and the Government Accountability Office pursuant to the Congressional Review Act, see 5 U.S.C. 801(a)(1)(A), because the adopted rules are rules of particular applicability. This document denying the Order on Reconsideration applies to one petitioner, Public Knowledge.

## Synopsis

### I. INTRODUCTION

1. Next-generation networks hold the promise of new and improved service offerings for American consumers, and encouraging the deployment of these facilities as broadly as possible has long been a priority of the Commission. The COVID-19 pandemic has served to underscore the importance of ensuring that people throughout the country can reap the benefits of these next-generation networks, which provide increased access to economic opportunity, healthcare, education, civic engagement, and connections with family and friends. Removing unnecessary regulatory barriers faced by carriers seeking to transition legacy networks and services to modern broadband infrastructure is therefore a key component of the Commission's work to improve access to advanced communications services and to close the digital divide.

2. In the Order on Reconsideration, the Wireline Competition Bureau denies a petition by Public Knowledge (Petitioner) seeking reconsideration of the *Wireline Infrastructure Second Report and Order (Second Report and Order or Order)*, 83 FR 31659, July 9, 2018, and dismisses as moot its accompanying motion to have the Commission hold that *Order* in abeyance pending the outcome of an appeal.

## II. BACKGROUND

3. Section 214(a) of the Communications Act of 1934, as amended, requires that carriers seek Commission authorization before discontinuing, reducing, or impairing service to a community or part of a community. Unless otherwise noted, this item uses the term “discontinue” or “discontinuance” as a shorthand for the statutory language “discontinue, reduce, or impair.” The Commission will grant such authorization only if it determines that “neither the present nor future public convenience and necessity will be adversely affected.” This requirement is “directed at preventing a loss or impairment of a service offering to a community or part of a community without adequate public interest safeguards.” Reference to “the Commission” with respect to administering its section 214 discontinuance rules throughout this item includes actions taken by the Bureau pursuant to its delegated authority to accept, process, and act on section 214 applications.

4. The Commission’s rules implementing section 214(a) provide that a carrier’s application seeking Commission discontinuance authority will be automatically granted after sixty or thirty days, depending on whether the carrier is considered dominant or nondominant, respectively, unless the Commission notifies the applicant otherwise. This automatic grant feature has become known as streamlined processing. The Commission may remove an application from streamlined processing based on the contents of the application itself, responsive or oppositional comments, or other issues associated with the application that warrant further scrutiny prior to acting. The Commission will normally authorize the discontinuance, however, “unless it is shown

that customers would be unable to receive service or a reasonable substitute from another carrier or that the public convenience or necessity is otherwise adversely affected.”

5. In evaluating whether a planned discontinuance of service will adversely affect the public convenience or necessity, the Commission traditionally employs a five-factor balancing test. These five factors analyze: (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. While analysis of these five factors “generally provides the basis for reviewing discontinuance applications, our ‘public interest evaluation necessarily encompasses the broad aims of the Communications Act.’” In 2016, the Commission revised its streamlined discontinuance rules to create a process applicable specifically to technology transition discontinuance applications. These applications seek to discontinue legacy time-division multiplexing (TDM)-based voice services in a community, replacing them instead with a voice service using a different, next-generation technology. In adopting a new process specifically for technology transition discontinuance applications, the Commission concluded that the existence, availability, and adequacy of alternatives has “heightened importance” in evaluating the impact on the public interest, as consumers in the affected community would typically need to transition to more modern voice service alternatives having different characteristics. As a result, carriers could get streamlined treatment of a technology transition discontinuance application only by complying with a set of requirements intended to focus heightened scrutiny on the replacement service to which end-user customers would have access. In order to get streamlined treatment via the adequate replacement test, a technology transition discontinuance applicant must certify or demonstrate that one or more replacement services in the area offers all of the following: (1)

substantially similar levels of network infrastructure and service quality as the applicant service; (2) compliance with existing Federal and/or industry standards required to ensure that critical applications such as 911, network security, and applications for individuals with disabilities remain available; and (3) interoperability and compatibility with an enumerated list of applications and functionalities determined to be key to consumers and competitors.

6. In furtherance of its commitment to encouraging a more rapid transition to next-generation voice technologies and services, the Commission further amended its technology transition discontinuance rules in 2018 to provide an additional, more streamlined option for carriers seeking to discontinue legacy voice services. This option encompassed “appropriate limitations to protect consumers and the public interest,” while enabling carriers to work more responsively to “redirect resources to next-generation networks,” ultimately benefitting the public. Via a new “alternative options test,” a carrier’s technology transition discontinuance application is eligible for streamlined processing when: (1) the discontinuing carrier offers a stand-alone, facilities-based interconnected Voice over Internet Protocol (VoIP) service throughout the affected service area, and (2) at least one stand-alone facilities-based voice service is available from an unaffiliated provider throughout the affected service area. A carrier seeking streamlined treatment for a technology transition discontinuance application can choose to satisfy either the adequate replacement test or the alternative options test. All carriers, regardless of status as dominant or non-dominant, are eligible for the streamlined options for the discontinuance of legacy TDM-based voice service. We note that seeking streamlined treatment for a technology transition discontinuance application is optional. If a discontinuing carrier cannot, or elects not to attempt to, satisfy the requirements associated with seeking one of the streamlined treatment alternatives, the carrier may always proceed with its discontinuance application on a non-streamlined basis, under the

traditional five-factor test. In addition, neither the 2016 nor the 2018 technology transition discontinuance rules limited their applicability to incumbent local exchange carriers (LECs). An incumbent LEC is any local exchange carrier in a specific area that: (A) on February 8, 1996, provided telephone exchange service in such area; and (B)(i) on February 8, 1996, was deemed to be a member of the exchange carrier association pursuant to § 69.601(b) of the Commission's regulations (47 CFR 69.601(b)); or (ii) is a person or entity that, on or after February 8, 1996, became a successor or assign of a member described in clause (i). By contrast, a competitive LEC is a carrier that intends to compete directly with the incumbent LEC for its customers and its control of the local market.

### III. ORDER ON RECONSIDERATION

7. In this Order on Reconsideration, the Wireline Competition Bureau (Bureau) denies Public Knowledge's Petition for Reconsideration (Petition) of the *Wireline Infrastructure Second Report and Order*. We also dismiss as moot Public Knowledge's companion Motion to Hold in Abeyance (Motion) the same *Order* pending an appeal that has now been denied.

8. On June 7, 2018, the Commission adopted the *Second Report and Order*, in which, among other things, it established a new, alternative path for carriers to obtain streamlined treatment of applications to discontinue legacy TDM-based voice services as part of a technology transition. Public Knowledge subsequently sought reconsideration of that *Order* and to have the Commission hold it in abeyance pending the outcome of an appeal of the *Wireless Infrastructure First Report and Order (First Report and Order)* (82 FR 61453, Dec. 28, 2017) in the same Commission proceeding. The Wireline Competition Bureau sought comment on Public Knowledge's Petition on September 19, 2018 (83 FR 47325). While the Public Notification seeking comment on the Petition did not also seek comment on the Motion, certain filers responded to the Motion. No

commenters other than Public Knowledge filed in support of the Petition. Three commenters filed oppositions to the Petition, generally arguing that it “offers no basis for the Commission to reverse any of its decisions.” We agree and deny the Petition. Moreover, we deny the Motion as moot for the additional independent reason that the pending appeal upon which it was based has been denied.

A. The Petition Rehashes Issues Already Addressed

9. In support of its Petition, Public Knowledge raises several arguments that the Commission previously addressed in the *Second Report and Order*. Specifically, the Petition argues that: (1) “the Commission’s changes to its rules . . . pose a threat to the ability of [F]ederal agencies to complete their missions;” (2) the “alternative options” test adopted in the *Second Report and Order* is deficient in various ways; and (3) the Commission improperly relied on “market-based incentives [as] sufficient to ensure that customers will retain access to adequate service.” USTelecom noted that “[m]any of the complaints in the Petition have already been considered by the Commission.” The Wireline Competition Bureau denies the Petition because all of Public Knowledge’s arguments were fully considered, and rejected, by the Commission in the underlying proceeding.

10. First, Public Knowledge argues in its Petition that a filing by the National Telecommunications and Information Administration (NTIA), submitted after the *Second Report and Order* was adopted, raises concerns that Federal agencies “are likely to be negatively impacted by the fact that the *Order’s* discontinuance process does not require carriers to prove that replacement services will provide service substantially similar those being discontinued.” The Wireline Competition Bureau disagrees with Public Knowledge’s characterization of the NTIA letter, and with the assertion that government agencies will be negatively affected by the changes adopted in the *Second Report and Order*.

11. As an initial matter, the Commission fully considered, and rejected, arguments that government agencies would be negatively impacted by the rules adopted in the *Second Report and Order*. In that *Order*, the Commission found unpersuasive “concerns that large enterprise or government customers will be adversely affected by further streamlined processing of legacy voice discontinuance applications that do not meet the adequate replacement test.” The Commission found in the *Second Report and Order* that “carriers are accustomed to working with . . . government users . . . to avoid service disruptions” and noted the Commission’s expectation that under the new streamlined discontinuance processing rules “carriers will ‘continue to collaborate with their [enterprise or government] customers . . . to ensure that they are given sufficient time to accommodate the transition to [next-generation services] such that key functionalities are not lost during this period of change.’” The Commission went on to note that “as with all discontinuance applications, [Federal agency] customers are able to file comments in opposition to a discontinuance application and seek to have the Commission remove the application from streamlined processing.” The NTIA letter referenced by the Petition raises no new concerns about these findings.

12. Moreover, several commenters point out that the Petition misconstrues NTIA’s filing, which, “[c]ontrary to Public Knowledge’s assertions, . . . generally supports the Commission’s approach” in the *Second Report and Order*. For example, NTIA “support[s] the Commission’s decision to extend . . . streamlined processing rules . . . for legacy voice and data services operating at speeds less than 1.544 Mbps to carrier applications to discontinue data services at speeds below 25/3 Mbps.” NTIA observes that “if carriers’ conduct impairs . . . critical national security and public safety functions, the Commission retains ‘flexibility to address [agencies’] circumstances on a case-by-case basis.’” More generally, NTIA recognizes the *Second Report and Order*’s discussion of Federal agencies “as a commitment to sanction conduct impinging on”

critical agency functions, expressing confidence “that the Commission will continue to recognize and address the specific needs of [F]ederal [G]overnment users during the IP transition.” In particular, NTIA’s letter endorses the Commission’s discussion of Federal agencies in the *Second Report and Order*, noting that the Commission retains flexibility to address issues related to national security and public safety raised by legacy voice service discontinuances on a case-by-case basis. As Verizon notes, “NTIA agreed [with the Commission’s finding that] the [F]ederal [G]overnment ‘generally is well-positioned to protect its interests through large-scale service contracts with carriers.’” While the NTIA letter cited in the Petition notes that some Federal agencies in remote or less populated areas may not enjoy the level of competition for communications services that exists in other areas of the country, NTIA goes on to state that it is “encouraged” by the Commission’s discussion of Federal agencies’ interests regarding service discontinuances in the *Second Report and Order*. The letter likewise expresses confidence that the Commission’s procedures for processing service discontinuances will be sufficient to safeguard the interests of Federal agencies in maintaining mission critical communications infrastructure. In its reply comments in support of its Petition, Public Knowledge seems to suggest that despite its “amicable tone” we should nonetheless read the NTIA letter as constituting an implied opposition to the alternative options test adopted in the *Second Report and Order*. The Wireline Competition Bureau declines, however, to read into NTIA’s letter arguments that do not appear in its text. And although NTIA suggests that the Bureau “should hold in abeyance any copper retirement if a [F]ederal user credibly alleges that the carrier’s proposed retirement date does not give the user ‘sufficient time to accommodate the transition to new network facilities,’” nowhere does NTIA argue that the framework adopted in the *Second Report and Order* “is likely” to adversely impact Federal agencies, nor does NTIA argue that “any replacement test without quantifiable performance standards has inherent shortcomings,”

as claimed in the Petition. Copper retirements are subject to the Commission's section 251 network change disclosure rules rather than the section 214 discontinuance rules. Those rules contain objection procedures that allow for a limited extension of the proposed copper retirement effective date.

13. The Wireline Competition Bureau also disagrees with arguments in the Petition that the Commission's alternative options test and consumer comment period for discontinuances are arbitrary, inconsistent with the public interest, or unsupported by the record underlying the *Second Report and Order*. The Commission already considered, and rejected, these arguments in the underlying *Order*. As the Commission found in that *Order*, the record "shows strong support for further streamlining the section 214(a) discontinuance process for legacy voice services for carriers in the midst of a technology transition." The Commission observed that "the number of switched access lines has continued to plummet" since the adequate replacement test was adopted, "while the number of interconnected VoIP and mobile voice subscriptions have continued to climb," and concluded that "providing additional opportunities to streamline the discontinuance process for legacy voice services, with appropriate limitations to protect consumers and the public interest, [will] allow carriers to more quickly redirect resources to next-generation networks, and the public to receive the benefit of those new networks." Based on these findings, the Commission adopted the alternative options test for carriers seeking streamlined treatment of applications to discontinue legacy voice services, while retaining the preexisting adequate replacement test as an option for carriers.

14. We also dismiss Petitioner's arguments that we must reconsider the *Second Report and Order* because of perceived deficiencies regarding the Commission's broadband maps. Petitioner offers no support for its speculation that these maps "would presumably guide [the Commission's] analysis regarding whether another stand-alone facilities-based service is available." Indeed, nothing in the *Second Report and Order*

suggests that the Commission's broadband maps would provide the basis for this determination, and the burden falls on the provider seeking discontinuance to demonstrate the existence of alternative service options.

15. The Petition argues that the absence of specific performance metrics in the alternative options test indicates that the Commission has “abdicated its statutory duty to promote the public interest.” The Wireline Competition Bureau disagrees. As Verizon notes in its opposition, the Petition “ignores the Commission’s explanation for why the . . . compliance obligations that it found necessary for the . . . adequate replacement test are not necessary under the alternative options test,” which, unlike the adequate replacement test, requires the existence of at least *two* alternative services. The alternative options test complements, rather than replaces, the adequate replacement test, both of which ensure that the public interest is protected when carriers seek to discontinue legacy voice services that are part of a technology transition. As the Commission explained in the *Second Report and Order*, “[w]here 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. But where there is more than one facilities-based alternative . . . we expect customers will benefit from competition between facilities-based providers.” The Commission went on to explain that “[t]he stand-alone interconnected VoIP service option required to meet the alternative options test embodies managed service quality and underlying network infrastructure, and disabilities access and 911 access requirements, key components of the Commission’s 2016 streamlining action.” For these reasons, the Commission explained, “under either test, customers will be assured a smooth transition to a voice replacement service that provides capabilities comparable to legacy TDM-based voice services and, often, numerous additional advanced capabilities.” For this reason, the Wireline Competition Bureau also disagrees with Petitioner’s argument that there are

“instances of specific harm that the Commission appeared to purposefully overlook during its 2018 rulemaking,” citing “critical functions like medical device support, fire alarms, and connecting credit card readers for small businesses” and the effects of natural disasters like hurricanes and wildfires. As the Commission explained in the *Second Report and Order*, “[t]he two parts of the alternative options test . . . address commenters’ concerns about potentially inadequate mobile wireless replacement services for customers requiring service quality guarantees and their concerns that vulnerable populations will be unable to use specialized equipment for people with disabilities, such as TTYs or analog captioned telephone devices or will be left without access to 911.”

16. The Wireline Competition Bureau also disagrees with arguments in the Petition that we should reconsider the 10-day consumer comment period adopted in the *Second Report and Order* and “reinstate the 180-day notice period for customers of discontinued services.” There has never been a 180-day customer notice period for discontinuance applications. As Verizon notes, Petitioner’s arguments regarding customer notification seem to conflate copper retirement with service discontinuance. The *Second Report and Order* provided for a streamlined 10-day comment period for applications to grandfather legacy voice services, which had previously been subject to the default of 15 days for non-dominant providers and 30 days for dominant providers. The Commission had previously adopted streamlined comment and automatic grant periods for applications to grandfather or to discontinue previously grandfathered low-speed legacy voice and data services. In the *Second Report and Order*, the Commission extended this streamlined treatment to all legacy voice services. The Commission explained in the *Second Report and Order*, “as existing customers will be entitled to maintain their legacy voice services, they will not be harmed by grandfathering applications.” It did not, however, shorten the comment period applicable to non-grandfathering technology transition discontinuance applications. Such applications are

still subject to the default comment period. And, while the *First Report and Order* revised the Commission's copper retirement rules to "eliminate the requirement of direct notice to retail customers" and reduced the copper retirement waiting period from 180 to 90 days, these changes did not affect the requirement or timing within which consumers receive notice of service discontinuance applications under section 214.

17. Finally, the Wireline Competition Bureau dismisses the Petition's argument that the Commission "must reconsider its belief that market-based incentives are sufficient to ensure that carriers provide adequate replacement services to consumers in the event of a service discontinuance." The Commission has previously considered and rejected Petitioner's claims in this regard. Nevertheless, judgments concerning the nature and impact of market incentives as they relate to public policy are well within the Commission's discretion. The rules adopted in the *Second Report and Order* were based on an extensive record, and in the absence of any new data or facts, the Wireline Competition Bureau rejects Petitioner's request to reconsider those rules based solely on the fact that it disagrees with the Commission's assessment of competition in the market for telecommunications services.

#### B. The Motion to Hold in Abeyance Is Moot

18. The Wireline Competition Bureau dismisses as moot Public Knowledge's accompanying Motion to hold the *Second Report and Order* "in abeyance until pending litigation is resolved." The Motion refers to a challenge in the United States Court of Appeals for the Ninth Circuit of the Commission's 2017 *Wireline Infrastructure First Report and Order*, which was then pending but has since been dismissed for lack of standing. We note that some commenters argue that Public Knowledge's Motion was an improper motion for a stay, or is procedurally defective in other ways. We need not reach determination of these issues, however, as we instead merely dismiss this accompaniment to the Public Knowledge Petition as moot.

19. This action is taken pursuant to the authority delegated by §§ 0.91 and 0.291 of the Commission's rules, 47 CFR 0.91 and 0.291.

#### IV. PROCEDURAL MATTERS

20. This document does not contain new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, *see* 44 U.S.C. 3506(c)(4).

21. *Contact Person.* For further information about this proceeding, please contact Michele Levy Berlove, Competition Policy Division, Wireline Competition Bureau, at (202) 418-1477.

#### V. ORDERING CLAUSES

22. Accordingly, IT IS ORDERED that, pursuant to sections 1-4 and 214 of the Communications Act of 1934, as amended, 47 U.S.C. 151-154 and 214, this Order on Reconsideration IS ADOPTED.

23. IT IS FURTHER ORDERED that the Petition for Reconsideration filed by Public Knowledge IS DENIED.

24. IT IS FURTHER ORDERED that this Order on Reconsideration SHALL BE effective 30 days after publication in the Federal Register.

FEDERAL COMMUNICATIONS COMMISSION

Daniel Kahn,  
Associate Chief, Wireline Competition Bureau.

Editorial note: This document was received for publication by the Office of the Federal Register on January 6, 2021.

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