

Protecting Businesses and Consumers in the Phone Network Transition

Background: Our phone network is transitioning. Carriers are increasingly interested in replacing their copper wires with fiber or wireless technology and using Internet Protocols to route calls. Public Knowledge is advocating for this transition to be handled responsibly to ensure customers and businesses are truly better off as a result of the transition.

Why Is This Important for Businesses and Consumers?

It is vital that we have a phone and communications system that is effective, reliable, and an engine of commerce. Whether it is making an emergency call to a repairman, asking a question of customer service, or even calling to order a pizza, we need a phone network that is reliable, accessible, and competitive.

The phone network transition means we need to evaluate what we value in the current network and ensure these things are protected as we transition:

- Guaranteeing all Americans have access to communications services
- Ensuring customers of any phone carrier can contact their family, friends, and buy goods
- Establishing a reliable phone network that offers customers the quality they have now
- Providing basic protections for end users, including individuals and small businesses
- Keeping access to emergency and safety services universal and effective

During this transition, we must address the following challenges for small businesses and their customers:

- A satisfied customer-business relationship is important, so **making sure businesses and consumers can reach each other** is vital to economic security. Replacements for wireline phone service on Hurricane Sandy-ravaged areas reportedly caused dropped calls and poor call quality, impacting the ability to do business.
- Transitions to new networks will lead to **unanticipated expenses** for new equipment and services, such as fax machine replacements, security systems, credit card processors, and Internet services that may be more expensive or subject data caps, which limit the ability to provide free wi-fi.
- **Over 50% of businesses use DSL and dial-up Internet**, which may be increasingly replaced with more expensive or limited cable, fiber, or wireless internet services.
- Businesses are at risk of **losing rural customers**, as some current phone company proposals would not require carriers to connect low population communities.

In short, businesses and consumers must be engaged in ensuring this phone transition does not burden economic activity. For more information go to:

