

Transitioning to Fiber: The Consumer Experience

Many of today's consumers wouldn't recognize a rotary phone. It's time for the regulatory environment to catch up with today's reality.

By Heather Burnett Gold / *FTTH Council Americas*

Most people under 30 have never used a rotary phone. Many of them don't even use corded wall phones. Taking the place of these retro devices are VoIP systems, computers and wireless devices connected through high-speed Internet Protocol technology. Increasingly, the way people connect is through fiber.

Today, all-fiber networks pass almost 19 percent of all homes in the United States. Individuals and communities are clamoring for fiber, and service providers and vendors are increasingly deploying all-fiber networks to respond to that demand. In the United States, according to market researcher RVA LLC, there were 24 million homes marketed to and more than 11 million fiber-to-the-home households at the end of 2014.

What's driving this steady march to fiber, and what's motivating consumers to choose fiber to connect to the Internet? Fiber is faster, more reliable and more sustainable, and it provides great economic value to communities.

One driver is clearly fiber's speed and capacity, which let consumers be more productive and experience more online. Consumers spend an average of about 5.7 hours online per day, have an average of 5.5 connected devices in their homes and have two screens active almost a quarter of the time. Consumers under 35 – the ones for whom rotary phones are likely a mystery – get about half their audio and video entertainment online.

Beyond high speeds, consumer surveys show FTTH is more reliable, requiring fewer modem reboots and calls to the service center than other technologies. In addition, FTTH has become an amenity that contributes to consumers' satisfaction with their homes. A fiber connection makes real estate worth more – between \$5,000 and \$6,000 in additional value for a \$300,000 home.

It's clear consumers expect different things from their communications networks now than they did just a few years ago. People just don't use the old infrastructure the way they used to.

According to a recent survey by the Fiber to the Home Council Americas and RVA LLC, fewer than 1 percent of households make phone calls only through traditional line-powered landline service with corded telephones – the setup virtually all telephone consumers had some 25 years ago. This shows how the profile of telephone service has dramatically changed in a short time and indicates that most consumers rely little on landline telephones in case of emergency.

The percentage of households with mobile wireless service stands at 89 percent and is growing. In contrast, landline telephone service is waning, with only an estimated 58 percent now subscribing. Of these landline customers, fewer than half subscribe to line-powered copper service, and only about half of these customers have corded phones. Approximately 17 percent of these copper consumers said they were “very likely” or “somewhat likely” to drop this service over the next year.

Not surprisingly, given these results, 75 percent of consumers said they are likely to turn to their mobile devices in emergencies when the power is out.

The FTTH Council filed this study at the FCC as the commission considers rules for the transition from all-copper networks to IP-based networks to show the commission the reality of the communications market. Making the United States' transition from copper to all-fiber networks is a daunting, yet critically important, task. The capital investment is substantial, and the risk is great. But over the past 15 years, the country has steadily marched in this direction. Policies that speed the market-driven technology transition and encourage the deployment of fiber will help it move farther along the road. ❖

Heather Burnett Gold is president and CEO of the Fiber to the Home Council Americas, a nonprofit association whose mission is to accelerate deployment of all-fiber access networks. You can contact her at heather.b.gold@ftthcouncil.org.