The Administrative Council for Terminal Attachments (ACTA) and the Organization's Future

Jim Haynes, ACTA Chairman
Tom Goode, ATIS General Counsel

Why we are here

- To provide background on the ACTA's role with regard to the FCC's Part 68 rules and responsibilities.
- To update the FCC on recent trends related to ACTA filings.
- To recommend steps forward to foster compliance with Part 68 of the Commission's rules.

Part 68 Background

- The Commission's Part 68 rules and regulations foster competition and innovation by requiring service providers to allow terminal equipment manufactured by anyone to be connected to their network, provided that the terminal equipment demonstrates compliance to the technical criteria established for preventing network harm.

Part 68 Background

- Under the pre-ACTA rules:
  - Terminal equipment was approved and/or registered by the Commission; an FCC Registration Number had to be included in the product's Registration Number.
    - Registered equipment was entered into a database.
  - Approved/registered equipment had to demonstrate that its use would prevent four network harms:
    1. Electrical hazards to telephone company personnel;
    2. Damage to telephone company equipment;
    3. Malfunction of telephone company billing equipment; and
    4. Degradation of service to persons other than users of the subject terminal equipment, the calling/called parties
  - Approved/registered equipment had to comply with Commission requirements pertaining to: Hearing Aid Compatibility, volume control, consumer protection, and product labeling.

Part 68 Privatization

- In 2000, the Commission privatized significant portions of its terminal equipment connection rules
  - To ensure continued uniformity and a level playing field that will assure robust competition, the FCC established the **Administrative Council for Terminal Attachments (ACTA)** to:
    - Adopt technical criteria for terminal equipment;
    - Establish product-labeling requirements;
    - Establish and maintain a database of equipment approved as compliant with the technical criteria; and
    - Perform other administrative Part 68 functions.
  - Enforcement remains solely a Commission responsibility.
  - ACTA is co-sponsored by the Alliance for Telecommunications Industry Solutions (ATIS) and Telecommunications Industry Association (TIA).

Responsibility of the Responsible Party

- Under the Commission's current Part 68 rules:
  - Responsible Parties (RPs) must ensure that terminal equipment connected to the public network complies with the applicable Part 68 rules and regulations and with the applicable ACTA-adopted technical criteria. **[§§ 68.7, 68.218(a)]**
    - *Terminal equipment. As used in this part* [Part 68], *terminal equipment includes communications equipment located on customer premises at the end of a communications link, used to permit the stations involved to accomplish the provision of telecommunications or information services.* **[§68.3]**
- This requirement, at minimum, implies that failure to comply is subject to enforcement by the Commission.
  - In adopting the ACTA rules, the Commission acknowledged it retains "ultimate responsibility to enforce compliance" with its Part 68 rules."

Responsibility of the Responsible Party

- Under the Commission's current rules: :
  - Terminal equipment approval is accomplished through:
    1. Certification by a Telecommunications Certification Body (TCB); or
    2. Declaration of compliance by the RP utilizing the Supplier's Declaration of Conformity (SDoC) process.

    [§68.201]
  - RPs, whether they obtain terminal equipment approval from a TCB or utilize the SDoC process, shall submit to the ACTA database administrator all information required by ACTA **[§§ 68.218(a), 68.602 et seq.]**

Responsibility of the Responsible Party

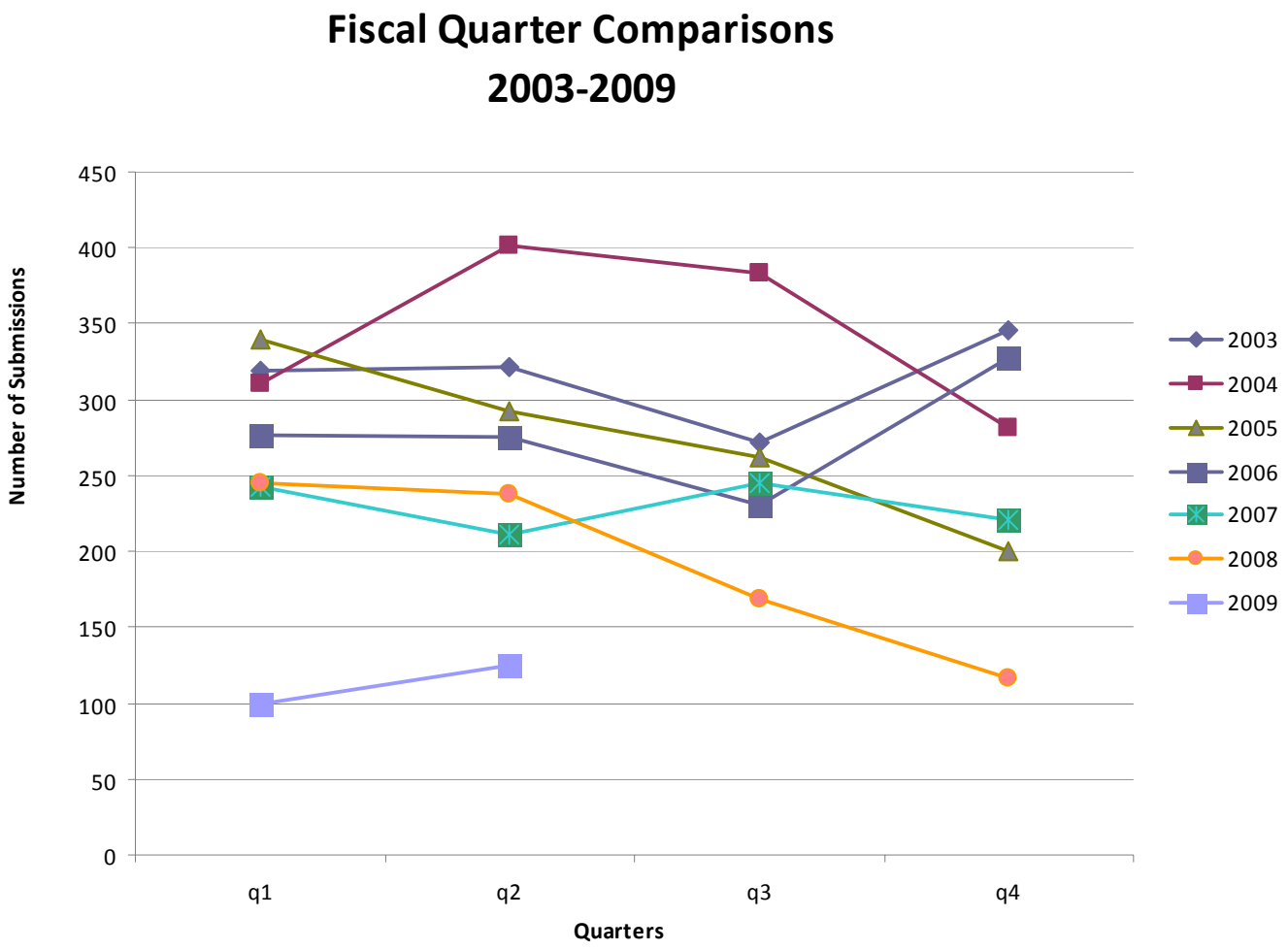
- The Part 68 rules and regulations also require RPs to:
  - Comply with HAC and volume control requirements; **[§§ 68.4, 68.317(c)]**
  - Comply with consumer protection requirements; **[§ 68.318]**
  - Designate an Agent for Service; **[§68.418]**
  - Submit all information required by the ACTA for inclusion in the Part 68 database; **[§68.610 (b)]** and
  - Label terminal equipment as specified by ACTA. **[§§ 68.300, 68.354 (a)(b), and §68.612]**
    - The labeling requirements are detailed in the following industry standard: TIA/EIA/TSB-168-B**,** Telecommunications - Telephone Terminal Equipment - Labeling Requirements, September 2008.

Responsible Party Submission Requirements

- Information required by ACTA is outlined in the *Guidelines and Procedures for submittal of information for inclusion in the ACTA database of approved Telephone Terminal Equipment (TTE)*
  - Under these guidelines, an RP must provide:
    - Copy of the ACTA TTE Submission Form (~19 items);
    - Signed copy of Responsible Party's SDoC, or TCB's Certificate;
    - Signed copy of Indemnification & Liability Statement;
    - Copy of test method used to verify conformity for SDoC;
    - Designation of a US Agent for Service; and
    - Processing Fee (US$525).
- ACTA's technical criteria, guidelines for submissions, and other related information is available on ACTA's website at **http://www.part68.org.**

Downturn in US TTE Registrations

Over the past few years, the number of filings have dropped precipitously as the numbers and graph below show:



Canadian Registration Numbers

Industry Canada, the registration and enforcement body in Canada, has seen a downward trend in TTE registrations, but the downward trend is less significant than in the US:

Calendar Year	Terminal Only	Dual Certification	Total Combined
2007	**391**	**109**	**500**
2008	**291**	**127**	**418**
2009 (as of May 31)	**111**	**59**	**170**

In comparing the registrations for ACTA and Industry Canada:

- For 2007-2008, there was a similar downward trend in TTE registrations in the US and in Canada.
  - Both Industry Canada and ACTA saw a 16.4% decrease
- For 2009, the decline in TTE registrations for the US appears to be decreasing at a significantly greater rate than in Canada.
  - Estimated EoY rate: 18.6% for IC; **41.6%** decrease for ACTA

Conclusions and Recommendations

- The data demonstrates that the number of ACTA registrations has dropped substantially.
  - The decline has occurred for four of the last five years.
  - For 2009, the rate of decline has been significantly greater than in previous years and also significantly greater than the decline in Canadian registrations.
- The failure to comply with the Part 68 rules can have devastating impacts on communications networks and on consumers.
  - For instance, non-compliant TTE may prevent access to emergency services (9-1-1) or access by consumers with hearing aids.

Conclusions and Recommendations

- Enhanced enforcement of the existing Part 68 rules is <u>necessary</u>.
  - Without such enhanced enforcement:
    - Non-compliant TTE may jeopardize both communications networks and their consumers;
    - Those manufacturers and importers that comply with the existing rules will continue to be penalized for such compliance; and
    - the registration of TTE as required by Part 68 will continue to diminish, threatening the viability of the overall system.
  - RPs failing to comply with the applicable Part 68 rules and regulations and with the applicable ACTA-adopted technical criteria should be subject to existing Commission penalties.
  - By way of example, Industry Canada does both physical and desk audits to ensure compliance with its TTE rules.

Conclusions and Recommendations

- Additional educational efforts aimed at manufacturers and importers of TTE are necessary.
  - ACTA urges the release of a *Public Notice* reminding the industry of their obligations to register with ACTA and noting the Commission's role in enforcing compliance.
    - A *Public Notice* was issued in 2003 and was effective in encouraging (temporarily) Part 68 compliance.
  - ACTA recommends that the Commission modify its web pages pertaining to TTE registration to clarify that:
    - Registration is not optional merely because the registration process has been privatized; and
    - Terminal equipment includes VoIP equipment connected to the PSTN; and
    - Use of "wildcards" in TTE registration process is not consistent with the goals of Part 68.

Conclusions and Recommendations

- ACTA has proven its effectiveness in administering the Part 68 TTE technical requirements on a cost-neutral basis to all stakeholders.
  - The FCC should not allow ACTA to fail due to lack of enforcement or lack of education regarding the responsibilities of TTE manufacturers and importers.

Conclusions and Recommendations

If you have any questions regarding this presentation, please contact:

- Jim Haynes
  ATIS Chairman
  jmhaynes@ieee.org
  (843) 687-6231
- Thomas Goode
  ATIS General Counsel
  tgoode@atis.org
  (202) 434-8830
- Jean-Paul Emard
  ATIS Director of Industry Forums
  jpemard@atis.org
  (202) 434-8824