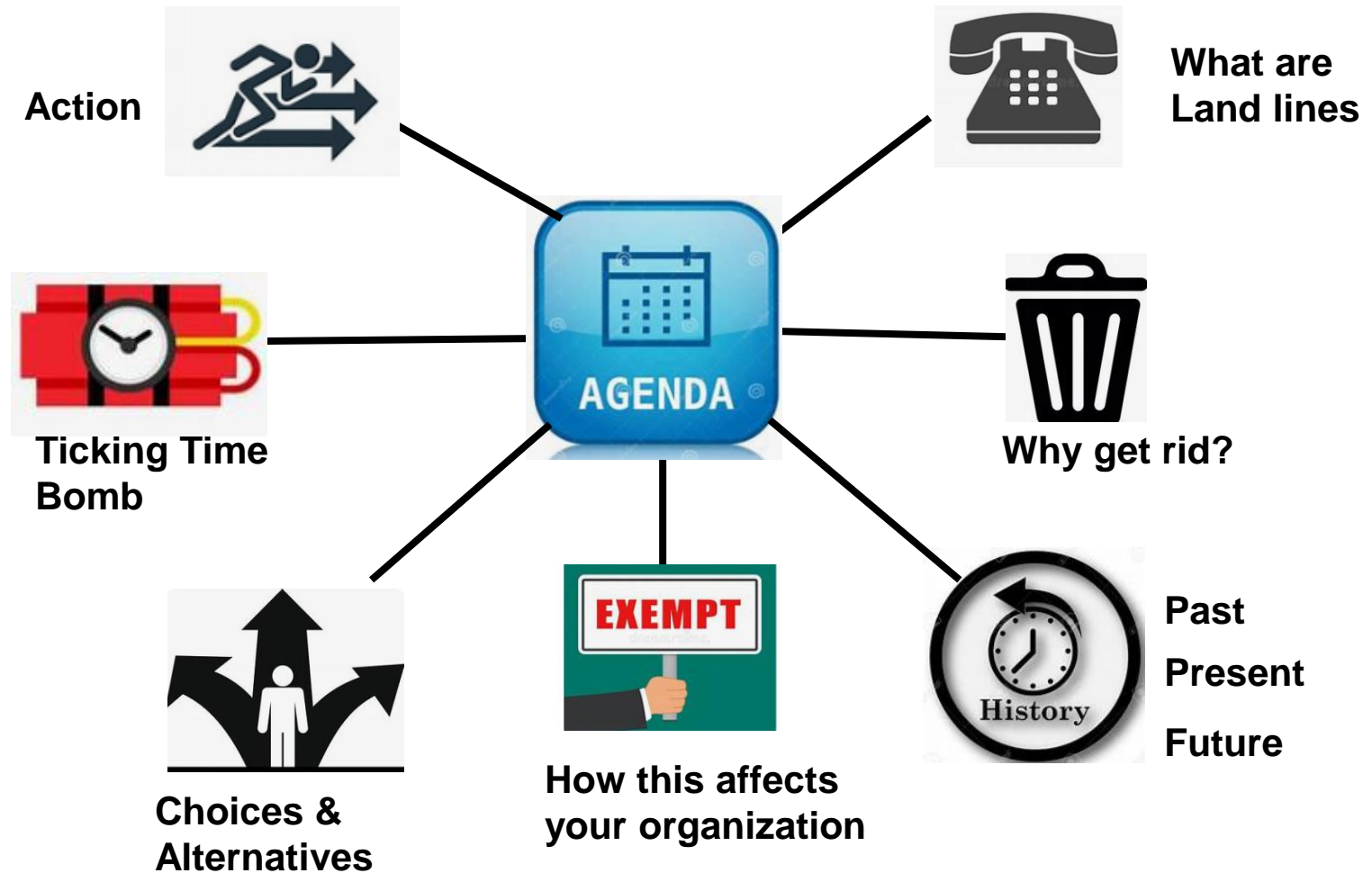


# Ticking Time Bomb – Landlines

**Art Yonemoto**

**Yonemoto & Associates**

# Ticking Time Bomb - Landlines



# Ticking Time Bomb - Landlines

## Questions



Is Risk Assessment part of your job Responsibilities?

If Yes, what should you do when you identify a significant risk?

If No, should you inform others?

# Ticking Time Bomb - Landlines

## Background

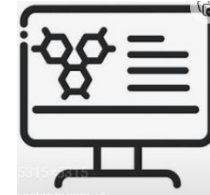
**Art Yonemoto**



**University of California  
Berkeley**



**Bachelor**



**Computer  
Science**



**Master of  
Business  
Administration**



**Bank of America**

**ROLM**



**SIEMENS**

---

**Yonemoto & Associates**

*Follow the Money, Connect the Dots, Critical Thinking*

# Ticking Time Bomb - Landlines

## Background

Art Yonemoto

### Yonemoto & Associates

*Follow the Money*



Reduce costs



*Connect the Dots*



*Critical Thinking*



Yonemoto & Associates

*Follow the Money, Connect the Dots, Critical Thinking*

# Ticking Time Bomb - Landlines

## Background

First **Copper** lines – 1877 - Somerville, MA

Charles Williams Jr

Connect Residence to Home Office

Available



Inexpensive

Reliable 5 “9” standard  
**99.999%**

Over a Year



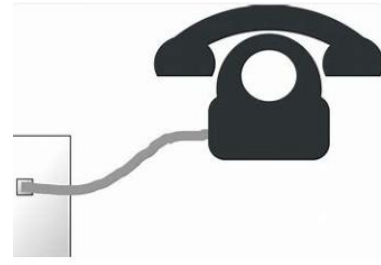
“down”



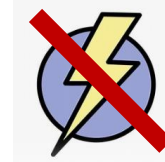
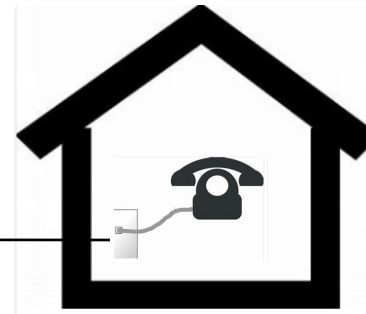
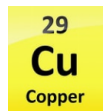
*5 minutes a year*

# Ticking Time Bomb - Landlines

## Gold Standard



Landlines



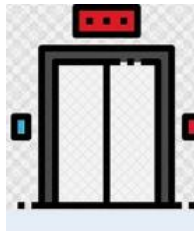
Can still use line when  
power is out

# Ticking Time Bomb - Landlines

## Reliable



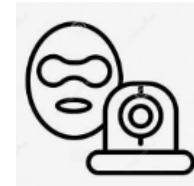
Elevators



Fire Alarm



Burglar Alarm



Fax Lines



Modems



Emergency





# Ticking Time Bomb - Landlines



# Ticking Time Bomb - Landlines

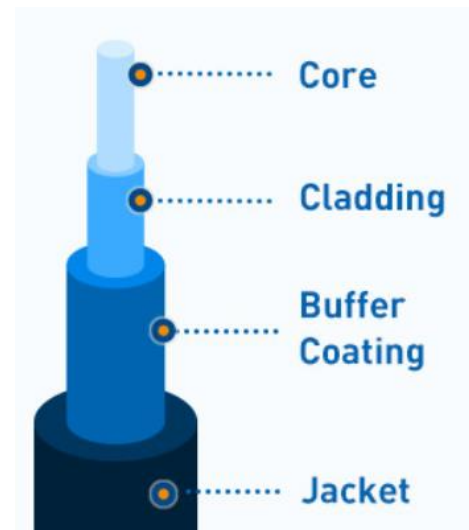
## Background

### Material Perspective

Copper Cable



Fiber optics Cable



# Ticking Time Bomb - Landlines

## Background

### Material Perspective

### Copper (Cable)

### Fiber

Bandwidth

10 Gigabits

60 Terabits

6,000 x

Distance

300 Feet

12 miles

210 x

Noise



Susceptible  
Interference



Immune  
Interference

Security



Susceptible  
Tapping



Immune  
Tapping

Lifecycle



5 Years



30 Years

6 x

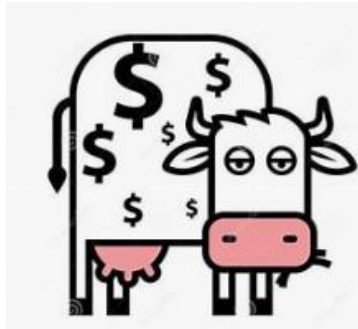
Cost

\$ \$4/foot

\$\$ \$10/foot

# Ticking Time Bomb - Landlines

## Landlines (POTS)



POTS is a **cash** cow

No Research and Development

No build out expense

No Advertising Expenses

Minimal Administrative Expenses

Minimal IT Expenses

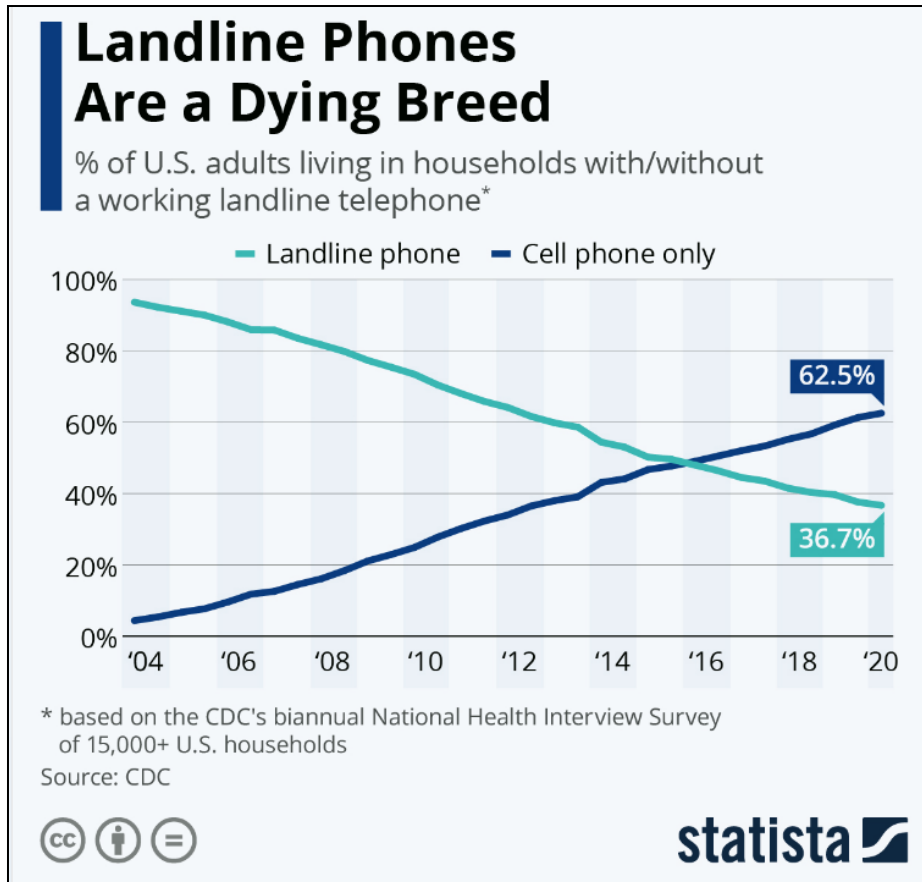
Relatively Stable and Predictable Revenues



If POTS is a cash cow, why are the carriers trying to get out of this business?

# Ticking Time Bomb - Landlines

## Why Vendors are moving away from POTS



No Growth



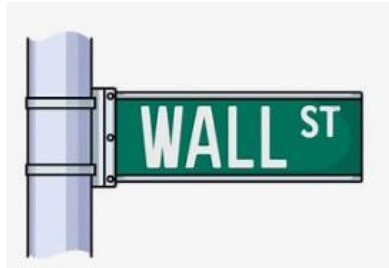
Incent clients to move off  
**Copper** POTS

\$100-\$1,000/line

# Ticking Time Bomb - Landlines

## Why Vendors are moving away from POTS

### #1 Reason



**Executive  
Compensation**

What does Wall Street value more?



Slow/No growth  
But steady income?



Potential High Growth  
Not Profitable - Huge losses

# Ticking Time Bomb - Landlines



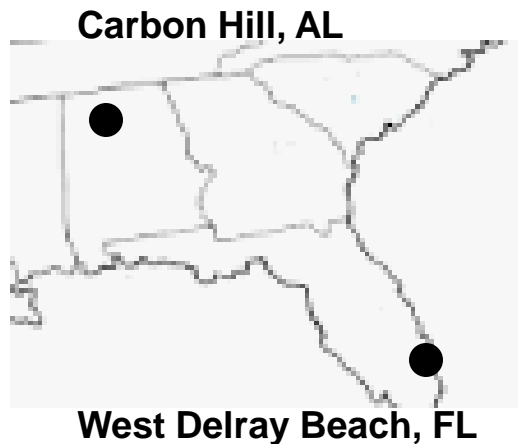
# Ticking Time Bomb - Landlines

## Attempt to Move Public off POTS

**The Washington Post**

*Democracy Dies in Darkness*

**February 28, 2014**



**AT&T is testing its next-gen phone network on rural areas and retirees**

*Residents in **Carbon Hill, Alabama** and **West Delray Beach, Florida** are going to be the guinea pigs in an effort by telecom companies to retire the country's aging telephone system.*

*Give up their traditional landline connection in favor of either a wireless base station that effectively turns home phones into cell phones or a new landline connection that hooks into a fiber-optic network*

All landlines would be disconnected by **2020**



# Ticking Time Bomb - Landlines

## Landlines

January 10, 2024



California Public Utilities Commission  
505 Van Ness Ave., San Francisco

### AT&T PROPOSALS:

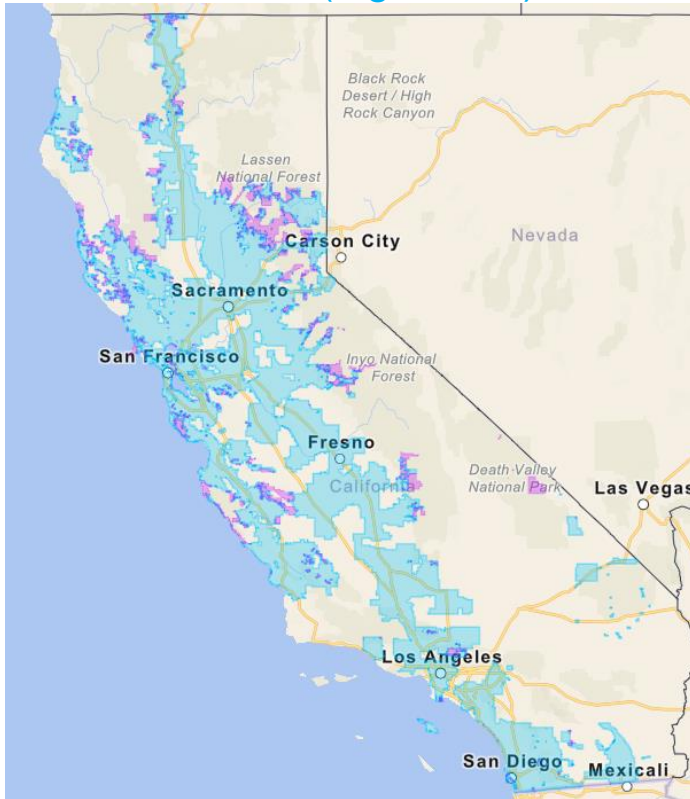
AT&T is requesting:

- 1) Approval to be relieved of its Carrier of Last Resort (COLR) obligations in certain areas of California. If approved, AT&T would no longer be required to offer landline telephone service where it is currently required to offer Basic Service in those areas. Basic Service includes nine service elements such as Lifeline rates for eligible customers, free access to 9-1-1, Telephone Relay Service, and directory and operator services. ([A.23-03-003](#))

# Ticking Time Bomb - Landlines

## Landlines

Affected Area (Light Blue)



Only 7% household affected

13,300,000 Households (2018)

**931,000 Households affected**

# Ticking Time Bomb - Landlines

## Landlines

### Analysis & Status



AT&T did **not** play its “Get out of Jail Free” card

AT&T did **not** state it was  
“Losing Money”



---

May 10, 2024



CALIFORNIA

Public Utilities Commission

Search example: How can I reduce my bill?

[Home](#) › [News and Updates](#) › [All News and Updates](#) › [Rejecting AT&T's Request to Withdraw as Carrier of Last Resort](#)

## CPUC Proposes Rejecting AT&T's Request to Withdraw as Carrier of Last Resort; Initiates New Rulemaking Process

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Yonemoto & Associates

Follow the Money, Connect the Dots, Critical Thinking

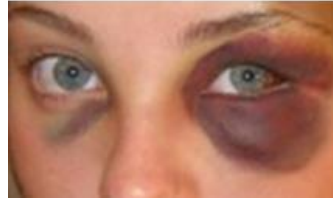
# Ticking Time Bomb - Landlines

## Landlines

Why?



Waste Money



Reputational Hit



Are they Crazy?

Long Game



When to test waters?



Encourage More people to convert



Increase Residential Rates

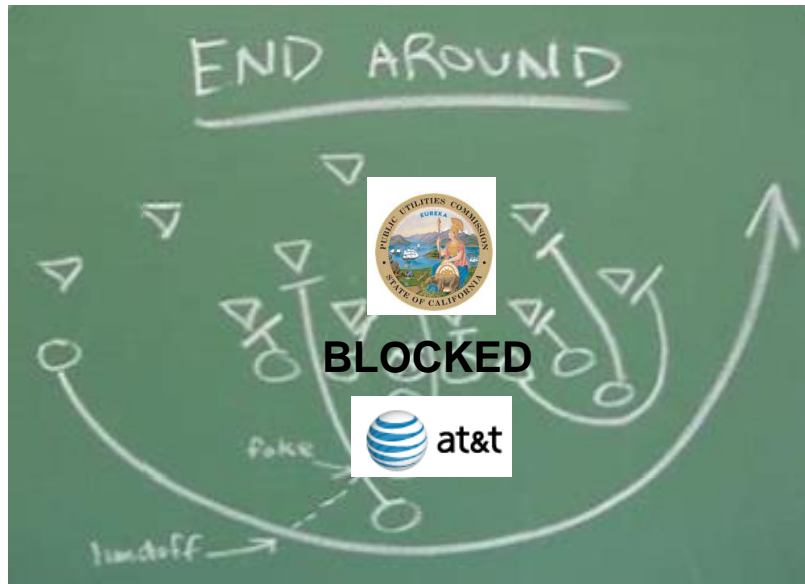


# Ticking Time Bomb - Landlines



at&t

Plans (Current & Future)



## California Legislation



**AB 2797**



**Change Carrier  
of Last Resort  
Obligation**

# Ticking Time Bomb - Landlines

## AT&T Future



**December 4, 2024**

AT&T plans to eliminate its traditional landline phone service across nearly all U.S. states in its service area by **2029**, according to an official announcement

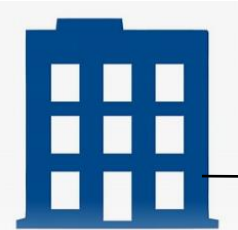
AT&T's decision to eliminate landline service would affect all but one state in its service territory, California,

# Ticking Time Bomb - Landlines

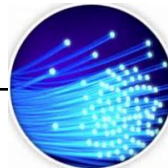
## Verizon Solution



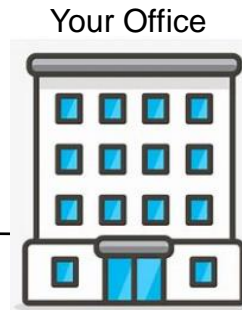
Pseudo POTS Line



Telephone Company  
Central Office



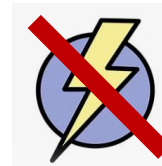
Fiber



Your Office

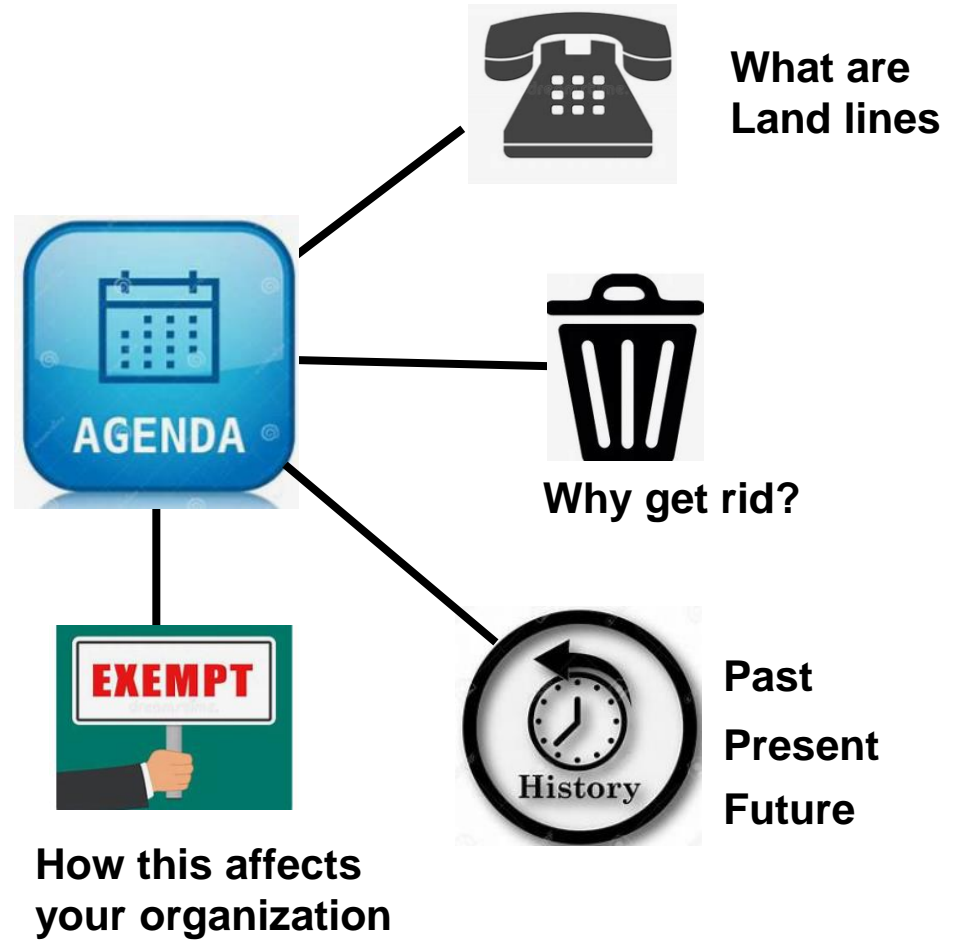
Converts from Fiber to Analog

Now have a **VOIP** Phone Line



May lose line  
when you  
lose electricity

# Ticking Time Bomb - Landlines



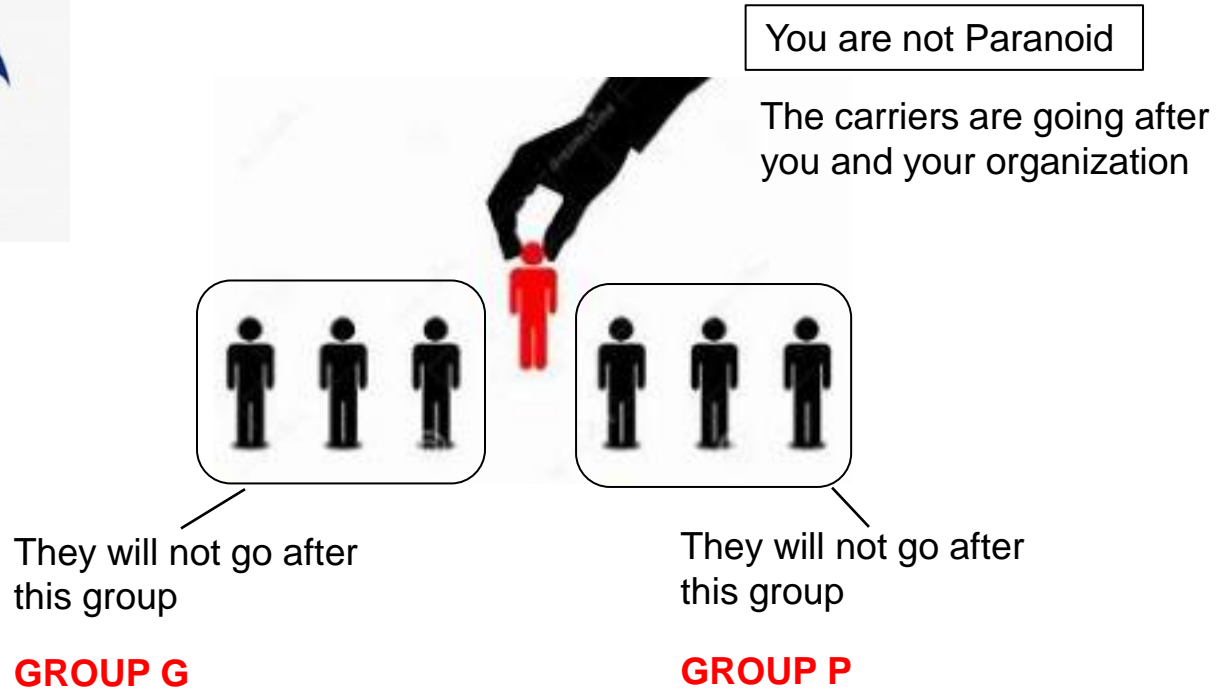


# Ticking Time Bomb - Landlines

## Selective Targeting & Enforcement



Protective Class  
of Customers



# Ticking Time Bomb - Landlines

## Group P



Protective Class  
of Customers



The Public

Individuals with land lines

State regulated cost of service

Lifeline services



Seniors

Most likely to have landlines?



Most likely to vote?



Spare time to contact politicians?

# Ticking Time Bomb - Landlines

## Why Governments are at High Risk



Protective Class  
of Customers

**Protected**



**Low Costs**

*Over past 10 years*



**\$100-\$1,000/line**



**Antiquated**



**“Excess and Slow”**

Hundreds of Lines  
Thousands of Lines



# Ticking Time Bomb - Landlines



# Ticking Time Bomb - Landlines

## Alternatives – Keeping Landlines



You do have choices

PROBLEM – Most vendors are selling replacement services

This may entail (a lot of) work, new technology, loss of assurance, other issues/concerns not disclosed

Unlikely aware of **Resellers** who can

Keep your exact same services

No Work on your part

Lower Costs

What is the Catch?



Sounds too good to be true.



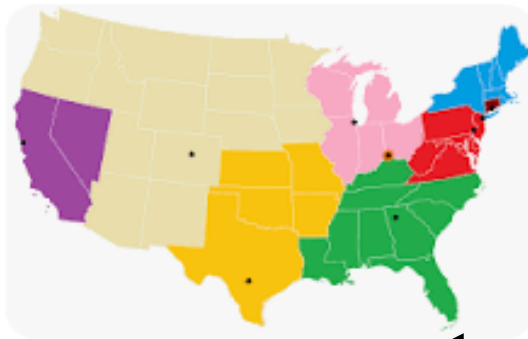
# Ticking Time Bomb - Landlines

## Background Information

1996

Communication Act of 1996

### RBOC – Regional Bell Operating Companies



NYNEX  
Bell Atlantic  
Bell South  
Ameritech  
Southwestern Bell  
US West  
Pacific Telesis

### Long Distance Companies



AT&T  
MCI  
Sprint

# Ticking Time Bomb - Landlines

## Background Information

1996

### Communication Act of 1996

#### RBOC – Regional Bell Operating Companies



NYNEX  
Bell Atlantic  
Bell South  
Ameritech  
US West  
Pacific Telesis  
GTE



**Shed customers**  
No longer a monopoly



**Tariffs**  
50% discount (Clec)



**Contracts**  
Individual Companies

### Rise of Resellers

# Ticking Time Bomb - Landlines

## Resellers & CLEC's



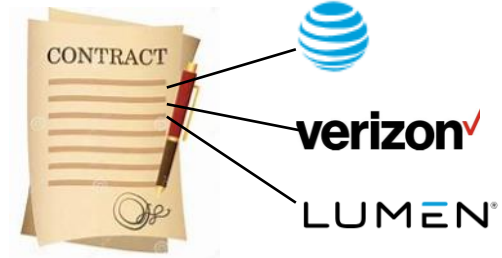


# Ticking Time Bomb - Landlines

## Future of POTS (Landlines)



Canary in the  
Coal Mine



Contract Negotiations

Failure    Short Term – 6-18 months



Warning to affected Customers

Hair on Fire



# Ticking Time Bomb - Landlines

## Future of POTS (Landlines)



Canary in the  
Coal Mine



verizon

LUMEN



FCC Order 19-72A1

\* 3 Year Phase out of Landlines (**August 2, 2022**)

\* 6 Month Phase out – CLEC's & Resellers can  
purchase Landlines from Vendors (August 2, 2019)

# Ticking Time Bomb - Landlines

## Future of POTS (Landlines)



Canary in the  
Coal Mine



WSCA - Western States  
Contracting Alliance  
15 Western States



verizon

LUMEN

# Ticking Time Bomb - Landlines



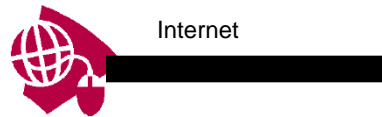
# Ticking Time Bomb - Landlines

## Alternatives to Landlines

**POTS (Copper)**



**VoIP (Voice over IP)**



**Fixed Wireless**



**POTS  
(Copper)**



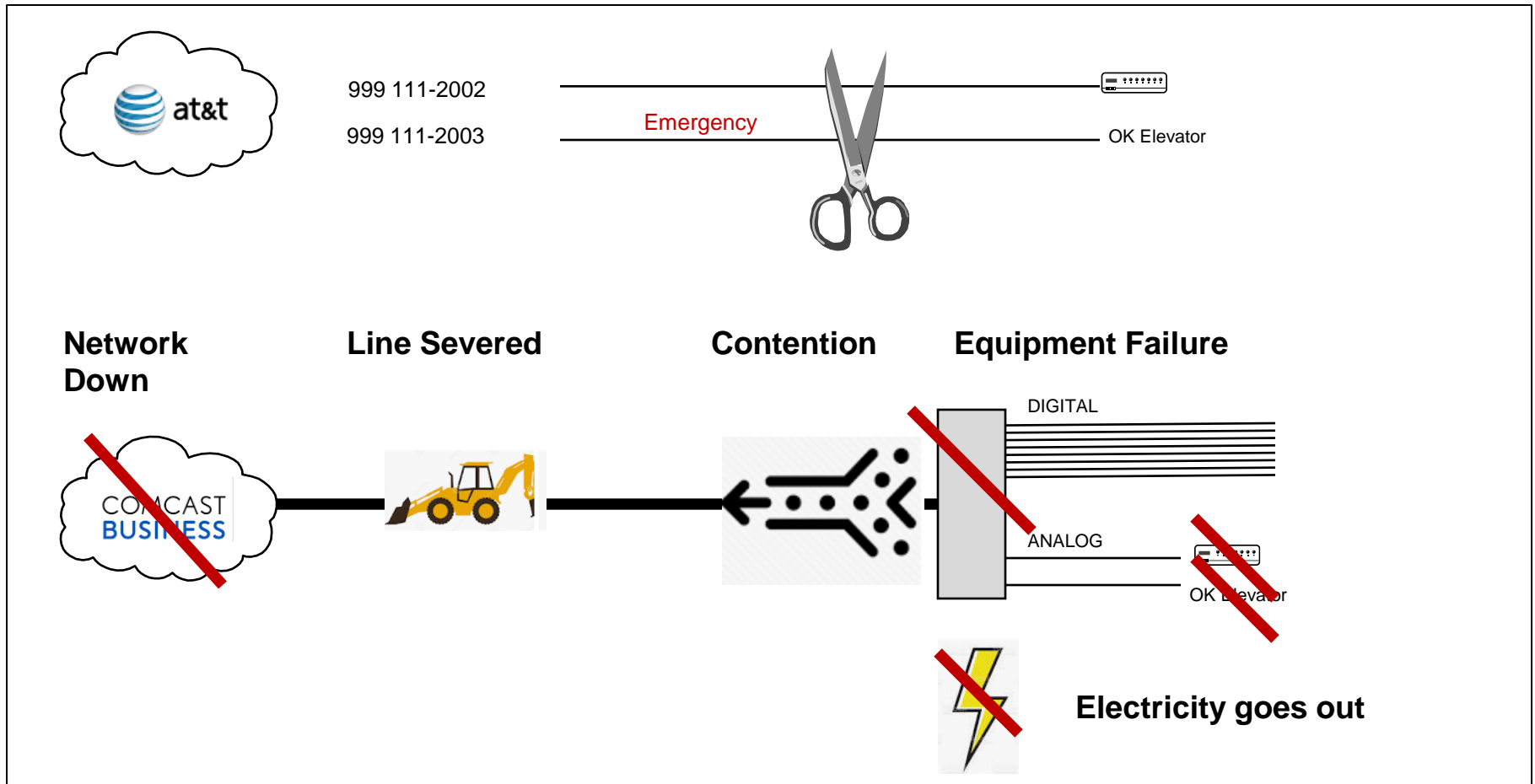
**Standard**

**Fool's Gold**

*Vendor's offering "Pots" line that uses Fiber or Cable, not Copper (VoIP Solution)*

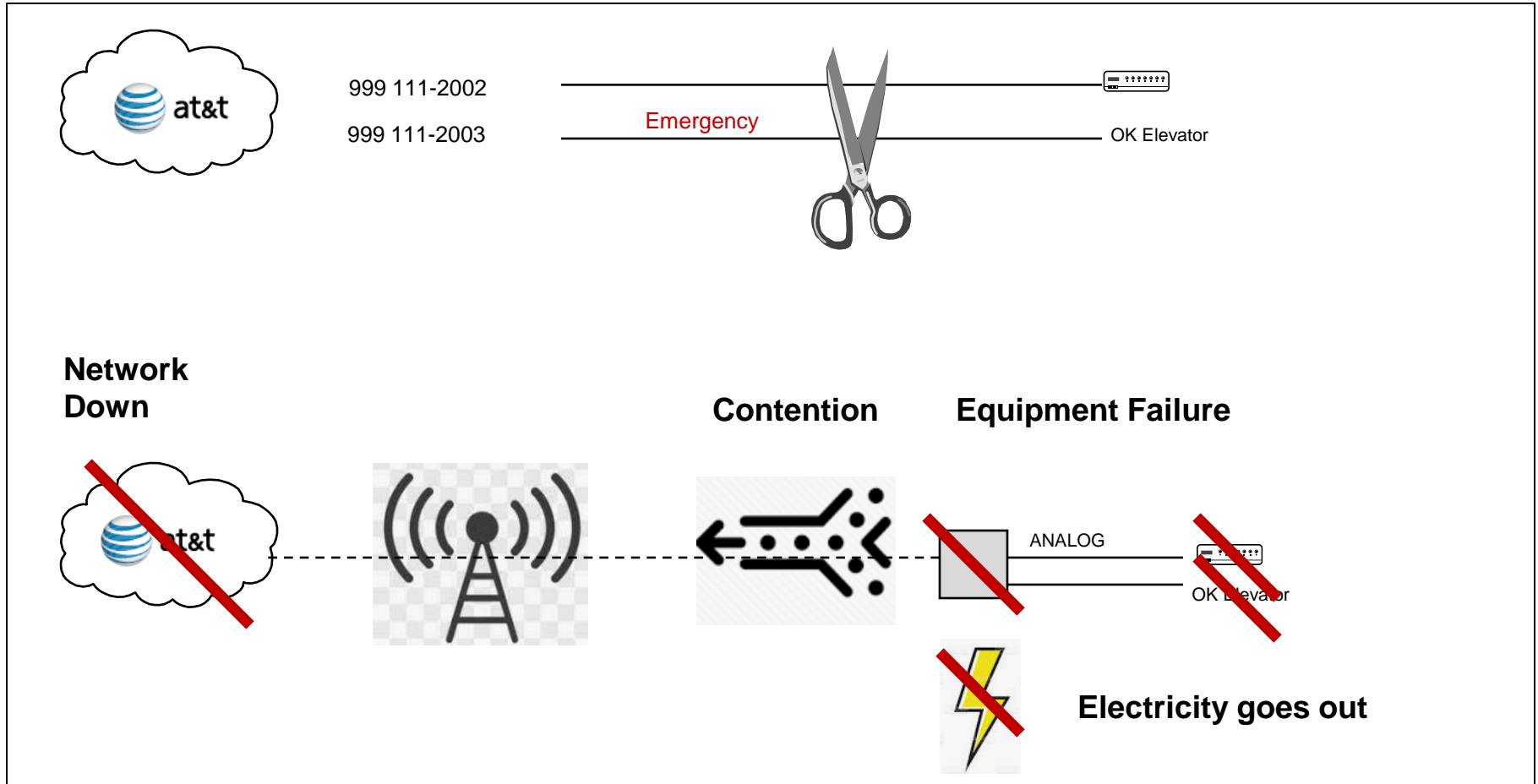
# Ticking Time Bomb - Landlines

## POTS (Copper) vs. VoIP



# Ticking Time Bomb - Landlines

## POTS (Copper) vs. Fixed Wireless



# Ticking Time Bomb - Landlines

## Disaster Types

### Some Advanced Warning



Hurricane



Tornado



Winter Storm



Tsunami

### No Advanced Warnings



Fire



Burglar



Earthquake



Chemical  
Poison Spill



Active Shooter



Sabotage



Terror Attack



Cyber Attack













































Hostage



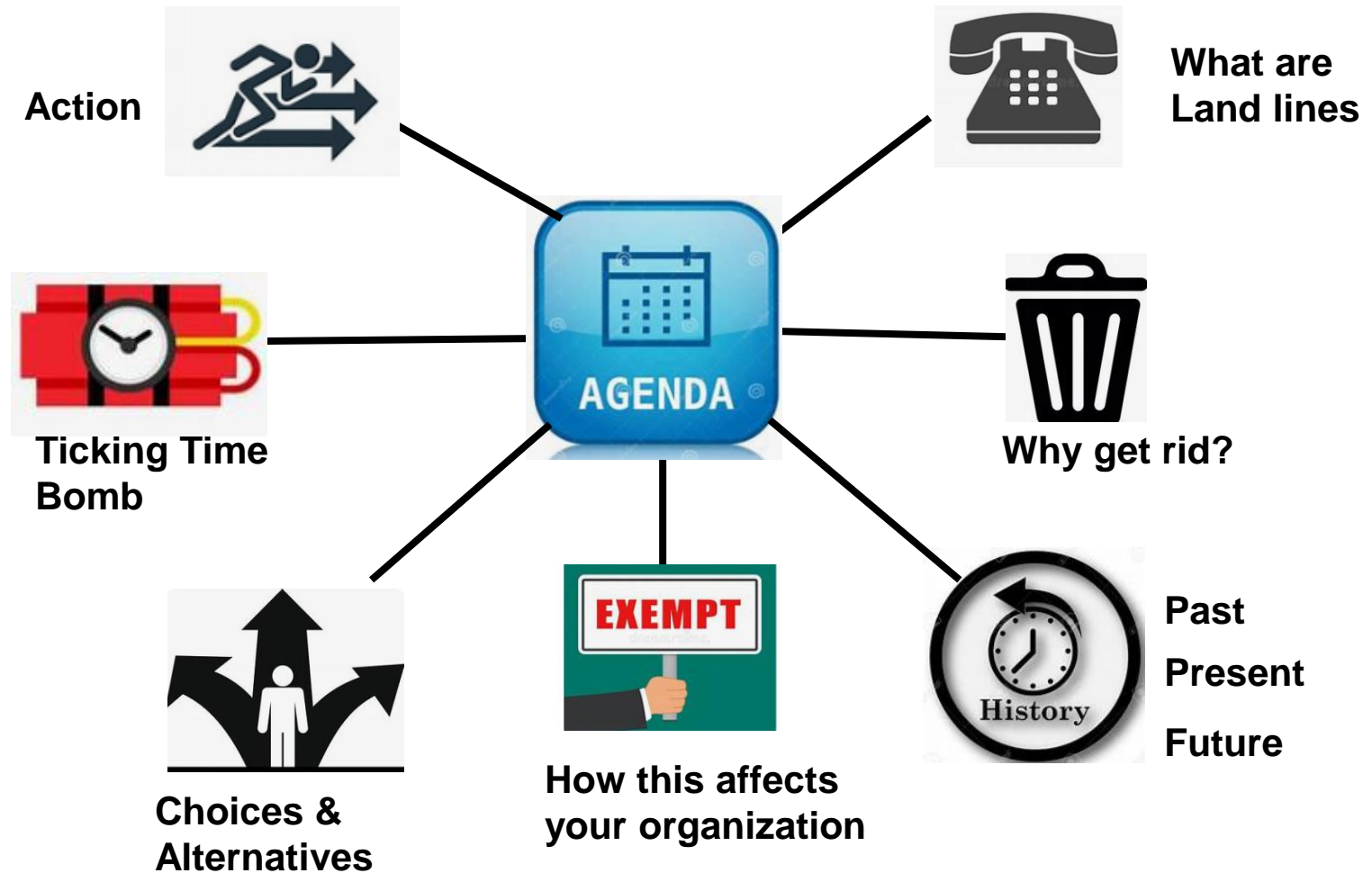
# Ticking Time Bomb - Landlines

## No Advanced Warning Disaster

	Pots Copper 	VoIP 	Fixed Wireless 
Fire 			
Burglar 			
Earthquake 			
Poison Spill 			

	Pots Copper 	VoIP 	Fixed Wireless 
Active Shooter 			
SABOTAGE 			
Terror 			
Cyber attack 			
Hostage 			

# Ticking Time Bomb - Landlines



# Ticking Time Bomb - Landlines

## Analysis

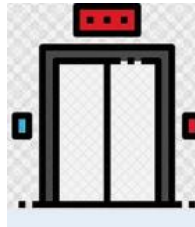


What is the Organization's Strategy to handle

In Use



Elevators



Fire Alarm



Burglar Alarm



Environmental



Ring No  
Answer



Fax Lines



Modems



Emergency



Voip Backup

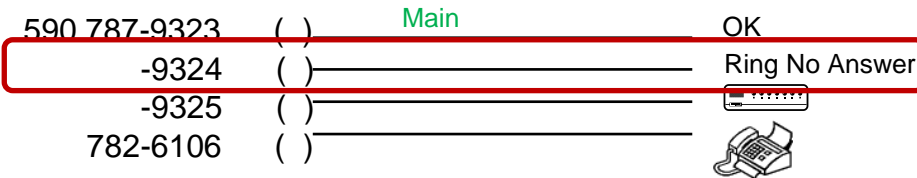


# Ticking Time Bomb - Landlines

## Action – Ring No Answer



590 787-9323 0 494



**Soft** Disconnect



**Medium** Disconnect



On Site Visit

**Hard** Disconnect



# Ticking Time Bomb - Landlines

## Action – Ring No Answer

**Medium** Disconnect

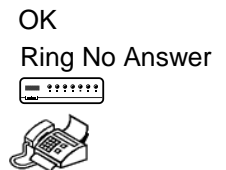


On Site  
Technician



590 787-9323  
-9324  
-9325  
782-6106

( ) Main  
( )  
( )  
( )



### Actual



Take  
pictures

Show office manager or  
admin how to reconnect



### Proposed



1-2 minute Video

Walk through – From Opening door to  
reconnect lines

Send video to – Office (Primary Contact)  
Office (Backup)  
HQ (IT Project Manager)  
HQ (Help Desk)  
Consultant

# Ticking Time Bomb - Landlines

## Questions



Is Risk Assessment part of your job Responsibilities?

If Yes, what should you do when you identify a significant risk?

If No, should you inform others?

# Ticking Time Bomb - Landlines

## Takeaways

### Do You have Direct Responsibility?

**Yes** Take action?

**Yes** Your Next Steps?

**No** Why Not?

**No** Bring up with the appropriate Decision Maker?

**Yes** See Script (next slide)

**No** Why Not?



# Ticking Time Bomb - Landlines

## Takeaways

### Suggested Script

*“We have a potential major problem.  
While not immediate, it is prudent to start analyzing this*

*Eventually, our Landlines will go away.  
When this occurs, we will be behind the 8 ball.  
If we haven’t prepared, it will be ugly and costly*

*I have the presentation that explains all of this.  
I can share this information with you.”*



# Ticking Time Bomb - Landlines

## Takeaways



**No Budget  
New Project**



**No Staff**

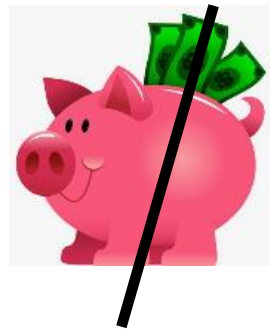


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**Contingency Fee Services**



**“Share in Savings”**



**Professional Work**

**No Risks**

**Start Quicker**

*Is it worth “Half a Loaf” to alleviate this headache?*

# Ticking Time Bomb - Landlines



**for Me**

**Art Yonemoto**

Yonemoto & Associates

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(925) 800-3173 (mobile)

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**Yonemoto & Associates**

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*\* Follow the Money \* Connect the Dots \* Critical Thinking*