



Strip Mining American Reliability

Reliability and the value associated with it have been stripped from America over the last several decades. This travesty afflicts us all, and it is all in the name of profit. Those profiting from this include corporations as well as the government. To be an American was a brand that was once associated with wealth and prosperity. It carried through to our infrastructure, schools and communications systems. Those things that made us who we were as a nation have become too "expensive" to maintain and have been conveniently gutted of their inherent value. This is a path we are all on whether we know it, like it, or not, and the results have widespread negative effects.

One of the most unknown thefts of American wealth has come in the form of the removal of all silver from our coins. The U.S. quarter once had real silver in it, until 1964. That is when the U.S. government realized that fiat currency has no real value and that ultimately the value of the silver in the coin would surpass that of the coin itself. Silver today is worth \$32 per ounce and based on the amount of silver in pre-1964 quarters, which means that the silver in one of those quarters is worth far more than 25 cents. The silver is actually worth \$5.89.

The value of copper in a penny has had an identical path in recent years as the value of copper as a base metal has increased. This is why there is no longer any copper in a penny, as there would be value for common people in converting the coins in to metal and selling the metal for a profit. Ironically, that profit comes in the way of more U.S. fiat currency returned to the seller and the reason why the U.S. government made it illegal to melt down U.S. coins.

Telephone service in the U.S. has moved from being a right of every citizen to a luxury where base-level operation can no longer be relied upon. Yet the less reliable service actually costs the end user more.

The base metal copper has also provided real value to common people for more than 100 years in another form, plain old telephone service, or POTS, lines. The ingenious design of the public switched telephone network included the use of the copper wire to the home as not only the communications media, but also the conductor of electricity from the DC-powered central office voice switching equipment. This was based on the reality that most homes in the United States

lacked electricity and the telephone required electricity to function. Without power there was no telephone service to sell. Necessity was again the mother of invention. This design, though, also meant in future years when power was brought to the home that in a general utility power outage the telephones would still work, and this meant continued communications to insure the safety and security of the common people. The Bell Telephone Central Office design, and the entire PSTN for that matter, were once revered worldwide as the best in the world for reliability and quality.

Verizon and AT&T recently have announced their plans to abandon the old copper plant and with it those old notions of inherent reliability and security in favor of fiber optic links to the home and wireless service that eventually fail after battery life is exhausted in a general power outage. This decision is being driven by the bottom line — profit, as the telephone companies no longer want to support the maintenance and repair expense of the copper, but also want to be able to sell new, higher revenue and high-margin, high-speed network services that the copper cannot support. Telephone service in the U.S. has moved from being a right of every citizen under Universal Service to a luxury where base-level operation can no longer be relied upon. Yet the less reliable service actually costs the end user more.

This irony has been a day in the making for a long time. Beyond the travesty of lifeline reliability being eliminated there is the issue of broadband relief from 2003 that gave the RBOCs protection of their investments in fiber in the form of not having to allow access to the fiber as they did the copper. With the elimination and abandonment of the copper plant and it being replaced with fiber, so goes the value to competitive carriers of being able to use that copper plant to access customers and the value to the customers of being able to use it to access competitively priced services.

With Hurricane Sandy having just passed through New York City and the surrounding suburbs, this aging base metal plant has reached a precious high-point in its reliability value to end users as copper line phones worked during the extended power outage while wireless and fiber-based phone services failed. It is not that mobility doesn't add value to productivity, or that fiber doesn't add value to increased capability, but reliability and its expense is now being pawned off on to the customers as they are being told to create their own back-up plans by having generators, secondary wireless phones, or other means to keep themselves connected during power outages. Even with all of that being placed on the customer there is no certainty, as it once existed, that the phones will still work when the power does not as it has for decades in this country. This is a major change to our society, the implications and impacts of which are yet to be fully known. One thing is fully known though, like the copper telephone plant, accountability for the American standard is being abandoned. **IT**

Hunter Newby is CEO of Allied Fiber (www.alliedfiber.com).