



Telecommunications Legislation 2014: Completing the Process

NRRI Report No. 14-07

www.nrri.org

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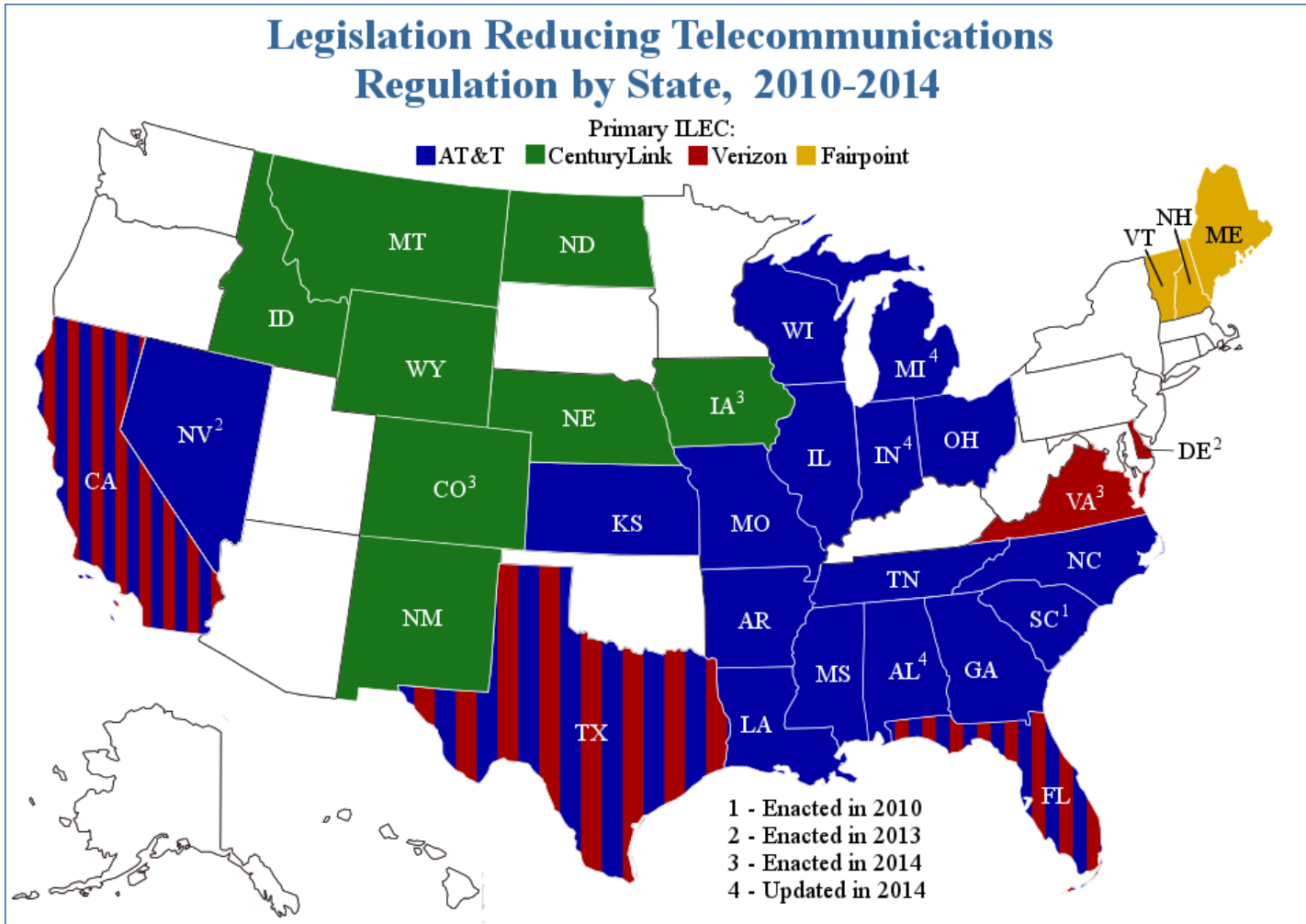
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July 2014

2014 at a Glance

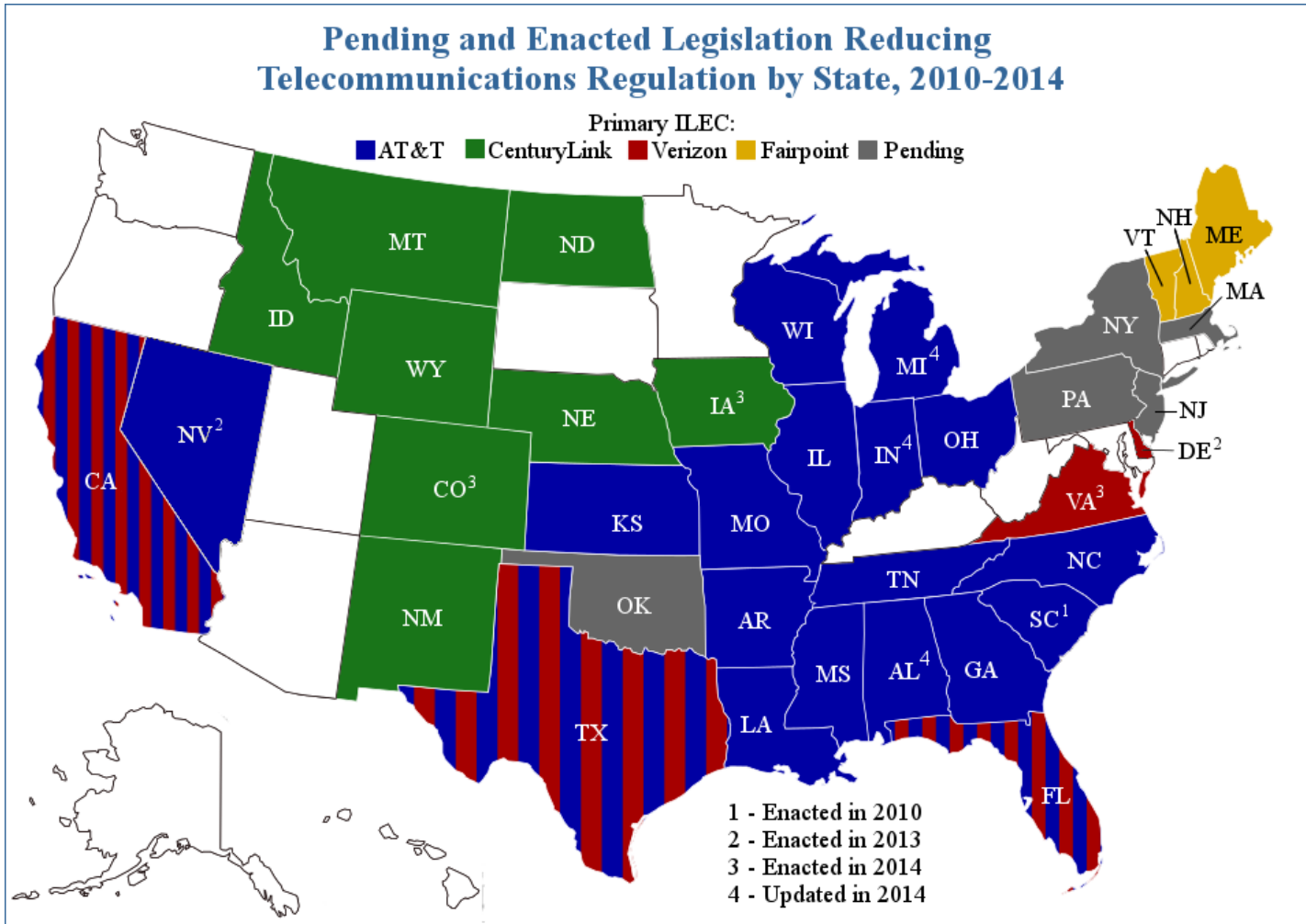
- 30 states had limited or eliminated telecommunications oversight by the end of 2013
- 9 states considered legislation in 2014
 - Bills **passed** in CO and IA, bringing the total to **32**
 - Bills **are pending** in MA, OK, PA, and NY
 - Bills **failed** in KY, MN, and NM
- AL, MI, IN, and VA updated previous legislation
 - AL eliminated complaint oversight
 - MI reduced COLR requirements
 - IN codified previous changes
 - VA declared all carriers competitive
- Other states addressed broadband, wireline replacement, and COLR obligations

The Current “De-Regulated” Landscape





The Potential “De-regulated Landscape”



2014 Legislation Addresses Broadband, COLR, and Wireline Replacement

- **Broadband**
 - Bills encouraging broadband deployment **passed** in Colorado, Hawaii and Minnesota but **failed** in Iowa, Mississippi, and Utah
 - West Virginia and Minnesota **rejected** bills increasing oversight of IP-enabled services
 - Tennessee, Minnesota, and Kansas **addressed limitations** on municipal broadband
- **Carrier of Last Resort/Basic Service**
 - COLR requirements have been reduced or eliminated in **15** states
 - **CO retains** COLR in non-competitive areas until 2016
 - **MI retains** COLR until 2016; withdrawal of service conditioned on the outcome of the IP Transition trials
 - PA (pending) would **remove** COLR immediately in urban areas; preserve to 2016 in rural areas

- **Wireline replacement**
 - MD, NY, NJ proposed limitations on replacing wireline with wireless
 - 1-year moratorium on Verizon VoiceLink unless customers specifically request a wireless-only product
 - ✦ MD bill failed
 - ✦ NY and NJ bills are pending
- **IP Transition**
 - Trials include wireless replacement in some areas
 - Wholesale plans still in development

The effects of deregulation remain difficult to judge

- Carriers have not abandoned service in areas where COLR is no longer required, but fears remain
 - AT&T's IP transition trial plan indicates that some consumers may lose access to service
 - Replacement products not yet identified
 - Wholesale products undefined
- Consumer complaints have not increased, although there is anecdotal evidence of consumer concerns
 - Understanding IP-enabled services
 - Bundles vs. stand alone service
 - Installation and repair times
- States are responding to concerns about deregulation
 - TURN petition to review AT&T pricing issues in California
 - Proceedings in Maine, Montana, New Mexico
 - Ad hoc complaint support

- Continue to review/track consumer complaints where possible
- Work collaboratively with providers, legislators, and consumers to identify and resolve issues
- Monitor/participate in the IP transition trials
- Track the level of competition and its effects on consumers
 - Are there multiple broadband options available?
 - Can consumers continue to get basic local service?
 - What do consumers need?
 - How has pricing changed?