Telecommunications Legislation 2014: Completing the Process
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2014 at a Glance

• 30 states had limited or eliminated telecommunications oversight by the end of 2013

• 9 states considered legislation in 2014
  o Bills passed in CO and IA, bringing the total to 32
  o Bills are pending in MA, OK, PA, and NY
  o Bills failed in KY, MN, and NM

• AL, MI, IN, and VA updated previous legislation
  o AL eliminated complaint oversight
  o MI reduced COLR requirements
  o IN codified previous changes
  o VA declared all carriers competitive

• Other states addressed broadband, wireline replacement, and COLR obligations
The Current “De-Regulated” Landscape

Legislation Reducing Telecommunications Regulation by State, 2010-2014

Primary ILEC:
- AT&T
- CenturyLink
- Verizon
- Fairpoint

1 - Enacted in 2010
2 - Enacted in 2013
3 - Enacted in 2014
4 - Updated in 2014
The Potential “De-regulated Landscape”

Pending and Enacted Legislation Reducing Telecommunications Regulation by State, 2010-2014

Primary ILEC:
- AT&T
- CenturyLink
- Verizon
- Fairpoint
- Pending

CA - Enacted in 2010
NV - Enacted in 2013
CO, IA, VA - Enacted in 2014

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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
Recommendations

- 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?