



Telecommunications Legislation - 2016

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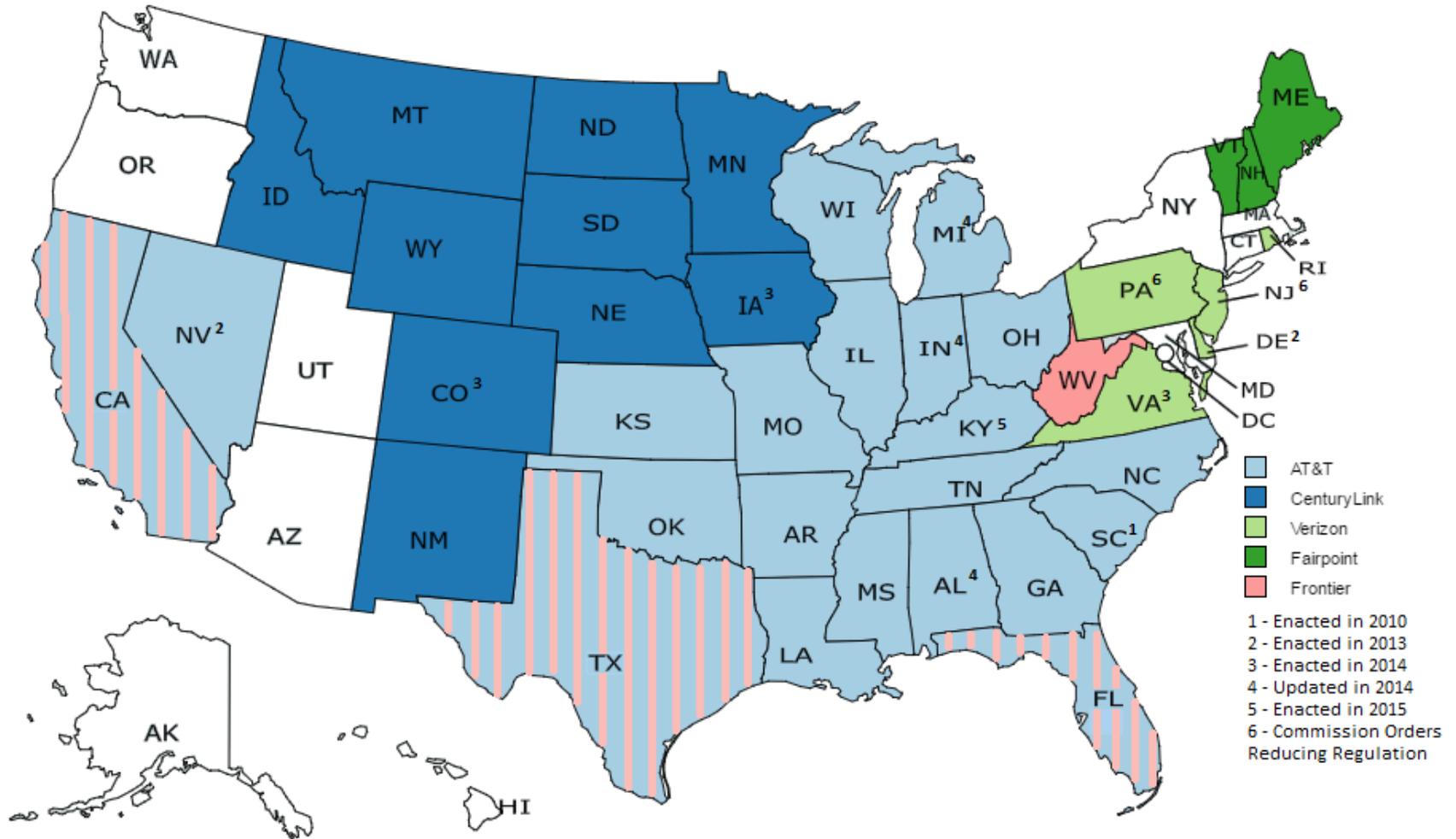


2016 legislative focus shifts to COLR & the IP transition

- Legislation reducing or eliminating telecommunications oversight has slowed
 - 45 states (up from 44 in 2015) with limited or no telecommunications oversight
 - MN reduces oversight where there is sufficient competition
 - CT eliminates tariff requirements for business retail services
- Current legislation looks toward the IP transition
 - California – process for transitioning to IP service
 - Maine – process to eliminate COLR requirements
 - Minnesota – relaxed oversight in competitive areas; continued COLR protection
 - Colorado – 911 oversight in an IP-environment– COLR relief
- Other bills addressed 911, the make up of the state commissions, USF contribution, and broadband availability



Telecommunications Oversight as of June, 2016



Source: Author's construct, data from Legiscan.



California bill AB2395 addressed the IP transition, COLR, and the path to new services

- Transition from switched basic local service to alternate services (IP and wireless) by 2020
 - Alternate service must provide access to PSTN, access to 911, and meet FCC back-up power requirements
 - Removes requirement for directory services, 800 services, other specialized services
 - Potential for reduction in/elimination of COLR requirements
- Maintain current service where no alternatives exist
 - PUC review of transition plans
 - Customer complaint process
- Provide customer outreach and education
- Suspended in committee, but expected to reappear in 2017



Maine enacts a plan to eliminate COLR requirements

- Maine initially addressed COLR requirements in LD 1302 (2015)
 - Require COLR only in areas with limited competition
 - Waive back up power requirements to encourage alternate suppliers
 - Eliminate the requirement that the ILEC provide basic service throughout its territory
- Act HP 305-LD 406 implements these proposals
 - Eliminates COLR on a city-by-city basis beginning with the largest and extending to others on a 6-month rolling basis
 - Service may not be discontinued completely but may use any technology
 - Conditions withdrawal the availability of alternate suppliers
 - ✦ One wireline- facilities based competitor (cable)
 - ✦ One or more wireless providers
 - FP must meet quality of service requirements to move to next wave



Minnesota reduces oversight while protecting basic local service

- HF 1006 regulates ILECs as “competitive providers”
 - Own a significant portion of their facilities
 - Includes facilities-based wireless and (presumably) VoIP providers
 - Does not include satellite
- Must meet specific requirements to be judged competitive
 - Serve fewer than 50% of households
 - 60% of households can choose from at least 1 additional supplier
 - No “significant” barriers to competitive market entry
 - No single supplier can control prices
- Must continue to offer basic local service under current tariffs
 - No rate increases until 2018
 - Not to exceed rate of \$25 until 2023
 - Commission may limit rate increases if they harm consumers



Colorado addresses 911 oversight

- Colorado reduced regulation in 2014
 - Eliminated oversight in areas with effective competition
 - Limited oversight of IP-enabled services including VoIP
 - Retained oversight for emergency services, including E911
- In 2016, legislature questioned PUC proposals for E911 oversight
 - Applicability to VoIP carriers
 - Limits on PUC authority – where does it begin and end?
 - What rules will be necessary to ensure public safety in an IP environment
- SB 183 establishes joint industry, legislature, PUC committee to improve 911 deployment/oversight
 - Study rules in other states
 - Consider whether existing laws are sufficient to ensure adequate services
 - Address funding sources
 - Determine how to transition to IP-enabled services



California and New York examine the makeup of their state commissions

- California Constitutional amendment ACA 11 - pending
 - Reduce the size of the PUC to increase utility focus
 - Assign some duties to other agencies (e.g., transportation oversight to transportation agency)
 - Increase accountability by focusing regulation on safety, reliability, and rate setting
 - Implement programs for reducing emissions of greenhouse gases
- New York Assembly bill 9768 - pending
 - Increase PUC membership from 5 to 11 – 9 voting/2 non-voting
 - ✦ 9 Voting members – 7 appointed by Governor, 1 by AG, 1 by Senate President Pro-tem
 - ✦ 2 Non-voting members appointed by minority leaders of House and Senate
 - Require decisions to be made more rapidly – 90 days unless documented extenuating circumstances
 - No reduction in telecommunications oversight



Other legislation addresses broadband deployment and emergency services

- Broadband deployment
 - MN SF3429 provides \$100M to fund broadband expansion
 - GA resolution SR 876 creates a committee to study broadband deployment and determine how to increase penetration
 - CA SB 745 would prioritize funding broadband deployment in public housing units
- Emergency services
 - CA Bill SB 1250 would require facilities-based carriers to report rural outages affecting 911 to the PUC (pending)
 - ID SB 1212 creates the Public Safety Communications Commission to ensure interoperable communications and resource sharing (passed)
 - NE LB 938 establishes the PUC as the statewide 911 coordinating and implementation authority (passed)