



N A R U C
National Association of Regulatory Utility Commissioners

December 19, 2013

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
2125 Rayburn HOB
Washington, D.C. 20515

The Honorable Greg Walden
Chairman
Subcommittee on Communications,
Technology & the Internet
2125 Rayburn HOB
Washington, D.C. 20515

The Honorable Henry Waxman
Ranking Member
Committee on Energy and Commerce
2322A Rayburn HOB
Washington, D.C. 20515

The Honorable Anna Eshoo
Ranking Member
Subcommittee on Communications,
Technology & the Internet
2322A Rayburn HOB
Washington, D.C. 20515

Re: Potential Rewrite of the Telecommunications Act of 1996 in 2015

Dear Chairmen Upton, Walden and Ranking Members Waxman, Eshoo:

The Committee recently announced plans to hold a series of hearings and draft a number of white papers in advance of a potential update to the 1934 Communications Act, as amended in 1996. During this process, the National Association of Regulatory Utility Commissioners (NARUC) urges the Committee to retain the strong historic role States play protecting your consumer and business constituents, maintaining emergency services, managing post-disaster service restoration, promoting broadband deployment and competitive interconnection policy, as well as assuring disabled access and universal service.

NARUC represents the government experts from each of your States, U.S. Territories, and the District of Columbia on, among other things, telecommunications utilities. These public utility commissioners know and understand local markets and conditions. Our members are well positioned to gauge the impact of, and implement policies complimentary to, federal policy on communications services, siting, restoration, competition, and deployment. Like each of you, we are focused on assuring your constituents benefit from high-quality, reliable and ubiquitous communications services at reasonable prices.

State regulators play a critical role protecting both business and residential consumers. A February 2010 informal NARUC survey revealed that from 2007 through 2009, 33 of NARUC's 51-plus commissions handled over 2 million complaints and inquires, returning more than \$54 million to consumers. Under State procedures, each consumer's concerns can often be addressed in weeks through informal processes. Market forces alone cannot solve all problems and will not address "bad actors."

Whenever such abuses arise—and they will--the law of unintended consequences should NOT be construed against consumers. The federal government will *always* lack the manpower and resources to help *all* consumers in *every* State. In many cases, a federal response will be complicated by distance and time zones. This means that even where federal minimum standards may be appropriate, State/local governments must be allowed to enforce the federal standards and adopt more specific standards where needed. *Certainly, there is no rationale for Congress to limit its constituents' access to State remedies or penalties for federally defined inappropriate or abusive conduct.*

Emergency 911 services and restoration of crucial infrastructure after a natural disaster are inherently State and local matters that cannot be effectively managed in Washington, D.C. State commissions continue to play a crucial role in assuring emergency 911 services operate properly and that carriers in their jurisdictions pay fees required to support the local emergency response infrastructure. Public utility commissions (PUCs) also coordinate and support service restoration of all the utility sectors in times of natural disaster and emergencies. This coordination is integral to timely and coordinated service restoration.

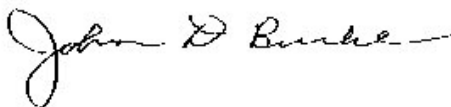
The Universal Service Fund (USF) and disabled access through the Telecommunications Relay Service (TRS) are a shared responsibility of federal and State policymakers. The States were given specific responsibilities by Congress in the 1996 Act regarding universal service. States also run TRS programs to serve persons with hearing and speech disabilities at the intrastate level. About 21 States have complimentary USF funds specifically dedicated to high cost service; 31 have telecommunications relay service funds for the deaf and hard of hearing; six have a fund for schools and libraries, and four even have funds dedicated specifically to broadband service. Collectively, these State-level programs distribute about \$1.4 billion annually to compliment federal programs.¹ However, lack of regulatory clarity on IP-based services is causing several States to reconsider their programs. There is little appetite in State capitals to provide carriers with millions of dollars each year if the State's ability to oversee and enforce program compliance is in question. Every dollar in State level programs reduces the burden on federal programs. To meet our universal service and disabled access goals Congress and the FCC should encourage State level programs instead of discouraging them.

Anticipating federal legislation to adjust the 1996Act, in 2012, NARUC chartered a task force on Federalism to revise NARUC's policy principles to reflect the current communications landscape. The resulting whitepaper was formally adopted at the 125th Annual NARUC Meeting last month. The paper supports a few crucial elements in the current federal framework and advances specific principles to guide any future federal reform efforts. The paper specifically addresses consumer protection, network reliability and public safety, competition, interconnection, universal service, and regulatory diversity. The whitepaper will inform any effort to revise the existing federal telecommunications law. It is available on NARUC's website at: <http://www.naruc.org/Publications/20131125%20clean%20Hamilton%20addition%20to%20absolutely%20final%20Federalism%20Task%20Force%20Report.pdf>.

As consumers increasingly come to rely on wireless, VoIP and other technologies to replace traditional phone service, their expectations for responsive consumer protection are unlikely to change. NARUC stands willing to work with you, the FCC and industry to make sure that consumers continue to receive the benefit of high-quality, reliable communications services going forward.

If you have questions about NARUC's positions or would like to discuss it further, please contact NARUC Legislative Director Brian O'Hara at (202)898-2205, bohara@naruc.org, NARUC General Counsel Brad Ramsay at (202)898-2207, jramsay@naruc.org or Chairman John Burke at (802)828-2358.

Sincerely,



John Burke
Chair, Committee on Telecommunications

cc: Members of the Committee on Energy and Commerce

¹ "Survey of State Universal Service Funds 2012", National Regulatory Research Institute (NRRI), by Sherry Lichtenberg, Kafui Akyea, &Phillis Bernt. Released July 2012, available at: <http://www.nrri.org/documents/317330/e1fce638-ef22-48bc-adc4-21cc49c8718d>.