Telecommunications Legislation - 2016

Sherry Lichtenberg, Principal Researcher
National Regulatory Research Institute

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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.

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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

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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 effecting 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)