NRRI Colloquium
Denver, Colorado
20 July 2013

Telecommunications Deregulation: Updating the Scorecard for 2013

Sherry Lichtenberg, Ph.D.

Principal Researcher, Telecommunications

National Regulatory Research Institute

Legislation at a glance

- 27 states have reduced or eliminated commission oversight
- First wave of legislation focused on limiting retail oversight
  - 11 states eliminated or significantly limited basic service and COLR requirements
    - Basic service requirements in non-competitive areas only
    - Carriers may use any service (wireless, wireline, VoIP) to meet requirements
  - Oversight of quality of service, customer complaints, billing, limited or withdrawn altogether
    - Customers can "vote with their feet"
    - Complaint process moved to other state agencies
- 2013 legislation focuses on removing oversight of VoIP and IP-enabled service
- Commission retains oversight of ETC designation, 911, intrastate access, TRS, and wholesale requirements (including interconnection)

Legislation spans all former ILEC regions

- Legislation has passed in 20 of the 22 states where AT&T is the primary wireline carrier
  - Legislation eliminating COLR requirements failed in Kentucky
  - Legislation limiting commission oversight to basic service only failed in Connecticut
- Legislation growing in the 13 states where Verizon is the primary wireline carrier
  - 5 states in the Verizon wireline footprint have passed legislation removing or limiting oversight
  - Legislation in Delaware eliminates COLR obligations, allows carriers to abandon "competitive offerings" without notice, and eliminates regulatory assessments
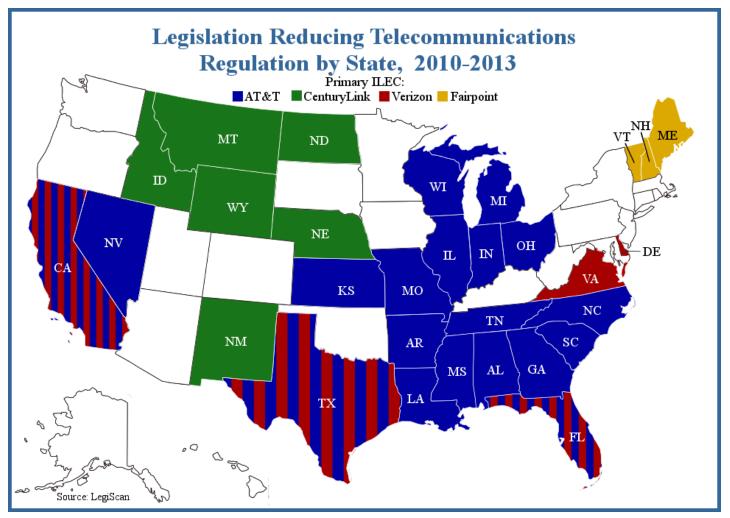
Region Summary

- 6 states in legacy Qwest's 14 state local service territory have reduced or eliminated oversight
  - Legislation in Arizona would have removed all oversight of IP services, including market entry and exit
  - Legislation in CO would have removed IP oversight and deemed all "new" products unregulated
  - Iowa Utilities Board studying changes to regulation, including COLR
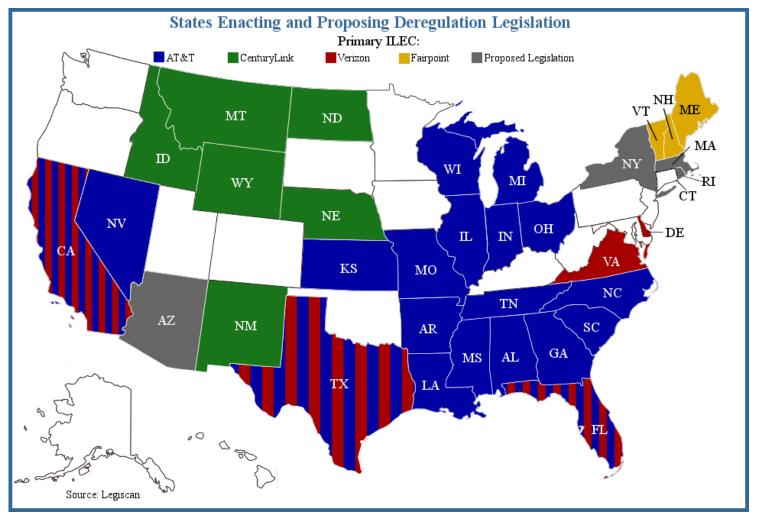- FairPoint has been "de-regulated" in Northern New England

Current Legislation

Legislation Reducing Telecommunications Regulation by State, 2010-2013

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

Source: LegiScan

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States Enacting and Proposing Deregulation Legislation

- Could collaboration among regulators, companies, and consumers become a viable substitute for regulation?
- How do we determine whether competition is a viable substitute for regulation?
  - Initial bills require a specific number of competitors to declare a market no longer regulated
  - What do we do if some or all of those competitors leave the market?
  - Do we need a process to track the level and success of competition on an on-going basis?
- Do we need a back-up plan?
  - How do we ensure the universal availability of service without COLR requirements?
  - What do we do if the primary carrier (ILEC, cable company) withdraws from the market?
- Do we need a new focus on network reliability?

Proposed Research Topics

- Next Generation 911 (NG911) and the IP Transition

  ○ The transition to IP networks will include the development of new ways of communicating with emergency service providers and first responders, including texting, video, and other IP-enabled processes. What is NG911 from a technical perspective? What does this transition mean for end users, first responders, and the states? This paper will examine the transition to NG911 and provide a primer on the future of emergency services.

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Accessible Services and the IP Transition

- The IP transition will expand communications options for all users, including the deaf, hearing-impaired, and others currently supported by state-sponsored accessibility programs. Will the new networks continue to support today's accessible devices, including relay service, TTD devices, etc., or will new equipment be required?

- This paper will explore the effect of the IP transition on accessibility programs and devices, including the FCC's proposed trial of accessible services in an IP-environment. It will answer the following key questions.

- Will states need to adjust their current equipment distribution programs to replace current equipment with new IP-enabled services?

- Will state programs need to change to include these new devices?

- How will this effect Universal Service and other state funds?

- How will we make sure that communications remains accessible to all?