

# Senator unveils bill that aids phone carriers

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Legislation aiding telephone companies in their efforts to provide video and other high-speed data services was proposed by Sen. John Ensign on Wednesday.

Ensign, a Nevada Republican and chairman of the Senate Commerce subcommittee on technology, innovation and competitiveness, called his 72-page bill a starting point as Congress considers overhauling the 1996 Telecommunications Act that aimed to promote competition in voice services.

"Changes in technology necessitate that we update these rules if America is going to be competitive in the face of global competition," he told reporters, pointing to rankings that the United States has slipped to as low as 16<sup>th</sup> in the world for deploying high-speed Internet service, known as broadband.

Under the bill, companies that want to offer video service would no longer have to get permission from local or state officials, a boon to companies like Verizon Communications and SBC Communications Inc., which are rolling out video.

It would also eliminate requirements in 2011 that the four big local telephone companies, known as the Baby Bells and includes Verizon and SBC, resell their phone service to other competitors at regulated rates or have to make parts of their existing copper networks available to competitors.

Cable and telephone companies are battling to expand their profits by signing up as many customers as possible for a suite of communications and entertainment services but the Bells have complained they are at a disadvantage.

The Bells argue they must abide by laws for traditional phone service, slowing the deployment of broadband services, and that they could be required to obtain permission from thousands of local authorities to offer video.

"This will provide much needed clarity as SBC invests in next-generation broadband services," said Tim McKone, senior vice president for federal relations at SBC, the No. 2 U.S. telephone carrier.

Ensign said he would now begin seeking the support of other lawmakers for his measure, but gave no timetable for moving the legislation forward. Analysts have said the chances of passing a bill this year were slim.

"We need to get investment dollars flowing," Ensign told reporters. "Wall Street likes clear, understandable rules that minimize litigation and uncertainty."

His measure would prevent companies from limiting where consumers surf on the Internet as well as ensure Internet phone service cannot be blocked by broadband providers.

Local and state authorities would still be able to collect up to 5 percent of gross revenue from pay television services and local governments could continue managing rights of ways.

But Ensign's measure would bar municipal governments from offering communications services unless commercial companies have refused to serve the area. It would not affect those services already offered by local governments.