

# Push for telecom deregulation moves ahead

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Telecom deregulation is vital to U.S. competitiveness in the global marketplace, Republican lawmakers and deregulation advocates said this week, but opponents fear monopolization and a breakdown of local rights.

At an event held by the Washington-based Free Enterprise Fund Wednesday, Sen. John Ensign, R-Nev., of the Senate Commerce Committee outlined current proposals to overhaul regulation he claims is outdated for today's technologically advancing world.

"Today, technology has gone far past the '96 act," Ensign said in reference to the Telecommunications Act of 1996, which currently governs the telecom industry. "We have a piece of legislation that is far outdated because of rapidly advancing technology. We need to have laws and regulations on the books that reflect the world that we live in and the world that is coming tomorrow."

Deregulation advocates say the 1996 act is not applicable to today's communications landscape, which is very different from that of a decade ago. For example, the act uses the word "Internet" only 11 times, suggesting that its drafters had no idea the prominent place the Internet would take in the country's communications habits.

Ensign also argued that current laws and regulations get in the way of technological advancement, causing the United States to lag in global standards of broadband and other communications technology.

"The United States, a couple of years ago, was 11th in broadband deployment around the world. Eleventh is completely unacceptable, and now we've moved to 16th. Everywhere you go people are talking about the importance of broadband deployment, and yet we still have laws and regulations that get in the way of broadband deployment."

He cited the "modernizing of our laws" as the reason for his initiative to draft a new regulation bill, which he introduced in July, arguing that his proposals will break down barriers to advancement in key areas such as broadband service.

"If legislation like mine is enacted, we can expect more and better services at better prices ... and there will also be a tremendous investment in infrastructure that is absolutely desperately needed in United States."

However, as one of the most sweeping proposals currently pending in Congress, the senator acknowledged that his bill will not go unchanged. "It is not going to pass in this form," he told a breakfast sponsored by the Federal Communications Bar Association earlier this week.

That has much to do with strong opposition from city governments and consumer advocate groups over the creation of a national franchising system, which would allow broadband providers to circumvent the current lengthy, what deregulation proponents consider inefficient, piecemeal municipal licensing process.

Critics such as the National League of Cities worry that such an action will take away local governments' ability to regulate what happens within their own limits.

"This bill runs counter to virtually every NLC communications policy position and will eliminate or nationalize the cable and video franchising

process, depriving local governments of an important mechanism to manage and receive compensation for the public rights-of-way," says the NLC Web site.

Ensign pointed out that franchising fees paid to cities will still be included, and in fact could provide even more revenue than the cities currently receive.

Another concern is that such a bill would restrict local governments' right to create and run their own broadband networks, a trend currently under way in several major cities.

There is also debate over whether deregulation from bills like Ensign's will in fact create the competition its backers claim will bring consumers quality service and low prices.

Jeannine Kenney, a senior policy analyst at Consumers Union, the advocacy group that issues Consumer Reports, told National Journal last month that legislation like Ensign's is encouraging monopolization of the communications sector, "where two industries will dominate" in broadband, eventually leading to higher prices for consumers.

Critics and supporters alike will have to wait to see how much of Ensign's bill gets into the full committee version, as hurricane-related business has taken center stage.

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