

Telecom reform boosts vid franchising

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A rewrite in the Senate of the Telecommunications Act is under way, pushed by Monday's introduction of draft bill S. 26868, known as the Communications, Consumer's Choice, and Broadband Deployment Act of 2006, from Senate Commerce Committee Chairman Ted Stevens, R-Alaska.

The 135-page bill covers 10 title-by-title reforms of current communication laws promoting video franchising and nationwide broadband deployment but glosses over Net-neutrality concerns.

According to Stevens, the bipartisan bill "attempts to strike a balance between competing industries, consumer groups and local government" and has an "overarching theme" of nationwide broadband deployment.

"This bill includes provisions throughout that will benefit consumers," he stated in the floor introduction. "It encourages competition and cost savings in the video market. It addresses some critical needs in rural America. And, it encourages deployment of broadband so that our nation can remain competitive."

If approved as is, the bill would require every provider of a telecom service, broadband service, or IP-enabled voice service to pay into the Universal Service Fund, tighten requirements that competitive eligible telecom carriers must meet to receive USF, and prohibit a carrier from hiding its traffic whether it is interstate or intrastate.

It also encourages municipalities to enter into public-private

partnerships, would specify an open bidding procedure for choosing private municipal broadband service partners, as well as address a 30-day notice process by the municipality of its intent if it did not partner with a private entity.

And in terms of unlicensed white spaces, it amends Title III of the Communications Act to allow unlicensed devices to operate in unused television broadcast spectrum and directs the Federal Communication Commission to complete its existing rulemaking to protect television broadcasters from any possible interference.

The Stevens bill also would require the FCC to take action but not regulate rates that would reduce phone rates for Armed Forces deployed overseas to call home and seeks to improve interoperable communications among federal, state and local law enforcement and medical responders.

In terms of video franchising, the bill seeks to streamline a franchising application process to promote competition but preserves almost all existing video regulations such as must-carry as well as sets national limits while preserving flexibility with local franchises including negotiating rights-of-way management at the local level.

It would also set a shot clock of 30 days by which franchise applications must be processed.

Under the House Commerce Committee's bill the Communications Opportunity, Promotion and Enhancement Act of 2006 that now moves on to the Senate to be reviewed, it would establishes a narrower version of the national franchising system.

Notably, Net neutrality is touched upon in the bill but does not address the issue as aggressively as the amendment by Rep. Edward Markey, D-

Mass., that was dumped last week from the House telecom revision of the COPE Act.

Under the Markey amendment, the FCC would have had the power to prohibit telecom companies and cable operators from favoring one provider's Web traffic or their own content over another's by ensuring faster downloads to companies that pay a tax.

Instead the Stevens bill directs the FCC to commence an annual study of the Internet and information transmitted over the Internet, of which any problems arises, the agency would make recommendations to Congress as for its course of action.

Proponents of the Markey amendment included a coalition of tech companies, small businesses and consumer groups who have worried that telecom operators and broadband providers would create a two-lane system that would establish a pay-for-play tier system of premium services, and thus have market power to limit consumer choice in content.

Among the supporters are Google, Intel, Yahoo!, Amazon, eBay, the National Religious Broadcasters, as well as the bipartisan SavetheInternet.com Coalition comprised of MoveOn.org, Consumers Union, the Gun Owners of America and the Parents Television Council.

But the telecom industry argues that it should be able to charge companies who want it for faster delivery of content especially for VoIP, video over IP and TV over IP services, as companies continue to invest in adding bandwidth and new superfast fiber-optic technologies.

Co-sponsoring the Senate Commerce bill is Co-Chairman Sen. Daniel Inouye, D-Hawaii, who expressed a number of objections on the bill especially on the lack of Net neutrality regulation, signaling that the

telecom-reform bill could expect an intense markup.

"We cannot ignore concerns about the potential for discrimination by network operators, but the draft appears to do just that by failing to create enforceable protections that will ensure network neutrality," Inouye said in a statement.

The bill will now be reviewed during a two-step process in which Commerce Committee members will hold two public hearings to consider the bill, followed by an Executive Session with committee members after the Memorial Day recess to mark up the legislation.

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