Telecom bill faces forceful opposition

November 10 2005

Lawmakers broadly agree that telecommunication laws regulating the market do not meet the rapidly changing needs of users or address the ever-evolving nature of the business. Yet as members of Congress debate the latest telecom bill, critics fear the proposals put forward will only benefit large carriers and ultimately squash their smaller competitors.

On Wednesday members of the House Committee on Energy and Commerce's Subcommittee on Telecommunications and the Internet gathered for a hearing on pushing forward a new telecom bill to address those changing needs, with testimonies from a slew of corporate executives as well as attorneys and representatives from local governments.

In his opening remarks at the hearing, Committee Chairman Rep. Joe Barton, R-Texas, stated that there was a "need for a clear, new statutory framework to govern the delivery" of telecommunications.

The existing law "no longer reflects the technological and competitive reality. Congress has a responsibility to update our communications laws," he said, adding that "the right approach will produce an explosion of jobs, growth, and opportunity for American workers and American consumers will get an array of services that were unimagined just a few years ago."

The draft is the first major reform proposal of the Telecommunications Act of 1996. Among other issues, it proposes to make Voice over Internet Protocol calls more like land-line phones that can access most

callers, which would be an advantage to those who want to cut down on their phone costs by simply depending on their personal computers to make calls. The bill, however, also leaves the setting-up price entirely to the carriers at a time when the number of telecommunications companies continues to fall, especially following the impending mergers of SBC Communications with AT&T and Verizon with MCI.

At the same time, major Internet groups such as Google and Yahoo! are trying to expand the scope of their business and entering the telecommunications market, while at the same time bolstering their hold on the Internet.

Meanwhile, phone carriers themselves are trying to get into operations beyond telecommunications, with some including SBC seeking government approval to be able to provide video services that would in turn put them in competition with local cable carriers.

SBC's general counsel, James Ellis, who testified before members, agreed with Barton and stated that the latest proposal would establish a much-needed single policy nationwide for broadband, in addition to creating more incentives for companies to invest in furthering broadband technology.

"With the U.S. lagging behind other industrialized countries in broadband deployment, consumers and communities can only benefit from the type of network investment that will be made possible by robust video competition. The stakes simply could not be higher," Ellis said.

Yet many Democratic lawmakers have criticized the latest proposal, particularly as they fear the negative effect the proposed changes may have on local communities, and they have complained that they have been left out of the Republicans' process of revising the latest draft of

the bill, which was first put forward in September.

"The draft before us undermines long-standing objectives of fostering localism, competition, and diversity," said Rep. John Dingell, D-Mich., adding that "rushing this one-sided draft forward will set back our long-term goals of accelerating broadband deployment and video competition."

Local government authorities sided with Dingell.

Marilyn Praisner, a member of the Montgomery County Council of Maryland, told committee members, "The telephone companies appear to get everything they ask for ... while avoiding most social obligations.

"Local government officials across the country are going to be very unhappy if this bill moves forward. ... This bill breaks faith with the promises we were made in exchange for our support for a solution," she added.

Meanwhile, Internet providers and service companies including Amazon.com pointed out that the bill does not offer enough protection for Internet users to access content via the World Wide Web, which will become more prevalent should telecommunications companies be allowed to offer video services via the Internet.

Vinton Cerf, Google's so-called chief Internet evangelist, told members, "My fear is that, as written, this bill would do great damage to the Internet as we know it ... enshrining a rule that broadly permits network operators to discriminate in favor of certain kinds of services and to potentially interfere with others who would place broadband operators in control of online activity."

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