

# UNDER THE DOME

WITH THE NCLA

APRIL 7, 2014

## **MODERNIZATION OF TELECOMMUNICATIONS LAWS TAKES CENTER STAGE**

*NCLA Board of Directors Votes to Support Reform Package*

A lot has changed in the world of telecommunications and Internet technology since 1987. The one thing that hasn't are the state laws that regulate the telecommunications industry. Last week, the House Business Affairs and Labor passed a package of legislative proposals that seek to update the telecommunications laws to reflect today's modern technology.

The fact that the laws haven't been updated in nearly 30 years is not to say that updates haven't been attempted. In years past, political power plays and contention among the multitude of telecom stakeholders surrounding broadband development and the High Cost Support Mechanism, a subsidy of nearly \$60M to support building phone service in underserved areas, derailed efforts to modernize Colorado's laws.

This year is expected to be different. With former Senate President John Morse (D-Colorado Springs) ousted in September in a recall election along with two of his other Democrat colleagues, the path seems to have cleared for success. Morse, and former Senator Angela Giron (D-Pueblo), thwarted previous attempts to determine how--and how much--Colorado regulates IP-related services and the way broadband expansion would be funded in rural parts of the state.

With Morse gone, legislative advocates for reform, including new Senate President Morgan Carroll (D-Aurora), Senator Lois Tochtrop (D-Adams County) Senator Mark Scheffel (R-Parker), House Business Affairs Committee Chair Angela Williams (D-Aurora), and Representative Carole Murray (R-Castle Rock) renewed their efforts to build a legislative package of proposals that would address the multitude of telecommunication reform issues.

The package has been nearly five months in the making with the convening of the myriad stakeholders, including telecommunications providers, the technology sector, businesses, consumer groups and emergency 911 providers. The introduction of the package was a certain sign that agreement among the stakeholders has been achieved.

The package includes the following:

House Bill 1327, sponsored by Reps. Angela Williams, D-Denver, and Carole Murray, R-Castle Rock, aims to accelerate the speed of technology upgrades by streamlining build-out and eliminating state sales tax on broadband equipment. The bill passed unanimously and was sent to Finance;

- House Bill 1328, sponsored by Williams and Rep. Don Coram, R-Montrose, would repurpose a state subsidy for rural carriers to fund broadband development in underserved areas. The committee backed the bill 10-1, sending it to Appropriations;
- House Bill 1329, sponsored by Williams and Murray, which would deregulate Voice over Internet Protocol, or VoIP, including phone calls over the Internet. The measure moved to Appropriations on a 10-1 vote;
- House Bill 1330, sponsored by Williams, which would update telecom definitions, some of which haven't been changed in over 20 years (before the explosion of the Internet). The committee backed the measure unanimously and sent it to the House floor; and
- House Bill 1331, sponsored by Williams and Murray, which would deregulate basic telephone service but retain the Public Utilities Commission's authority to govern rates and basic service. The legislation passed on a vote of 10-1 and was sent to Appropriations.

The package was nearly five months in the making and the result of at least four years of previous attempts. In years past, telecom reform was derailed by contention surrounding broadband development and the High Cost Support Mechanism, a subsidy of nearly \$60 million to support building phone service in underserved areas.

Last week, the NCLA Board of Directors voted to support the package of reform bills. The NCLA will be engaged to ensure underserved urban areas of the state, some of which exist in northern Colorado, are supported in the package. The bill package will move through the House this week and is anticipated it will be in the Senate next week.