

GENERAL TALKING POINTS: SENATE LEGISLATION

- This is a critical step for the U.S. economy...for consumers...for the telecom industry...and for restoring the nation's global competitiveness.
- We have not yet reviewed the legislation in detail, but overall we agree with its market-based vision of a truly level playing field, where consumers can get the products and services they want, from the companies they choose.
- This proposal would free our information economy from the shackles of a nearly decade-old policy that barely acknowledges the existence of the Internet.
- In today's environment of vigorous, cross-platform competition—where cable companies are offering VoIP service and phone companies are moving into video, for example—we need comprehensive, even-handed reform that allows consumers to select the technologies and services that best meet their needs, rather than have uneven government policies make these decisions for them.
- This legislation upholds basic consumer protections—such as 911 and access for persons with disabilities for voice...and local channels, education and government programming for video. Beyond that, it encourages all companies to invest and compete vigorously to deliver innovative, quality services to consumers.
- Updating telecom laws can help restore U.S. global competitiveness and speed the arrival of new services that consumers clearly want. It also can drive new growth. According to the U.S. Chamber of Commerce, a market-based U.S. telecom policy could bring \$634 billion in GDP growth and 212,000 jobs in five years.
- We like this bill's acknowledgement that it's time to put consumers in charge and to have the government step back from managing a competitive marketplace.
- There are additional items we would like to see in any final legislation. We look forward to working with Chairman Stevens and other rural leaders in the Senate to stabilize universal service, and continue its vital role connecting the country and linking schools and libraries to the Internet.
- Modern telecom laws can usher in a new era of work-life balance with new telecommuting options, new economic opportunities for rural America, new choices for Americans with disabilities, new frontiers in medicine and education, new services for consumers and new tools for American businesses.
- Restoring U.S. information leadership should be a top priority for Congress. We will work with Chairman Stevens, Senator Ensign and all members to update U.S. telecom laws and unleash the full potential of the information future.

Why should U.S. policy free legacy services?

Because a pro-innovation policy requires technology neutrality. If you accept that the policies are outdated, then the new approach should apply to all competitors—old and new. With landline, wireless, satellite and cable all competing directly, different rules for different technologies makes no sense. The market-based approach embraced in this bill would ensure consumers sort out the winners, not uneven government regulations.

What about franchising requirements for telco video?

The digital television marketplace today is primarily cable and satellite competition. Consumers would love to see more competition and local phone companies want to bring it. But that effort will require billions of dollars in investment. You don't get there by throwing up community-by-community barriers. The only benefactor of that approach is the dominant player today, which would prefer not to face robust new competitors.

Local phone companies are dealing with vigorous new competition from cable in voice. Cable will have to get used to the idea of telco competition in video. This bill does the right thing. It tells all competitors: Real competition is here to stay—get used to it. It also makes clear that local communities will continue to have the option to charge all competitors reasonable fees for use of public rights-of-way.

This bill does a good job of looking out for the genuine public interest—for example, ensuring priorities like number portability, reliable 911 and access for persons with disabilities are upheld across all competing technologies in voice...and local, government and education programming are available across the digital television marketplace.

After that, this proposal rightly presumes that consumers nationwide would like another digital television choice, and it puts the government on the side of encouraging investment in new choices, rather than erecting artificial barriers to its arrival.

What about the municipal issue?

This is a fair solution. If a municipality wants to build a network with public financing, tax breaks or other favorable terms, then it should first offer those same terms to the private sector. If the private sector still can't or won't serve the area, then the local government can build its network and the private companies have no standing to impede that effort. This is a smart solution for local government, too, given the significant financial and technical hardships that many government-run networks face today.

Will states have a role?

Absolutely and one of the most important roles—protecting their consumers. This bill sets national rules—protecting against fraud and abuse, ensuring reliable 911 and other law enforcement tools, ensuring local, education and government programming among other things. That's the right approach since everyone—no matter where they live—

wants these basic safeguards. But the power to enforce these rules rests with the states, so consumers will have a local entity they can turn to with any concerns or complaints.

What about people who just want a dial tone and can't afford all this fancy new stuff?

All companies that receive federal universal service support will be required to offer basic telephone service (a dial tone, touch tone, 911 and access to long distance) at regulated rates to both business and residential customers. So if all you want or need is a dial tone, you are protected by this legislation.