



Local Control Protects Consumer Rights

Local governments make sure that all areas in the community are serviced equally and that customer complaints are heard and resolved locally.

Local control guarantees taxpayers fair market value for the private use of their public rights-of-way.

Did you know that nationally taxpayers own over \$11 trillion worth of public property in the form of streets and sidewalks?

The Big Telecoms want a free ride to use these public rights of way. The only thing that stands in their way is local government. Local governments ensure that:

- Taxpayers receive fair compensation for the use of their public property.
- Any damages caused by the Big Telecoms to streets and roadways are properly and timely repaired.
- Disruptions from duplicative installations are minimized.

Local control gives back to the community.

- Local governments use franchise fee revenues to help fund public services such as police, fire, schools, and community media centers.
- Local governments make sure residents continue to get access to public, education and government (PEG) channels. PEG channels broadcast community building programming such as adult education courses, government services information, and events like parades and high school sports.

Local control over the franchising process means that the Big Telecoms have to play by the rules. This means:

- Fair compensation for the private use of public rights-of-way.
- Cable services for all residents, not just to a select few. No “cherry-picking” of customers allowed!
- Proper repair of streets and roadways that get damaged by the Big Telecoms.
- Continued availability of Public, Education, and Government (PEG) access channels.
- Protection of consumer rights.



LOCAL FRANCHISING PROCESS – IT WORKS

TALKING POINTS

- **Local governments support and encourage competition.**

Local Franchising Authorities (LFAs) are responsible for protecting public rights-of-way, PEG access channels and I-Nets, helping to ensure the Congressional policy that systems are “responsive to the needs and interests of the local community.” Elected officials must be responsive to the needs of their constituents or face adverse consequences at the ballot box.

- **There is no credible evidence or concrete examples that LFAs are a “barrier” to competition.**

The telecom industry has failed to provide “empirical data” and “specific examples” that the local franchising process slows or deters competitive entry. They cannot cite a single instance where a franchise has been denied, let alone “unreasonably denied.” In fact, Verizon has recently publicly stated that cities were “eager to bring competition to market,” “franchising is not an issue for us,” and “franchising is not holding us back.” And for its part, AT&T doesn’t even seek video franchises.

- **Reasonable build-out requirements are necessary to ensure competition and lower consumer prices for all residents and are allowed by the Cable Act.**

Without such requirements, providers will be able to “cherry pick” the areas they want to serve. AT&T has stated that Project Lightspeed will be available to 90% of its “high-value” customers, but to less than 5% of its “low-value” neighborhoods.

- **The FCC lacks the authority to construe or enforce section 621(a)(1).**

Title VI does not grant the Commission authority to act as a “national franchising authority” or “oversight board.” Read together, section 621(a)(1) and 635(a) vest the courts – not the Commission – with exclusive jurisdiction over section 621(a)(1). Section 621(a)(1) disputes are fact-specific; courts are well-suited to handle them. Franchising is a vital role given to local officials by Congress; the franchising process and local powers are spelled out clearly in statute, and only Congress can provide such relief.



- **IPTV is a “cable service.”**

IPTV services are subject to Title VI requirements; to hold otherwise would be to violate the Act’s and Commission’s guiding principles of competitive neutrality and non-discrimination. Rep. Barton has stated that AT&T’s argument that IPTV is not a cable service is “stupido.”)

- **The telecom industry’s proposed rules are arbitrary and capricious and the Commission has no authority to adopt them.**

Build-out requirements are allowed under the Cable Act.

The Commission has no authority to set “deadlines” on LFA franchising actions.

Attacks on application fees, cost reimbursement, and PEG/I-Net requirements are contrary to the Cable Act.

LFAs are permitted to establish customer service standards; the Commission has no authority to impose uniform preemptive federal standards.



New Study "The Truth About Telecom Taxes and Reform: The Real Effect on Local Government"

According to a study released by a coalition of local government organizations, including the National Association of Telecommunications Officers and Advisors, the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, and the Government Finance Officers Association:

- **Local and state governments stand to lose \$8 billion a year in revenues if Congress further restricts their ability to levy taxes or fees on the telecommunications industry.**
- **The jobs of more than 150,000 teachers, police officers and firefighters could be on the line if the telecom industry receives preferential treatment.**

Talking Points for Local Government Officials

- **Local Government Organizations Recognize the Need for Comprehensive Reform of the State and Local Communications Tax and Regulatory Structure.** The rapidly evolving nature of the communications industry, and the importance of this revenue to support fundamental services at both the state and local level, demand that we devote significant and coordinated attention to this issue.
- **Revenue is at stake.** Communication taxes and fees generate billions of dollars in revenue each year for local governments. These taxes and fees are used to support a host of locally administered public services. Local government input is needed to ensure that cities are able to continue collecting this much needed revenue and serving the needs of city residents effectively and efficiently.
- **State and Local Government Efforts to Find a Solution Deserve a Chance to Work.** Local governments are hopeful that, working together, state and local government officials and the communications industry can develop a blueprint for reform of communications laws that will protect state and local revenue bases, provide significant simplification of communications tax laws, and provide for nondiscriminatory treatment of all communications providers.



**Legislation related to telecom issues introduced in the
110th Congress**

(January 4 – February 22, 2007)

SENATE BILLS

[S.49](#) : A bill to amend the Communications Act of 1934 to prevent the carriage of child pornography by video service providers, to protect children from online predators, and to restrict the sale or purchase of children's personal information in interstate commerce.

Sponsor: [Sen Stevens, Ted](#) [AK] (introduced 1/4/2007)

[S.92](#) : A bill to amend the Communications Act of 1934 to prohibit the unlawful acquisition and use of confidential customer proprietary network information, and for other purposes.

Sponsor: [Sen Stevens, Ted](#) [AK] (introduced 1/4/2007)

[S.93](#) : A bill to authorize NTIA to borrow against anticipated receipts of the Digital Television and Public Safety Fund to initiate migration to a national IP-enabled emergency network capable of receiving and responding to all citizen activated emergency communications.

Sponsor: [Sen Stevens, Ted](#) [AK] (introduced 1/4/2007)

[S.101](#) : A bill to update and reinvigorate universal service provided under the Communications Act of 1934.

Sponsor: [Sen Stevens, Ted](#) [AK] (introduced 1/4/2007)

[S.156](#) : A bill to make the moratorium on Internet access taxes and multiple and discriminatory taxes on electronic commerce permanent.

Sponsor: [Sen Wyden, Ron](#) [OR] (introduced 1/4/2007)

[S.166](#) : A bill to restrict any State from imposing a new discriminatory tax on cell phone services.

Sponsor: [Sen McCain, John](#) [AZ] (introduced 1/4/2007)

[S.170](#) : A bill to amend the Internal Revenue Code of 1986 to repeal the excise tax on telephone and other communications services.

Sponsor: [Sen Ensign, John](#) [NV] (introduced 1/4/2007)



[S.124](#) : A bill to provide certain counties with the ability to receive television broadcast signals of their choice.

Sponsor: [Sen Allard, Wayne](#) [CO] (introduced 1/4/2007)

[S.211](#) : A bill to facilitate nationwide availability of 2-1-1 telephone service for information and referral on human services, volunteer services, and for other purposes.

Sponsor: [Sen Clinton, Hillary Rodham](#) [NY] (introduced 1/9/2007)

[S.215](#) : A bill to amend the Communications Act of 1934 to ensure net neutrality.

Sponsor: [Sen Dorgan, Byron L.](#) [ND] (introduced 1/9/2007)

(Co-sponsors: Boxer, Harkin, Leahy, Snowe, Clinton, Kerry, Obama, Wyden)

[S.234](#) : A bill to require the FCC to issue a final order regarding television white spaces.

Sponsor: [Sen Kerry, John F.](#) [MA] (introduced 1/9/2007)

[S.258](#) : A bill to clarify provisions relating to statutory copyright licenses for satellite carriers.

Sponsor: [Sen Sununu, John E.](#) [NH] (introduced 1/11/2007)

[S.291](#) : A bill to establish a digital and wireless network technology program, and for other purposes.

Sponsor: [Sen Smith, Gordon H.](#) [OR] (introduced 1/12/2007)

[S.315](#) : A bill to establish a digital and wireless network technology program, and for other purposes.

Sponsor: [Sen Warner, John](#) [VA] (introduced 1/17/2007)

[S.337](#) : A bill to require the FCC to issue a final order regarding white spaces, and for other purposes.

Sponsor: [Sen Sununu, John E.](#) [NH] (introduced 1/18/2007)

[S.385](#) : A bill to improve the interoperability of emergency communications equipment.

Sponsor: [Sen Inouye, Daniel K.](#) [HI] (introduced 1/24/2007)



[S.428](#) : A bill to amend the Wireless Communications and Public Safety Act of 1999, and for other purposes.

Sponsor: [Sen Nelson, Bill](#) [FL] (introduced 1/30/2007)

[S.609](#) : A bill to amend section 254 of the Communications Act of 1934 to provide that funds received as universal service contributions and the universal service support programs established pursuant to that section are not subject to certain provisions of title 31, United States Code, commonly known as the Antideficiency Act.

Sponsor: [Sen Rockefeller, John D., IV](#) [WV] (introduced 2/15/2007)

[S.639](#) : A bill to establish digital and wireless networks to advance online higher education opportunities for minority students.

Sponsor: [Sen Pryor, Mark L.](#) [AR] (introduced 2/15/2007)

HOUSE BILLS

[H.R.42](#) : To amend the Communications Act of 1934 to continue in effect and expand the Lifeline Assistance Program and the Link Up Program, and for other purposes.

Sponsor: [Rep Velazquez, Nydia M.](#) [NY-12]

[H.R.211](#) : To facilitate nationwide availability of 2-1-1 telephone service for information and referral on health and human services, including volunteer services, and for other purposes.

Sponsor: [Rep Eshoo, Anna G.](#) [CA-14] (introduced 1/4/2007)

[H.R.251](#) : To amend the Communications Act of 1934 to prohibit manipulation of caller identification information, and for other purposes.

Sponsor: [Rep Engel, Eliot L.](#) [NY-17] (introduced 1/5/2007)

[H.R.278](#) : To amend section 254 of the Communications Act of 1934 to provide that funds received as universal service contributions and the universal service support programs established pursuant to that section are not subject to certain provisions of title 31, United States Code, commonly known as the Antideficiency Act.

Sponsor: [Rep Cubin, Barbara](#) [WY] (introduced 1/5/2007)



[H.R.338](#) : To improve communications interoperability for emergency response.

Sponsor: [Rep Dingell, John D.](#) [MI-15] (introduced 1/9/2007)

[H.R.372](#) : To direct the Federal Trade Commission to revise the regulations regarding the Do-not-call registry to prohibit politically-oriented recorded message telephone calls to telephone numbers listed on that registry.

Sponsor: [Rep Altmire, Jason](#) [PA-4] (introduced 1/10/2007)

[H.R.436](#) : To restrict any State from imposing a new discriminatory tax on cell phone services.

Sponsor: [Rep Bono, Mary](#) [CA-45] (introduced 1/12/2007)

[H.R.462](#) : To request a study by the Federal Communications Commission on the interference caused by broadband internet transmission over power lines.

Sponsor: [Rep Ross, Mike](#) [AR-4] (introduced 1/12/2007)

[H.R.479](#) : To direct the Federal Trade Commission to revise the do-not-call telemarketing rules to permit individuals to opt out of receiving certain politically-oriented telephone calls.

Sponsor: [Rep Doolittle, John T.](#) [CA-4] (introduced 1/16/2007)

[H.R.555](#) : To amend the Communications Act of 1934 to require the Federal Communications Commission to prescribe rules regulating inmate telephone service rates.

Sponsor: [Rep Rush, Bobby L.](#) [IL-1] (introduced 1/18/2007)

[H.R.600](#) : To amend the Internal Revenue Code of 1986 to provide for a deferral of tax on gain from the sale of telecommunications businesses in specific circumstances or a tax credit and other incentives to promote diversity of ownership in telecommunications businesses.

Sponsor: [Rep Rush, Bobby L.](#) [IL-1] (introduced 1/22/2007)

[H.R.608](#) : To further inform consumers about the transition to digital television.

Sponsor: [Rep Barton, Joe](#) [TX-6] (introduced 1/22/2007)



[H.R.836](#) : To amend title 18, United States Code, to better assure cyber-security, and for other purposes.

Sponsor: [Rep Smith, Lamar](#) [TX-21] (introduced 2/6/2007)

[H.R.837](#) : To amend title 18, United States Code, to protect youth from exploitation by adults using the Internet, and for other purposes.

Sponsor: [Rep Smith, Lamar](#) [TX-21] (introduced 2/6/2007)

[H.R.852](#) : To prohibit the obtaining of customer information from telecommunications carriers by false pretenses, and the sale or disclosure of such records obtained by false pretenses.

Sponsor: [Rep Inslee, Jay](#) [WA-1] (introduced 2/6/2007)

[H.R.863](#) : To improve communications interoperability for emergency response.

Sponsor: [Rep Thompson, Bennie G.](#) [MS-2] (introduced 2/6/2007)

[H.R.983](#) : To preserve local radio broadcast emergency and other services and to require the Federal Communications Commission to conduct a rulemaking for that purpose.

Sponsor: [Rep Green, Gene](#) [TX-29] (introduced 2/12/2007)