

# **Communications, Consumer's Choice, and Broadband Deployment Act of 2006**

## **Title-By-Title**

### **Title I – War on Terrorism**

#### **Subtitle A – Call Home**

- Would require the Federal Communications Commission (FCC) to take such action as may be necessary to reduce phone rates for Armed Forces personnel deployed overseas to call home. The legislation would, however, prohibit the FCC from regulating rates in order to reduce rates.

#### **Subtitle B – Interoperability**

- Seeks to improve interoperable communications among the nation's federal, state and local police, firemen, paramedics and other first responders by establishing specific grant initiatives for interoperable public safety communications.
- States that funds should be allocated for:
  - interoperable communications system equipment,
  - coordination and planning, and
  - strategic technology reserves
- Requires the Assistant Secretary of Commerce to coordinate with the Secretary of Homeland Security and the Public Safety and Homeland Security Bureau of the Federal Communications Commission.

### **Title II – Universal Service Reform; Interconnection**

#### **Subtitle A – Contributions to Universal Service**

- Requires every provider of a telecommunications service, broadband service or, IP-enabled voice service (VOIP) to pay into USF.
- Allows the FCC to develop a contribution mechanism that is competitively and technologically neutral and is specific, predictable and sufficient.
- Allows the FCC to assess:
  - (1) intrastate and interstate revenue,
  - (2) working phone numbers,
  - (3) network capacity including broadband connections

(4) or any combination thereof.

- Allows an exception for low-volume callers like senior citizens who may have a \$2 long distance bill, yet would be assessed \$1 under a numbers-based approach.
- Provides a USF discount for group plans where a family may have multiple phones under one account.
- Preserves state USF programs
- Requirements on billing: those who pay into USF can put a line item on the phone bill and can charge an administrative fee to collect the USF. However, such items must be listed separately on the bill and any administrative charge must be based on actual collection costs.
- Anti-Deficiency Act Exemption: USF contributions are permanently exempted from the Anti-Deficiency Act. Requires that USF be accounted for consistent with government Generally Accepted Accounting Practices' standards, that the E-Rate program not commit more funds in a year than its program cap, and that excess funds be deposited in the US Treasury.
- Includes the "Broadband Data and E-rate Improvement Act" which permits Native American libraries and consortia to receive E-Rate funding and directs the census bureau to collect broadband deployment data.

**Interconnection rights and obligations:**

- Ensures competition for consumer voice services by including an interconnection piece. Without access to the local exchange it is not possible to offer local service. The bill allows VoIP providers to gain interconnection rights, duties and obligations as if they were a telecommunications carrier.

**Subtitle B – Distributions from Universal Service**

- Requires carriers that receive USF to offer broadband within five years of enactment unless it receives a waiver because the cost of deployment is too high, it is not technically feasible, or would materially impair the carrier's ability to continue providing service throughout its service area.
- Creates a separate broadband fund of \$500 million a year to provide broadband to unserved areas. Satellite carriers are eligible to receive those funds.
- Tightens requirements that competitive Eligible Telecommunications Carriers (ETC) must meet in order to receive USF. Requirements include: ETCs would have

to remain functional in an emergency, provide consumer protection and service quality standards, offer service comparable to the incumbent.

- Makes clear that the FCC cannot limit USF support to a single connection or line.
- Addresses the phantom traffic issue. Prohibits a carrier from hiding its traffic identifiers to mask whether its traffic is interstate or intrastate. This is especially important for small rural carriers so that they can ensure accurate collection of access charges.
- Requires state commissions to conduct random audits.
- Establishes waste, fraud, and abuse review.

### **Title III – Streamlining Franchising Process**

- Maintains the basic framework of Title VI: While the draft streamlines the franchise application process in order to encourage competition, it maintains the Title VI structure. Preserves almost all of the existing video regulations—such as must-carry.
- Sets strong national limits and leaves the local franchise authorities with flexibility to go up to those limits, preserving flexibility to meet different community interests. For instance, some communities may not want to impose a 5 percent fee on their residents for video service but other communities may need to impose the full 5 percent fee because the community has certain projects/needs that require funding.
- Preserves local role in ensuring that video service providers don't discriminate and in ensuring that customer protection and service rules are followed pursuant to national standards. FCC sets the standards, the state commissions have enforcement power, and the local franchise authorities have standing to file complaints on behalf of their residents.
- Preserves local franchise authorities' ability to negotiate rights-of-way management at the local level.
- Preserves the ability of state or local franchise authorities to assess up to 5 percent of gross revenues.
- Local authorities still have authority to bring public, educational and government (PEG) channels to their citizens. Requires new entrants to offer the same number of PEG channels as are currently being offered by the incumbent cable operator so that local expression is preserved. In addition, local authorities may add channels over time.
- Preserves existing I-Nets and requires all video service providers to contribute to the support of PEG channels and I-Nets up to 1 percent of the gross revenues.

- Promotes competition and removes obstacles - sets a shot clock of 30 days by which franchise applications must be processed. In addition, the FCC is charged with promulgating national franchise application form. This streamlining will encourage competition and bring choice and lower prices to consumers.
- Redlining (discrimination) and consumer protection and service requirements are set nationally and monitored by local franchising authorities. The state commission adjudicates such disputes. Remedies: can require the video service provider to provide service, may assess penalties, can even revoke the franchise.
- Audits of the records of video service providers may be conducted, to the extent necessary, to ensure that the full franchise fee is being paid for the benefit of the citizens.
- Franchise agreements can be no shorter than five years and no longer than 15 years.
- The new streamlined provisions apply to an incumbent cable provider when (whichever is earlier):
  - (1) When the cable operator's current franchise agreement expires; or
  - (2) when a phone company is granted a franchise in the same franchise area as the cable operator. Under this scenario, there will be a level playing field because the cable operator will be afforded the same streamlined rules when a competitor is entering their franchise area.
- Allows small phone companies to share facilities when providing video services.

## **Title IV – Video Content**

### **Subtitle A – Sports Freedom**

- Updates existing Section 628 to ensure that the access to programming safeguards of Section 628 apply to all sporting events so that multichannel video programming distributors (MVPD) cannot enter into exclusive deals with program vendors for sporting events.
- Preserves the ability of an MVPD to develop for its own use local programming, such as news or local interest shows, that are not sporting events.
- Clarifies that the FCC has the needed adjudicatory authority to police these provisions and makes such other changes as are appropriate to ensure competition and diversity in programming available to MVPDs.

### **Subtitle B – National Satellite**

- Directs the FCC to require that satellite licensees offer the same services offered to contiguous states to noncontiguous states to the degree it is technically feasible to do so.

### **Subtitle C – Video and Audio Flag**

- Authorizes the FCC to reinstate the rules that the FCC had previously adopted limiting the indiscriminate redistribution of digital video broadcast content over the Internet and to make any modifications that may be needed consistent with the provisions of this subtitle.
- Directs the FCC to establish a Digital Audio Review Board, including industry and consumer group participation, which would recommend rules to prevent indiscriminate redistribution of audio content. The FCC would have the authority to enact the recommended rules after putting them out for public comment. If the Digital Audio Review Board cannot reach a consensus then the FCC would recommend statutory authority to invoke the FCC proposed rules to the Congress.

### **Title V – Municipal Broadband**

- Affirmatively permits municipal broadband services.
- Requires that all laws applicable to private broadband service providers also be applicable to municipal broadband service providers.
- Encourages municipalities to enter into public-private partnerships to offer broadband service and would specify an open bidding procedure to choose the private partner.
- Provides that if the municipality did not partner with a private entity, the municipality must first notice its intent to offer a broadband service so that private providers may try to bid to offer the same or better service at a lower price. There would be a 30-day notice process by the municipality and if a private operator did make a bid, a third party would compare the private proposal to what the municipality proposed and determine if the third party could offer the same service, over the same area, to the same recipients in the same time frame at a lower price. Assuming no private bid or that the private bidder could not offer the same service for less the municipality would be free to offer its own service.
- Grandfathers from the notice provisions existing municipal broadband services and projects that have already begun.

### **Title VI – Wireless Innovation Networks**

### **Unlicensed white spaces:**

- Amends Title III of the Communications Act to allow unlicensed devices to operate in the portions of the television broadcast spectrum not being used by the television broadcasters.
- Directs the FCC to complete its existing rulemaking to protect the television broadcasters and other licensed services from harmful interference from unlicensed devices. The title would also specify that any remaining licensed public safety uses in any of the television broadcast spectrum must also be protected.
- To ensure protection, the FCC is required to establish a certification and testing procedure to take place in certified labs that would demonstrate compliance with the FCC's rules and that broadcasters would be protected before the unlicensed devices could be sold.
- Provides that the FCC could require the unlicensed devices to include a remote feature by which the device could be deactivated or modified by a radio signal in the event the unlicensed device did cause interference in the real world. The FCC would establish an expedited complaint resolution process to ensure that broadcasters are able to remedy any interference that might occur immediately.

### **Title VII – Digital Television**

- Requires television manufacturers to place labels on the television screen and packaging for any television set that cannot receive digital signals warning the consumer that the TV would no longer be able to receive broadcast television signals over-the-air after February 17, 2009. The labels and package information would be required in English and Spanish.
- Requires the FCC develop additional consumer information to be made available in stores and online regarding what the transition is, how it serves the public interest, why it is necessary, and what consumers need to know to ensure that they continue to get their video services.
- Establishes a DTV working group for education, outreach and technical assistance. The working group would develop a national plan that could be implemented locally to facilitate the transition and would also require television stations to broadcast public service announcements to help guide the public through the transition.
- Permits cable operators to transmit an analog signal of any television station requesting carriage by the cable operator under section 614 or 615 of the Communications Act to their subscribers with analog TVs to ensure continued viewing of over-the-air signals for cable subscribers with analog TVs.

- Reinstates video description rules developed by the FCC to aid the blind and requires the FCC to submit transition coordination reports with respect to Canada and Mexico.

### **Title VIII – Protecting Children**

- Directs the FCC to promulgate rules that would require that video service providers prevent the distribution of child pornography.

### **Title IX Internet Neutrality**

- Directs the FCC to commence an annual study of the Internet and how information is transmitted over the Internet. If at any time the FCC determined that there were problems in the way that the flow of information over the Internet was being conducted, the FCC would make recommendations to Congress regarding what authority the FCC would need to correct such behavior.

### **Title X – Miscellaneous**

- Amends the Communications Act to permit meetings of less than all of the Commissioners as long as there is participation by a Commissioner in the minority party. Commissioners would also have greater flexibility to meet with government officials together or in small groups, to appear at industry conferences or seminars together or in small groups.
- Includes a severability clause so that if any provision of this Act is found to be unconstitutional, such Court decision shall not impact any other section or provision of this Act.