

HCS HB 142 -- HIGH-SPEED INTERNET ACCESS

SPONSOR: Rector (Dempsey)

COMMITTEE ACTION: Voted "do pass" by the Committee on Communications, Energy, and Technology by a vote of 15 to 5.

This substitute allows telecommunications companies to elect to provide high-speed Internet access or broadband service without regulation by the Public Service Commission. The substitute also requires incumbent local exchange telecommunications companies to provide unbundled access to network elements used to provide high-speed Internet access or broadband service only to the extent required by federal regulations. Telecommunication companies offering services to Internet services providers must make the services available to all on a nondiscriminatory basis.

FISCAL NOTE: No impact on state funds.

PROPOSERS: Supporters say that high-speed Internet access is critical for economic development, especially in rural areas. The bill will increase competition and expand the availability of high-speed Internet service by encouraging businesses to invest in broadband equipment. Currently, investment by incumbent service providers is financially questionable because they must share the lines they install with competitors.

Testifying for the bill were Representatives Dempsey and Wright; SBC Missouri; Ozark Regional Economic Partnership; St. Louis Minority Business Council; National Association of Women Business Owners; Communications Workers of America; Paraquad, Inc.; Century Tel; Missouri AFL-CIO; Sullivan County Memorial Hospital; Associated Industries of Missouri; St. Louis Regional Chamber and Growth Association; and Missouri Cable Telecommunications Association.

OPPOSERS: Those who oppose the bill say that it will limit competition, increase rates, and discourage broadband development. As voice and data communications are increasingly combined on the same network, the bill may also deregulate voice communication services. Further, the bill violates the network sharing agreement in federal law that was reached when incumbent service providers were allowed to offer long-distance services.

Testifying against the bill were Show Me Competition; Birch Telecom; AARP Missouri; Sprint; Socket Internet; Covad Communications; Nuvox Communications; CGI; Valu Line of St. Joseph, Inc.; Big River Telephone Company; Poplar Bluff Internet, Inc.; AT & T; MCI WorldCom; XO Communications; and Small Local Telephone Companies.

Other witnesses testifying on the bill was Missouri Public Service Commission.

Terry Finger, Senior Legislative Analyst