

Office of Telecommunications & Regulatory Affairs

Legislative and Regulatory Update – June 12, 2013

Cable/Video Issues:

- **PEG Channel Coordination**
No changes to report.

STATE LEGISLATION

The 83rd Regular Session ended on Monday, May 27, 2013

SB 259 – Sen. John Carona was passed and signed by the governor.

The bill reduces PUC regulatory requirements for non-dominant, deregulated companies, and transitioning companies that provide telecommunications services such as prior approval for pricing, marketing, quality of service standards or reporting requirements.

None of the other bills we were following passed. The legislature is now in a 60 day special session to deal primarily with state redistricting. We don't expect any telecom, broadband, or cable related bills to be considered.

FEDERAL ACTIVITY:

H.R.2309 Wireless Tax Fairness Act of 2013

Rep Zoe Lofgren D-CA-19 on June 11th introduced the bill that would restrict any State or local jurisdiction from imposing a new discriminatory tax on cell phone services, providers, or property. The bill has 149 cosponsors and is pending action by the House Committee on the Judiciary.

The Broadband Adoption Act of 2013 (H.R.1685) No recent action

On April 23rd, Congresswoman Doris Matsui (D-CA-06), Member of the Energy and Commerce Subcommittee on Communications and Technology, along with Energy and Commerce Committee Ranking Member, Henry Waxman (D-CA-33) and the Ranking Member of the Communications and Technology Subcommittee, Anna Eshoo (CA-18), introduced legislation to reform and modernize the Universal Service Fund (USF) Lifeline Assistance Program. The Broadband Adoption Act of 2013 would help bridge the digital divide by making in-home broadband services more affordable across the country. The bill allows eligible Americans in rural and urban communities to use Lifeline program for broadband Internet services, and not just voice services. The bill also requires the FCC to implement a national eligibility data base to ensure only one Lifeline per eligible household, to avoid waste, fraud and abuse of the program. The bill is co-sponsored by Reps. Diana DeGette (CO-01), Zoe Lofgren (CA-19), Jan Schakowsky (IL-09), G.K. Butterfield (NC-01), and Ben Ray Lujan (NM-03).

The Marketplace Fairness Act (S.743 / H.R.684) No recent action

S. 743 passed the Senate May 6th and will be referred to the House Judiciary Committee. House approval is far from certain.

Sen. Michael Enzi, R-WY, introduced S. 336 and S. 743 on April 16th that requires collection of sales taxes on all sales and remission of the tax to the state where the purchasers reside. It now has 29 cosponsors (22D, 6R, 1I) and is set to go before the full Senate on April 24th. HR 684 is the House version being carried by Rep. Steve Womack (R-AR). S. 743 provides an exception for small online businesses and requires States to make available, at no cost to retailers, software that helps calculate the State sales tax on remote transactions, as well as administrative services. The bill is supported by the administration as well as most brick and mortar retailers and opposed by cyber-retailers and fiscal conservatives.

S. 607 & H.R. 1847 - Electronic Communications Privacy Act Amendments Act of 2013
No recent action

The bill was reported out of the Senate Committee on April 25th. Introduced March 19th by Sen. Patrick Leahy, (D-VT) and referred to the Judiciary Committee, the bill increases protections regarding disclosure by a provider of electronic communication service or remote computing service of the contents of a wire or electronic communication that is in electronic storage.

H.R. 624 - Cyber Intelligence Sharing and Protection Act - No recent action

The bill was passed by the House on April 18th by more than a 2 to 1 majority with bi-partisan support. It has been referred to the Senate where it is unlikely to be taken up in its current form. Rep. Mike J. Rogers introduced the bill February 13, when it was referred to the House Committee on Intelligence. It amends the National Security Act of 1947 to add provisions concerning cyber threat intelligence and information sharing. The bill is now in the Senate Select Committee on Intelligence.

The bill has broad-based industry support by many of the same firms who opposed the Stop Online Piracy Act & the Protect Intellectual Property Act.

Other privacy rights opponents of SOPA are concerned that CISPA goes much further, permitting ISPs to funnel private communications and related information back to the government without adequate privacy protections and controls. The bill does not specify which agencies ISPs could disclose customer data to, but the structure and incentives in the bill raise a very real possibility that the National Security Agency or the DOD's Cybercommand would be the primary recipient.

S. 31 & H.R. 434: Permanent Internet Tax Freedom Act of 2013 (no change)

Sen. Kelly Ayotte [R-NH] introduced the Senate bill, and Rep. Steve Chabot [R-OH1] introduced the bill in the House. The bills would make the moratorium on Internet access taxes and multiple and discriminatory taxes on electronic commerce permanent.

S. 481 & H.R. 1123 - Unlocking Consumer Choice and Wireless Competition Act, (No recent action taken)

The legislation would undo a Library of Congress ruling from last year which stripped unlocking protections from the Digital Millennium Copyright Act. Beyond Sen. Al Franken, other politicians behind the bill include Judiciary Committee Chairman Sen. Patrick Leahy (D-Vt.), Committee

Ranking Member Sen. Chuck Grassley (R-Iowa), Sen. Orrin Hatch (R-Utah), and Sen. Mike Lee (R-Utah).

House Judiciary Committee Chairman Bob Goodlatte (R-Va.) and Ranking Member John Conyers (D-Mich.) introduced similar, bipartisan legislation March 13th.

The following bill died in committee at the end of the last session. Action in the current session is still pending

CAP Act -

Work is ongoing by municipal associations and individual cities to inform elected officials and to gain support for the Community Access Preservation ("CAP") Act and to obtain a replacement sponsor for Republican co-sponsor Steven LaTourette, who retired from Congress at the end of the last session. The CAP Act removes the distinction between capital and operating uses of PEG support fees that currently prevent PEG fees from being used for operational expenses; ensures funding for PEG channels; requires cable operators to transmit PEG channels without charge to the local government; and requires the FCC to undertake a study of PEG operations.