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Lawmakers moved forward Monday with a proposal allowing phone companies to discontinue basic landline service in certain areas once they receive federal approval. Phone companies would be free from their responsibility to provide basic landline phone service as "carriers of last resort" as soon as the Federal Communications Commission allows them to do so, as early as 2018, according to phone companies. The revised proposal requires phone companies to give consumers 90 days notice, instead of 30 days, of their withdrawal and allow consumers to petition the Public Utilities Commission if they are unable to obtain voice service, including voice over Internet phone service, from another provider.

The House Agriculture and Natural Resources Committee on Monday approved the provision as part of a large environmental bill, sending the legislation to a full House vote as early as Wednesday. Committee Chairman Dave Hall, a Millersburg Republican, said the new language adds a layer of consumer protection. "What we've done allows people to understand if and when the FCC moves forward, the public utilities companies moving forward should be able to address concerns for a lot of people in rural areas," Hall said. The FCC is starting to study how the country can transition from a copper line-based system to an Internet-based broadband network. Gov. John Kasich did not support the measure last week, a spokesman said, because the FCC study has yet to be completed.

Basic landline service means consumers get a reliable dial tone for a flat monthly fee that rarely increases. Basic phone service includes access to 9-1-1, caller ID blocking, long distance service and telecommunications relay service for deaf and hearing impaired Ohioans. The legislation would broaden state policy to ensure availability of "voice service," which includes broadband Internet calling, instead of basic landline service. Telephone companies say providing that service is costly and prevents them from devoting more resources toward building their broadband networks.

Democrats on the House Agriculture and Natural Resources Committee failed to get Republican support to scrap the proposal entirely on Monday. Rep. Nick Barborak, a Lisbon Democrat, said telecom industry representatives didn't convince him rural Ohioans would benefit from the legislation. "When individuals would be deprived of a basic need such as telephone service in their homes, it's a matter of life and death in many instances," Barborak said. The AARP of Ohio, Ohio Consumers' Counsel, Ohio Poverty Law Center, and the Buckeye Hills Area Agency on Aging opposed the measure because they said it would lead to less reliable and more expensive phone service for elderly, poor and rural Ohioans. About 1 million Ohio residents use only a landline connection, according to the Centers for Disease Control and Prevention's National Center for Health Statistics.

Ohio Consumers' Counsel Bruce Weston said telephone companies already can opt out of providing landline service if it's too costly with permission from the Public Utilities Commission of Ohio. "Not all customers will want all the added features that can be made available through Internet protocol networks, and certainly not all will want their voice service bundled with Internet access and video -- either by cable or satellite," Weston said in a letter to the committee. "The current law provides pricing and service protections for residential and small business customers." Hall said the large number of rural legislators on his committee have properly vetted the issue. "We need to move forward in this process like 17 other states have," Hall said. Lawmakers considered similar legislation in 2012, but the bill died after AARP members bombarded legislative offices with calls and Kasich expressed concern about the bill. New language was inserted last week into a large agriculture budget bill, an odd spot for language that is usually reviewed by the House Public Utilities Committee. – *Cleveland Plain Dealer*

Internet users would be forced to pay a new federal tax on their monthly bills if the government approves regulations recently endorsed by President Obama, a member of the Federal Communications Commission predicts. Commissioner Mike O'Reilly addressed what's known as "net neutrality" at a Washington seminar on Friday. He spoke after Obama backed stricter rules by calling for preventing service providers from charging more for speedier service and for regulating them like telecommunications companies under a decades-old law. That law requires telecommunications companies to pay into the FCC's "Universal Service Fund" -- and would likely require the same of Internet companies. But O'Reilly says history clearly shows that the fees would quickly be "passed off" to customers, just like they are now on monthly phone bills. "Consumers of these services would face an immediate increase in their Internet bills," O'Reilly said Friday during the seminar held by the non-partisan Free State Foundation. "Let's accept a truism: Consumers pay [the fund], not companies."

O'Reilly, a Republican on the five-member commission, also quoted scholar and net neutrality guru Tim

Wu in saying, "Ultimately, consumers always pay for everything, no matter what we say otherwise." Ohio GOP Rep. Bob Latta, vice chairman of the House Communication and Technology Subcommittee, on Monday supported O'Reilly's concerns. "By pushing unnecessary regulations forward, the FCC would be increasing the cost of Internet service for all users, hurting consumers and job creators," he told FoxNews.com. "This is a mistake. And the FCC should take the lesson of its predecessors and keep its hands off the Internet."

The ongoing debate about net neutrality -- the ideal that Internet service providers should provide equal access to all content providers -- resurfaced in January when a federal appeals court struck down parts of a 2010 FCC order. The commission then embarked on a new effort to write open-Internet rules, with the public comment period ending in September. Last week, Obama put his political weight behind the issue, asking the independent agency to apply the "strongest possible rules" on Internet service providers. "We cannot allow [them] to restrict the best access or to pick winners and losers in the online market place," he said. "I believe the FCC should reclassify consumer broadband service under Title II."

However, he also said there could be some exceptions in applying the roughly 110 pages of rules. Commission Chairman Tom Wheeler champions net neutrality but reportedly is also considering a smaller application of existing law, a four-paragraph-long section of the 1996 Telecommunications Act. O'Reilly made clear he was not rebutting Obama's arguments but said the FCC couldn't simply "wave a magic wand" to make some regulations disappear. O'Reilly also argued against the idea that the changes, if enacted, would bring more payers to the fund, which theoretically would result in everybody paying less. "I understand the argument," O'Reilly said. But "I am very confident that, based on my conversations, the commission intends to go on a spending spree with regards to USF."

He said two major federal telecommunications programs that receive money from the fund -- E-Rate for school libraries and Lifeline for the poor -- are expected to be expanded by "many billions of dollars and shatter the USF collection and spending levels of this year." (Appearing to bolster that argument, Wheeler on Monday, according to the Associated Press, called for another \$1.5 billion in spending on E-Rate, predicting it would result in a small \$1.90 a year extra fee on phone bills.) O'Reilly, a former Capitol Hill staffer, also said the timing of Obama's pitch and the overall renewed debate would be "ironic," if Congress in the coming weeks extends the Internet Tax Moratorium, which prevents state and local access fees and taxes. "There is near unanimity in Congress that state or local taxes on Internet access would directly deter the ability of consumers to obtain and utilize the Internet," he said. "If that is an accepted premise, the same concept should apply to the net neutrality debate and its certainty to increase consumer bills." – *Fox News*



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