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Inside this Brief

- **Oregon's Infrastructure**
- **Regulatory Authority**
- **Current and Emerging Issues**
- **Staff and Agency Contacts**

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Background Brief on ...

Telecommunications

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Telecommunications issues continue to grow in importance as telecommunications increasingly becomes mission critical to Oregon organizations in business, education, healthcare, public safety, and government. Telecommunications is recognized in Oregon law as a key component of infrastructure along with roads, bridges, water systems, and electric power.

Most Oregon communities recognize the value of access to advanced telecommunications facilities that are "high-speed, dedicated, or switched broadband telecommunications infrastructure or equipment that enables users to send or receive high-quality voice, data, or video telecommunications using any technology" (ORS 285C.530).

Oregon's Infrastructure

Telecommunications infrastructure has become a strength and strategic asset for Oregon over the past five years. Significant improvements in Oregon's telecommunications infrastructure have been made by telephone companies, cooperatives, cable companies, wireless companies, competitive access service providers, and municipalities with the construction of:

- Fiber backbone networks
- Fiber distribution networks
- Legacy copper telephone company distribution networks enhanced with new digital subscriber services such as telephone service by Voice over Internet Protocol (**VoIP**) and Internet and television services through Fiber Optic Service (**FiOS**)
- Cable company fiber and coaxial cable distribution networks
- Third generation (**3G**) mobile wireless distribution networks
- Fixed wireless distribution networks
- Wireless Fidelity (**WiFi**) networks and emerging Worldwide Interoperability for Microwave Access (**WiMAX**) networks
- Enhanced satellite services

The key applications driving the adoption of broadband services continue to be e-commerce, e-government, distance-education, telecommuting, and telemedicine as well as consumer demand. It is also considered essential for economic growth, as a broadband network infrastructure provides proximity and access to global resources and markets.

Regulatory Authority

The Public Utility Commission (PUC) is responsible for regulating basic telephone rates and service quality in various forms for telecommunications utilities and authorizes competitive telephone providers to operate in Oregon. While the PUC does not have authority to regulate the rates or services of cellular and cable television providers, it will assist cellular customers in resolving problems with their cellular provider through the commission's Consumer Services Section.

The Oregon Economic and Community Development Department helps facilitate the deployment and utilization of telecommunications infrastructure to support innovation, create economic opportunities, and build quality communities throughout Oregon.

Current and Emerging Issues

Network Neutrality - Network neutrality is the principle that Internet users should be able to access any web content they choose and use any applications they choose, without restrictions or limitations imposed by their Internet service provider. Congress is currently revising the Telecommunications Act of 1996 and debating this issue.

Universal Service Funds - Congress and the Federal Communications Commission are debating revision of the laws and rules governing Federal Universal Service Fund collections and disbursements. Federal changes, when implemented, will have implications for the Oregon Universal Service Fund.

Digital Television - On February 17, 2009, television stations will start broadcasting using only digital technology that will end free over-the-air analog broadcasts. While cable and satellite television subscribers will not be affected by this change, older analog television sets attached to a regular antenna will no longer work unless a digital converter box is used.

Deregulation - The PUC has statutory authority to regulate basic telephone rates, but does not

have the authority to regulate the rates or services of cellular and cable television providers. As the level of competition has increased due to multiple types of telecommunications companies providing identical services, there has been a movement to deregulate local telephone rates and services.

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