



## Senate Press Office

### **RELEASE**

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## Senate Passes the Telecom Jobs and Investment Act

ATLANTA (Feb. 9, 2010) – Today the Georgia State Senate passed an historic bill which will modernize telecommunications industry in Georgia through a vital telecom reform package. The Telecom Jobs and Investment Act (HB 168) increases competition by eliminating artificial and outdated subsidy mechanisms and provides incentives for telecommunication job creation. In addition, the bill creates a compensation fund for those companies that need to adjust for the balancing of rates.

“While this piece of legislation will benefit consumers and create robust free-market competition, we are also devoted to supporting our local companies,” said Sen. Bill Heath (R-Bremen). “We understand that this is not a time to unjustly burden growing, local businesses and we have made sure that rural companies will have the benefit of drawing from a fund in order to fairly achieve parity.”

The Reform Act sweeps away regulations that applied to some telecommunication companies but not others, lowers access charges that companies pay each other, creates a compensation fund for those companies who will be affected by reaching parity in rates, and addresses problems with current Universal Access Fund (UAF). Deregulating the telecom industry in Georgia will improve the quality of product and service to customers by utilizing free-market competition to increase consumer choice. The bill levels the playing field between carriers, eliminates subsidies, reduces unnecessary regulations and does not burden the consumer with new fees or taxes.

Industry has united behind this piece of legislation. Representatives from the Georgia Telephone Association, Mercer University’s Economic Department, Communication Workers of America, Verizon, Sprint, AT&T and American for Tax Reform all commend the bill. They lauded the bill as fair and balanced and concluded that the bill was not a breach of taxpayer rights and that updating current regulations in order to create a level playing field would bring Georgia’s telecomm industry into the future.

Some regional carriers who may lose revenue will be temporarily compensated from a special UAF, while those benefiting from the reduced rates would pay into the UAF. Those regional companies receiving compensation will have five years to reach parity. Competitive Local Exchange Carriers (CLEC) would be given 10 years to gradually lower costs, and would not receive compensation from the fund. However, some qualifying CLECs who are headquartered in Georgia and employ over 750

Georgia residents will be able to reduce their contribution into the UAF by 50 percent of their dollar-for-dollar cost.

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*Sen. Bill Heath serves as Chairman of the Retirement Committee and Governor Sonny Perdue's Floor Leader in the Senate. He represents the 31<sup>st</sup> Senate District which consists of Haralson and Polk counties and portions of Bartow and Paulding counties. He may be reached at 404.651.7738 or by email at [billheath@billheath.net](mailto:billheath@billheath.net).*