## **Telecom Regulatory Reform: Indiana Update 2012**

Digital Policy Institute Ball State University January 2012

In 2012, the Digital Policy Institute (DPI) finds that data continue to support deregulation where appropriate, and the traditional rationale for telecom utility regulation -i.e., fixed landline telephone service as a natural monopoly -i.e. is now gone. The traditional landline telephone business in Indiana continues to decline with consumer adoption of competing technology. Today, there is no basis to claim that incumbent landline providers are, per se, "dominant" entities requiring the same, close government scrutiny of past decades.

The year 2010 signaled the implementation of the final phase of deregulation under HEA 1279. The General Assembly is wise to revisit Title 8 of the Indiana Code continuously to identify regulatory statutes that should be eliminated, or revised, to level the regulatory playing field, encourage competition, innovation and outside capital investment. The major reform findings and recommendations of this paper are as follows:

- o The implementation of the 2006 HEA 1279 requirements that eliminated all regulatory authority of the IURC over rates and service quality for retail phone service, and the creation of a state-wide video franchising mechanism are now complete.
- For Indiana, the benefits of this "light regulatory" approach are increased capital investment, new competition, and continued rollout of new fiber optic and digital technology in select areas of the state. To date, no redlining complaints have been received by the IURC.
- Onta continue to support deregulation where appropriate, and the traditional rationale for telecom utility regulation -i.e., fixed landline telephone service as a natural monopoly -i.e. is now gone.
- o The traditional landline telephone business in Indiana continues to decline with consumer adoption of competing technology. Today, there is no basis to claim that incumbent landline providers are, per se, "dominant" entities requiring the same, close government scrutiny of past decades.
- O Upon review, Indiana should continue to modernize its provider-of-last-resort (POLR)<sup>1</sup> requirements to eliminate unnecessary duplication with federal law, eliminate regulations which unfairly benefit some providers at the expense of others, and have a negligible impact on consumers, and sunset the remaining POLR state provision as soon as practicable.

<sup>&</sup>lt;sup>1</sup> The term "Provider of Last Resort" (POLR) is used extensively within Title 8 of the Indiana Code, and is similar to the term "Carrier of Last Resort" (COLR) used in the literature, but is considered more inclusive.