

# Psst... Janet—Can You Keep the FCC Distracted?

BY TIM ROWLAND

**G**OD BLESS JANET JACKSON. I'm hoping that Michael Powell and the Federal Communications Commission will be so busy chasing her breast down, investigating it, and whipping it into submission that they'll overlook another little item that's hanging around the inbox.

Normally, I would argue fervently for the FCC to lay off Janet on the grounds of free speech, free expression, and the fact that I'm a pig who likes breasts. But I have my priorities, and breasts everywhere will have to wait for someone else to come to their rescue. I have money on my mind. And telephones.

Except for a few people in northern Nepal, I was the last man on earth to succumb to cell phone technology. Frankly, I didn't look upon being reachable 24 hours a day as a good thing. But I finally had to yield to the insults and abuse of friends and co-workers who kept comparing me to Oliver Douglas in "Green Acres" who had to climb to the top of a utility pole to place a call.

Still, I didn't want one more bill and one more corporation waiting for me to commit some overt act that they could charge me for. If I had to add a cell phone to my electronic repertoire, it was going to be addition by subtraction.

So this pig went whole hog. I may have been the last on my block to get a cell phone, but I was the first to have an Internet phone. Suddenly, I was freed of that tyrant Alexander Graham Bell and all that he and God hath wrought.

The bottom line: Where I used to pay \$80 a month for a single home phone line, I now pay \$75 a month for a home phone line and cell phone together. What a feeling! At long last, I had cheated the Wichita Lineman. Goodbye local Verizon, goodbye regional AT&T, goodbye long distance 10-10-90210.

And then in walked Mr. Powell.

I don't believe I'd been chattering into my cable modem — which works like a dream — for more than a week when I saw the news that the FCC was meeting to discuss regulation of Voice over Internet Protocol, the technology that allows me to talk to a friend without the government having any say in the matter.

To their credit, the commissioners sounded restrained in

their enthusiasm for smothering a budding technology with new layers of regulation. Still, it's likely they'll yield to the heat from the phone companies who are calling for a good old "level playing field." In other words, "We're regulated and mandated, and our customers are taxed and fee-ed for the privilege, so you have to regulate and charge those Internet guys too or else they'll have an unfair advantage."

And of course, they'd be right.

The economics of the telecom industry is filled with so many government-mandated cross-subsidies and transfers that it makes a Ponzi scheme look like good business. Long-distance callers subsidize local callers. Frequent callers subsidize infrequent callers. Urban callers subsidize rural callers. The technophobes subsidize the Web heads whose dial-up modems are tapped in 24/7. In fact, all telecom users can be divided into two groups: those who don't get what they pay for, and those who don't pay for what they get.

Compare that to the clean simplicity of an Internet phone bill. You are charged for the service you get and that's all. There are no federal surcharges, no line taxes, no 911 fees, no connectivity add-ons — none of the government henpecking that can add 15 percent to a bill. There's no more of me subsidizing anyone; if anything, I might get a little subsidy when I call someone who's on the local loop.

And that's why the Baby Bells and their long-distance counterparts are so justifiably upset. If more people defect like I did, it will become increasingly harder for the local Bells to pay for their wire lines. That, in turn, means they'll need larger and larger subsidies from long-distance firms, which makes AT&T and its competitors nervous.

But, may I suggest that VoIP could ultimately save the telecom industry? Internet phones could well force the government to get the telecom mess cleaned up before a wave of defectors brings it crashing down. And a cleaned-up, de-cross-subsidized, de-taxed, de-fee-ed, deregulated phone system would be good for everyone, phone companies included.

What's become clear in my short period of VoIP and wireless usage is the days of declaring telecom firms monopolies in need of regulation are over. The marketplace is filling up with all sorts of wire, cable, and wireless options. If this isn't serious competition, then Adam Smith was a giraffe. **R**



**Tim Rowland**, a syndicated columnist, is pinch-hitting this issue while Penn Jillette takes a well-deserved break. Rowland's new book, *Petrified Fact: Stories of Bizarre Behavior that Really Happened, Mostly*, was released last winter.