

Deregulating Telecommunications Note

Telecommunications products and services are changing rapidly at the beginning of the 21st Century and states are adapting their regulatory structure to accommodate these changes. Ohio, Michigan, North Carolina, Texas, Virginia, and Wisconsin are six recent examples.

Ohio

Ohio [SB 162 \(Enrolled version\)](#), which became law in 2010, revised state-policy objectives for the provision of telecommunications service and repeals the law governing alternative regulation of telephone companies and rescinds related Public Utilities Commission of Ohio (PUCO) rules. An Ohio legislative analysis outlines the Act's provisions as follows:

PUCO jurisdiction over telecommunications

This Act specifies that the PUCO, except as provided in the Act and federal law, has no authority over an interconnected Voice over Internet Protocol-enabled service or a telecommunications service that is not commercially available on the Act's effective date and that employs technology that became available for commercial use after that date, unless the PUCO determines the exercise of authority is necessary for the protection, welfare, and safety of the public and adopts necessary regulations, and specifies that the Office of the Consumers' Counsel (OCC) has authority to assist and represent residential customers to the extent that the PUCO adopts those regulations.

The bill makes consumer purchases of telecommunications services not commercially available on the Act's effective date and that employ new technology subject to the Consumer Sales Practices Act (CSPA), notwithstanding any provision of the CSPA to the contrary, and only if the PUCO does not exercise jurisdiction over such services.

The bill provides that the PUCO does not have jurisdiction over wireless service, resellers of wireless service, or wireless service providers, except as pertaining to telecommunications relay service, 9-1-1 service, certain penalties, carrier access policy, and the creation and administration of mechanisms for carrier access reform, including high cost support.

Under the Act, the PUCO has authority over wireless service and wireless service providers as follows, but only to the extent authorized under federal law to the extent the PUCO carries out:

- rights and obligations under the federal Telecommunications Act of 1996;
- the authority to mediate and arbitrate disputes and approve agreements under the federal Act;
- administration of telephone numbers and number portability;
- certification of telecommunications carriers eligible for universal-service funding under applicable federal law;
- administration of customer proprietary network information in applicable federal law, and
- as provided under the new telecommunication provisions in the Act pertaining to registration of wireless service providers, compliance with applicable PUCO orders, directions, and requirements, and adjudication of disputes.

This law specifies that requirements regarding assessments supporting the PUCO and the OCC, as well as the filing of annual reports for assessments, apply to wireless service providers. It specifies that a number of statutes, many unchanged by the Act, do not apply to telephone companies, including statutes pertaining to PUCO jurisdiction, service discrimination, accounting

requirements, charging tariffed rates, the issuance of stocks, bonds, and notes, uniform pricing, and other statutes, unless necessary, in some cases, for the PUCO to enforce the provisions of the Act.

The Act specifies that, with certain exceptions, the new telecommunications provisions in the Act do not prevent any public utility or railroad from granting property for public purposes. It redefines “public utility” to exclude internet protocol-enabled services, including Voice over Internet Protocol services, and providers of advanced services, broadband service, information service, and any telecommunications service that is not commercially available on the Act's effective date and that employs technology that became available for commercial use after the Act's effective date.

The bill provides that the PUCO has no authority over the quality of service and the service rates, terms, and conditions of telecommunications service provided to end users by a telephone company, except as provided in the Act. It permits the PUCO to adopt various rules that it finds necessary to carry out the provisions of the Act, including rules that address the removal from tariffs of services that were required to be filed in tariffs prior to the Act's effective date. It directs the PUCO to adopt any rules required under the Act no later than 120 days after the Act's effective date.

The Act vests the PUCO with the authority to perform federal obligations and carry out the acts of a state commission, including rights and obligations under the federal Telecommunications Act of 1996, arbitrating disputes and approving agreements under the federal Act, administering truth-in-billing, and other federal obligations and acts of a state commission.

Certification or registration in order to operate in Ohio

This legislation requires, as a condition of operating in Ohio, that a telephone company obtain a certificate from the PUCO and that a wireless service provider register with the PUCO. It requires a certificate application and registration to include the telephone company's or wireless service provider's name and address, a contact person's name and contact information, a service description, evidence of registration with the Secretary of State, evidence of notice of intent to provide telecommunication service to the Public Utilities Tax Division of the Department of Taxation, and with respect to certification only, evidence of financial, technical, and managerial ability to provide adequate service.

It exempts incumbent local exchange carriers (ILECs) from the certification requirements with respect to their geographic service areas as those areas existed before the Act's effective date.

The law permits the PUCO to suspend or reject a telephone company's certification application if it determines the applicant lacks financial, technical, or managerial ability sufficient to provide adequate service. It requires, if any of the application information changes, a telephone company to update its certification and to provide any necessary notice to customers and requires a wireless service provider to update its registration.

The Act requires the PUCO to adopt rules governing certification and registration update requirements.

Unfair or deceptive acts or practices

This bill prohibits telephone companies, but not wireless service providers, from committing certain unfair or deceptive acts or practices regarding the offer or provision of telecommunications service in Ohio. It states that a consumer purchase of wireless service is subject to the Consumer Sales Practices Act (CSPA) notwithstanding any provision of the CSPA to the contrary.

The Act makes failure to include the following in a telephone company solicitation, offer, contract, or other communication as provided in the Act an unfair or deceptive act or practice: truthful, clear, conspicuous, and accurate disclosure of any material terms and conditions of service

and any material exclusions or limitations and disclosure of the company's name and contact information.

This bill permits the PUCO to prescribe a review process to determine when disclosure of the above information is not practicable and therefore nondisclosure would not be an unfair or deceptive act or practice. It requires a telephone company to inform its customers of their rights and responsibilities regarding inside wire, repair and maintenance of customer-owned equipment, use of a network interface device, and diagnostic visit charges, consistent with rules the PUCO adopts. The Act permits the PUCO to determine by rule or adjudication under the terms of the Act what constitutes an unfair or deceptive act or practice in connection with the offer or provision of telecommunications service in Ohio.

It requires the PUCO to notify telephone companies specifying the acts, practices, or omissions that the PUCO determines by rule or adjudication to be unfair or deceptive and states that such companies are not liable absent notice and adequate implementation time.

Service withdrawal/abandonment

This bill permits a telephone company, except for an ILEC providing basic local exchange service, to withdraw or abandon service upon 30-days notice to the PUCO and customers. It specifies that the Act's withdrawal and abandonment provisions do not apply to interconnection and resale agreements approved under the Telecommunications Act of 1996, pole attachments, and conduit occupancy. It prohibits, without PUCO approval, a telephone company from withdrawing any tariff filed with the PUCO for pole attachments or conduit occupancy under the continuing pole attachment and conduit occupancy law or abandoning service provided under that law.

Basic local exchange service

This Act requires telephone companies providing basic local exchange service to ensure available, adequate, and reliable service. It requires the PUCO to adopt rules prescribing the following standards for the provision of basic local exchange service:

- installation of service within five days of receipt of an application;
- outages fixed within 72 hours (and reasonable efforts made to repair outages within 24 hours) and automatic customer credits for all affected customers, of which the telephone company is aware, in the amount of one month's charges per customer for basic local exchange service if an outage is reported and not fixed in 72 hours, with no requirement to credit a customer who caused an outage;
- disconnection for nonpayment not earlier than 14 days after a bill due date;
- the establishment of a billing due date not earlier than 14 consecutive days after the date the bill is postmarked for basic local exchange service provided to end users;
- permitting a utility to require a deposit not to exceed 230% of a reasonable estimate of one month's service charges for the installation of service, and
- reconnection of customers with past-due charges one business day after receipt of the first payment under a payment plan or the full amount due.

The bill requires the PUCO to provide for a waiver of the standards prescribed in rule for basic local exchange service when the PUCO determines it appropriate. It requires an ILEC to provide basic local exchange service to all people or entities in its service area requesting that service, and to provide that service on a reasonable and nondiscriminatory basis, except for the provision of basic local exchange service or any service to occupants of multitenant real estate in certain circumstances where a real estate owner takes action to benefit another service provider.

It permits an ILEC to apply to the PUCO for a waiver of the requirement to provide basic local exchange service to all people or entities in its service area requesting service and requires the PUCO to grant the waiver within 120 days if it finds it to be just, reasonable, not contrary to the public interest, and that the applicant demonstrates a financial hardship or unusual technical limitation, but after the carrier has notified affected people or entities in its service area and after the people or entities have been afforded a reasonable opportunity to comment, including a public hearing.

The bill permits an ILEC to alter rates for basic local exchange service based on 12-month intervals relating to when the last rate increase occurred and, in certain cases, depending on whether the ILEC's local exchange area qualified for alternative regulation under the PUCO rules. It prohibits banking of upward rate alterations. It permits ILECs owned and operated exclusively by and for their customers to alter basic local exchange service rates at any time by any amount.

Lifeline service

The Act requires an ILEC eligible for universal-service support to implement lifeline service for eligible customers, defined as either being at or below 150% of the federal poverty level or participating in any low-income assistance program that is specified in PUCO rules, and permits an ILEC to offer lifeline customers bundles and packages at prevailing rates less the lifeline discount.

It requires the PUCO to work with appropriate state agencies administering federal or state low-income assistance programs, and with carriers, to obtain information necessary for eligibility and automatic enrollment, requires the PUCO to establish requirements for the implementation of automatic enrollment, and requires ILECs to implement automatic enrollment in accordance with those requirements.

The legislation provides for situations in which an individual is determined ineligible or no longer eligible and provides opportunities to prove eligibility.

It provides that lifeline service must consist of flat-rate, monthly, primary access line service with touchtone service at a monthly discount, a waiver of all nonrecurring service order charges for establishing service, but not more than once per customer at a single address in a 12-month period, and free blocking of toll, 900, and 976 service.

The bill requires that ILECs offer special payment arrangements to lifeline customers with past-due bills with an initial payment not to exceed \$25 before the installation of service and the balance for regulated service charges to be paid over six monthly installments.

This Act provides that lifeline customers with past due toll service bills are to have toll-restricted service until the past due charges have been paid or until service is established with another toll service provider.

It requires every ILEC with 50,000 or more access lines that is required to provide lifeline service to establish an annual marketing budget for promoting, marketing, and performing outreach regarding lifeline service.

The law requires all funds in the lifeline marketing budget to be spent for promotion, marketing, and outreach of lifeline services, and prohibits their use for any administrative costs for lifeline implementation.

This Act creates a Lifeline Advisory Board composed of staff of the PUCO, the OCC, consumer groups representing low-income constituents, two representatives from the Ohio Association of Community Action Agencies, and every ILEC with 50,000 or more access lines that is required to implement lifeline service to coordinate all activities relating to the promotion and marketing of and outreach regarding lifeline service, and permits the PUCO to review and approve, in accordance with PUCO rules, the decisions of the advisory board, including decisions on how lifeline promotion, marketing, and outreach services are implemented.

It prohibits ILECs required to implement lifeline service from recovering lifeline marketing, promotion, and outreach expenses from end users.

It permits ILECs required to implement lifeline service to recover from end users of the carriers' telecommunications service other than lifeline service customers, by a method approved by the PUCO, lifeline service discounts and any other lifeline service expenses (except for marketing, promotion, and outreach expenses) that the PUCO prescribes by rule and that are not recovered through federal or state funding, and requires a carrier seeking recovery of these discounts or expenses to apply to the PUCO, in accordance with PUCO rules, for approval of its method of recovery.

The law requires the PUCO, if an ILEC's method of recovery of lifeline discounts or expenses includes a customer billing surcharge, to prescribe how the surcharge is to be identified on customer bills.

It requires every ILEC required to implement lifeline service to file an annual report with the PUCO identifying how many customers receive the service.

Rates, terms, and conditions for certain services

This Act requires that the rates, terms, and conditions for 9-1-1 service provided by a telephone company or a telecommunications carrier, and for carrier access, N-1-1 services (other than 9-1-1 services), pole attachments and conduit occupancy, pay telephone access lines, toll presubscription, and telecommunications relay service, all provided by a telephone company, be approved and tariffed in the manner prescribed by PUCO rule, and be subject to the applicable laws, including PUCO and FCC rules, regulations, and orders.

It permits the PUCO to order changes in a telephone company's rates for carrier access, but specifies that if the PUCO reduces a telephone company's rates for carrier access that are in effect on the Act's effective date, the reduction must be on a revenue-neutral basis under terms and conditions established by the PUCO.

The bill prohibits the PUCO from establishing any requirements for the unbundling of network elements, for the resale of telecommunications service, or for network interconnection that exceed or are inconsistent with or prohibited by federal law. It prohibits the PUCO from establishing pricing for unbundled elements, resale, or interconnection that is not in compliance with federal law.

The law requires a telephone company, except with regard to rate alterations made under the Act's provisions where 30-days notice is required, and except, if applicable, with regard to the Community-voicemail Service Pilot Program, to provide at least 15-days advance notice to its affected customers of any material change in the rates, terms, and conditions of a service and any change in the company's operations "that are not transparent to customers and may impact service."

This Act requires telephone companies to inform customers of the PUCO's toll-free number and e-mail address on all bills and disconnection notices, and residential customers of the OCC's toll-free number and e-mail address on all residential bills and disconnection notices.

The law authorizes the PUCO to adopt rules requiring telephone companies that provide telephone toll service to offer discounts for operator-assisted and direct-dial services for people with communication disabilities. It authorizes the PUCO to adopt rules regarding the rates, terms, and conditions of intrastate telecommunications service initiated from an inmate telephone instrument.

Investigations and adjudications

This Act permits the PUCO to investigate or examine the books, records, or practices of any telephone company. It permits any person to file with the PUCO, or the PUCO to initiate, a complaint alleging that any rate, practice, or service of a telephone company other than a wireless

service provider is unjust, unreasonable, unjustly discriminatory, or in violation of or noncompliance with any of the Act's provisions or a PUCO rule or order.

The law permits any dispute between telephone companies, between telephone companies and wireless service providers, or between wireless service providers, that is within the PUCO's jurisdiction under the Act's provisions, to be brought by a complaint filed under the Act's complaint procedure.

Other changes

The bill requires every telephone company providing telephone exchange service to maintain access to 9-1-1 service on a residential customer's line for at least 14 days immediately following any disconnection for nonpayment of telephone exchange service.

It requires the PUCO to implement, in at least one urban area and one rural area, a two-year Community-voicemail Service Pilot Program, for those who have no traditional access to telephone service, through a competitive-bidding process for selection of vendors to implement the program, requires the imposition of an assessment on all local exchange carriers for the cost of providing the service, and authorizes forfeitures for carriers who do not comply with the assessment requirements.

The law requires, to the extent they are subject to the PUCO's jurisdiction under the Act's provisions, every telephone company, including every wireless service provider, every telecommunications carrier, and every provider of internet protocol-enabled services, including Voice over Internet Protocol, to comply with every order, direction, and requirement of the PUCO made under authority of the Act's provisions.

It limits the information required in a telephone company's and wireless service provider's annual report to information necessary for the PUCO to calculate the PUCO assessment.

It eliminates authority for the PUCO to require a telephone company to file supplemental reports of each exchange area it owns or operates and eliminates the requirement that the PUCO require such supplemental report if 15% of the subscribers of an exchange request it.

It requires the PUCO to adopt rules that require a telephone company subject to continuing law governing pole attachments and conduit occupancy to include in its annual report information required by the PUCO to calculate pole attachment and conduit occupancy rates and any other information the PUCO determines necessary and requires by rule for the PUCO to fulfill its responsibility under the pole attachment law.

It requires that a telephone company's lines and facilities not unreasonably interfere with the practical uses of the property on which they are located and requires a telephone company to repair defective lines and facilities.

It alters the applicability of telephone law regarding electricity service and automatic package carriers.

It eliminates law that stated that unless otherwise ordered by the PUCO each telephone company must file a copy of any contract, agreement, note, bond, or other arrangement entered into with any telephone management, service or operating company.

The bill eliminates law that required every telephone company to carry a proper and adequate depreciation or deferred maintenance account.

It requires telephone companies to file rate schedules only for the following rates: charges for use of attachment of any wire, cable, facility, or apparatus to its poles, pedestals, or placement of attachments in conduit duct space, basic-local-exchange-service rate changes authorized under the Act, lifeline service, discounts for operator-assisted and direct-dial services for people with communication disabilities, carrier access and other services, inmate telephone instruments, and 911 service.

It establishes requirements regarding the approval of domestic telephone company mergers

by the PUCO and provides for the enforcement of PUCO rule violations by the Attorney General and Ohio courts.

The law creates a Select Committee on Telecommunications Regulatory Reform to review the economic benefits of the Act and its impact on jobs, telephone company rates, telephone company quality of service, lifeline program customers, rural markets, rural broadband deployment, the Community-voicemail Service Pilot Program, and carrier access to private property, and requires the Committee to submit a written report of its findings and recommendations to the General Assembly and the Governor no later than four years after the effective date of the Act, at which time the Committee will cease to exist.

The bill requires the PUCO to cooperate with the Committee and provide reports and any other information the Committee requests, and permits the Committee to request assistance from the Legislative Service Commission.

It requires an offender-monitoring device to be designed for electronic monitoring and not be a converted wireless phone or tracking device not designed for this purpose and requires the device to provide a means of text-based or voice communication.

Michigan

Michigan [Act 58 of 2011](#) limits the scope of the state Public Service Commission's (PSC's) rule-making authority and rescinds existing rules pertaining to privacy standards, billing standards, and service quality. The bill specifies that the PSC does not have authority over Voice over Internet Protocol (VoIP). It allows a telecommunication provider to opt out of a requirement to file a schedule of rates, services, and conditions of service with the PSC. It establishes an expiration date of June 30, 2011, on certain service quality rules.

The Act requires the PSC to investigate complaints alleging violations of requirements related to a provider originating or forwarding an intrastate call that is terminated on the network of another provider and to assess a fine against a violator.

It allows a basic local exchange service provider with fewer than 10,000 Michigan end-users, rather than 15,000, to determine that its total-service, long-run, incremental-cost (TSLRIC) is the same as that of a provider with more than 250,000 end-users.

The bill prescribes emergency power requirements for a basic local exchange service provider. It allows a provider to discontinue service to an exchange only if an alternative basic local exchange provider offers a comparable service, rather than the same service, or if two alternative toll providers offer a comparable service.

The Act requires a telecommunication provider proposing to discontinue a regulated service to an exchange to notify each affected customer by mail or within the customer's bill. It gives a person affected by a discontinuance of service 30 rather than 60 days to apply to the PSC to determine if the discontinuance is authorized, and requires the Commission issue a final order within 180 days.

The bill prohibits basic local exchange service providers, rather than telecommunication providers, from taking certain actions, and deletes some actions from the list of prohibitions.

North Carolina

North Carolina [SESSION LAW 2011-52](#) allows local telephone providers open to competition to elect to participate in a new alternative form of regulation. This new form of regulation differs from the previous alternative form of regulation in the following ways:

- The provider will no longer have carrier of last resort responsibilities.

- The provider will not be eligible to receive funds from a state fund that may be established to support universal service.
- The provider will not be required to provide stand-alone basic service to rural customers at rates comparable to rates charged to urban customers.

Texas

Texas enacted [SB 980](#) into law in 2011. This Act prohibits the state Public Utility Commission of Texas from requiring a telecommunications utility that is not a public utility, including a deregulated or transitioning company, to comply with a requirement or standard that is more burdensome than a requirement or standard the PUC imposes on a public utility. The bill generally prohibits a department, agency, or political subdivision of the state from regulating rates charged for, service or contract terms for, conditions for, or requirements for entry into the market for Voice over Internet Protocol services or other Internet Protocol-enabled services.

The Act establishes tariff requirements relating to a telecommunications provider not subject to rate of return regulation and makes provisions governing a certificate of convenience and necessity, a certificate of operating authority, or a service provider certificate of operating authority applicable to a transitioning company under provisions relating to the deregulation of certain incumbent local exchange company markets. The bill prohibits the PUC, on or after September 1, 2011, from requiring a telecommunications provider to provide mandatory or optional extended area service to additional metropolitan areas or calling areas or ordering an expansion of a toll-free local calling area.

The Act requires the PUC to adopt rules to ensure reasonable transparency and accountability in the administration of a Universal Service Fund and sets requirements for support from the Universal Service Fund that is available to deregulated markets. The bill changes the procedures for determining whether a market should be deregulated. Among other provisions, the bill requires a market that is deregulated as of September 1, 2011, to remain deregulated and prohibits the PUC from reregulating a market or company that has been deregulated. An incumbent local exchange company may petition the PUC to deregulate a market of the company that the PUC previously determined should remain regulated. Only the incumbent local exchange company is authorized to initiate a proceeding to deregulate one of the company's markets. The bill changes the conditions under which the PUC determines whether a market should remain regulated.

The bill revises provisions applicable to deregulated and transitioning companies and sets out provisions exempting a transitioning company from certain rate and price requirements. The bill requires the PUC to review and evaluate, through the initiation of one or more proceedings, whether the universal service fund accomplishes the fund's purposes and requires the PUC to complete each proceeding required under those provisions not later than November 1, 2012. The PUC must provide the legislature with a copy of its findings and any orders issued. The PUC is prohibited from initiating a proceeding to review the state High Cost Universal Service Plan before January 2, 2012. The bill makes provisions relating to the support available to deregulated markets, the inapplicability of certain rate and price requirements to a transitioning incumbent local exchange company, and a complaint relating to compliance filed by an affected person effective January 2, 2012.

Virginia

Virginia [Chapter 738](#) of 2011 eliminates certain requirements applicable to competitive telecommunications services. The requirement that competitive services be offered for sale under a filed tariff is eliminated. The bill directs the state corporation commission to permit, but not

mandate, the detariffing of any or all terms, conditions, or rates for retail telephone service not found prior to January 1, 2011, to be a basic local exchange telephone service. After July 1, 2013, that commission shall permit, but may not mandate, the detariffing of any or all terms, conditions, or rates for any or all retail telephone services.

In addition, the measure:

- eliminates the facility-building requirement of telephone companies in instances where a person has service available from one or more alternative providers of wireline or terrestrial wireless communications service at prevailing market rates;
- permits an incumbent provider to meet its obligation to furnish reasonably adequate service and facilities through the use of any and all wireline or terrestrial wireless technology, subject to a requirement that when a telephone company restores service to an existing wireline customer, the company shall offer the option to furnish service using wireline facilities;
- provides that the Commission may conclude that competition can effectively ensure reasonably adequate retail services in competitive exchanges and may carry out its duty to ensure that a public utility is furnishing reasonably adequate retail service in its competitive exchanges by monitoring individual customer complaints and requiring appropriate responses to such complaints;
- amends the requirement of prior approval for the sale of all of the assets of a telephone company to provide that the Commission in such a proceeding shall consider only the financial, managerial, and technical resources to render local exchange telecommunications services of the person acquiring ownership or control;
- eliminates requirements associated with telegraph service that is no longer offered in the state;
- expands the definition of mail used for providing notice to customers to include electronic mail;
- provides that the prohibition on multiple rate increases within a 12-month period does not apply to competitive services;
- exempts telephone companies from provisions relating to energy and capital resource use conservation, standard units of products or service, and fuel purchases;
- eliminates provisions relating to the authority of the Commission to establish areas where a telephone company may provide mobile telephone service;
- deletes obsolete provisions applicable to the extension of telephone facilities into rural areas and to the rates of telephone companies set by municipal ordinances;
- allows the detariffing of interexchange service; and
- provides that requirements that telephone companies file reports, other than reports relating to the special revenue tax, will expire on December 31 of each year unless the commission extends the requirement after notice and an opportunity for a hearing.

Wisconsin

Wisconsin [Act 22 of 2011](#):

- changes the authority of the Public Service Commission (PSC) over telecommunications utilities;
- imposes requirements on certain intrastate switched access rates;
- eliminates mandatory telecommunications tariffs except for intrastate switched access service;
- specifies the PSC's authority over interconnected Voice over Internet Protocol (interconnected VoIP) service;

- changes the PSC's authority for ensuring universal access to telecommunications service;
- imposes requirements regarding the availability of basic voice service;
- makes changes to requirements for the use of another person's transmission equipment and property by public utilities and telecommunications providers; and
- makes other changes to telecommunications regulation.

The Act enables the PSC to impose requirements on Competitive Local Exchange Carriers (CLECs) that relate only to the following:

- submission of stockholder and other business management information;
- PSC examination of accounting and other business records;
- use of and connection to transmission equipment and property by other telecommunications providers;
- confidential treatment of records by the PSC;
- rates and costs of unbundled network elements;
- interconnection agreements and related requirements;
- telephone caller identification, pay-per-call, and toll-free services;
- PSC privacy rules; universal service and contributions to the state's universal service

fund;

- access to telecommunications emergency services;
- restrictions on resale or sharing certain services, products, and facilities;
- violations of rules of the Department of Agriculture, Trade and Consumer Protection (DATCP) regarding advertising and sales and collection practices;

- transfer of local exchange customers to other telecommunications providers;
- PSC questionnaires and other information requests;
- changes to PSC orders and reopening PSC cases;
- PSC-required tests;
- conditional, emergency, and supplemental PSC orders;
- timing of effect of PSC orders;
- court review of PSC orders;
- injunction procedures;
- enforcement duties of the PSC, the attorney general, and district attorneys and related

court venues;

- penalties related to information and record requests;
- forfeitures;
- abandonment or discontinuance of lines, services, and rights-of-way;
- assessments for reimbursement of PSC expenses;
- assessments for telephone relay service; and
- assessments for enforcement of certain consumer protection requirements by DATCP.

The Act exempts Incumbent Local Exchange Carriers (ILECs) from requirements relating to all of the following:

- PSC classification of public utility service;
- PSC authority regarding production of records, audits of accounts, service measurement standards, and test results;
- PSC authority to enter premises;
- PSC valuation of utility property;
- accounting requirements, including depreciation rates and new construction accounting;

- reporting of expenses, profit, and other items;
- PSC reports of utility property values and other financial data;
- filing of rates and PSC approval of rates;
- prohibition against unjust discrimination among customers;
- certain prohibitions regarding the provision of service to customers;
- construction, installation, or operation of new facilities;
- affiliated interest requirements;
- certain municipal authority to regulate public utilities;
- dissolution and reorganization;
- liability for treble damages;
- PSC enforcement of certain unfair trade practice orders;
- private causes of actions by persons injured by certain violations of law by ILECs;

and

- alternate dispute resolution requirements of the PSC.

Except for wholesale telecommunications service, the bill also exempts ILECs from certain enforcement authority of the PSC.

The Act imposes requirements on intrastate switched access rates that depend on whether a telecommunications provider is a large or small ILEC, new nonincumbent, or large or small nonincumbent, as defined in the bill. The bill establishes a schedule for the various categories of telecommunications provider to reduce intrastate switched access rates over a five year period.

With certain exceptions, the bill provides that interconnected VoIP service is exempt from PSC regulation.

A provider of interconnected VoIP service must do the following, which apply to other telecommunications providers under current law: impose a monthly police and fire protection fee on its customers; pay assessments for DATCP enforcement of certain consumer protection requirements; and pay assessments for a statewide telecommunications relay service.

In addition, interconnected VoIP service is subject to the PSC's authority over interconnection agreements under current law. The bill also provides that, unless otherwise provided under federal law, an entity that provides interconnected VoIP service must pay intrastate switched access rates. Also, unless otherwise provided under federal law, if the entity provides intrastate switched access service in connection with the interconnected VoIP service, the entity is allowed to charge intrastate switched access rates for the service.

Other Suggested State Legislation

A [Telecommunications Deregulation Note](#) in the 2007 SSL volume summarizes actions in Idaho, Iowa, Missouri, and Texas to deregulate the industry.