

# House Bill 2621

Sponsored by COMMITTEE ON BUSINESS AND LABOR

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows telecommunications utilities to elect deregulation. Specifies manner of making election. Imposes price caps on basic local exchange service and intrastate switched access for electing utility during three-year transition period. Imposes restrictions and price caps on extended area service during three-year transition period. Imposes requirements for primary line basic local exchange service. Authorizes Public Utility Commission to resolve complaints of customers of electing utilities.

## A BILL FOR AN ACT

1  
2 Relating to telecommunications service.

3       Whereas the provision of telecommunications services to all customers in the State of Oregon  
4 has become a fully competitive business in which the rates, terms and conditions of services offered  
5 by some competitors are subject to little or no regulation while telecommunications utilities remain  
6 subject to extensive regulation by the state; and

7       Whereas maintaining some level of regulation of telecommunications utilities is appropriate to  
8 ensure the continued availability of adequate and secure telephone service to Oregon residents; and

9       Whereas reducing regulation of telecommunications utilities and eliminating rate regulation will  
10 encourage innovation and investment that will benefit Oregon residents and businesses through the  
11 provision of high-quality, advanced telecommunications services at competitive prices; now, there-  
12 fore,

13 **Be It Enacted by the People of the State of Oregon:**

14       **SECTION 1.** Sections 2 to 9 of this 2007 Act are added to and made a part of ORS chapter  
15 **759.**

16       **SECTION 2. Definitions.** As used in sections 2 to 9 of this 2007 Act:

17       (1) **"Electing telecommunications utility"** means a telecommunications utility that has  
18 elected deregulation under sections 2 to 9 of this 2007 Act.

19       (2) **"Local exchange telecommunications service area"** means the geographic area within  
20 which a telecommunications utility provides local exchange telecommunications service.

21       (3) **"Primary line basic local exchange service"** means the first line only of retail tele-  
22 communications service to an individual customer location that is not included in a package  
23 of services, that is single party, that has voice grade or equivalent transmission parameters  
24 and tone-dialing capability and that provides local exchange telecommunications service.

25 **"Primary line basic local exchange service" does not include:**

26       (a) **Extended area service;**

27       (b) **Long distance service;**

28       (c) **Telecommunications relay service for persons who are hard of hearing or speech im-**  
29 **paired;**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (d) Operator service such as call completion assistance, special billing arrangements,  
2 service and trouble assistance and billing inquiry;

3 (e) Directory assistance; or

4 (f) Emergency 9-1-1 service, including Enhanced 9-1-1 telephone service where available.

5 (4) "Retail telecommunications service" means a telecommunications service provided for  
6 a fee to an end-user customer. "Retail telecommunications service" does not include a ser-  
7 vice provided by one telecommunications utility to another telecommunications carrier, un-  
8 less the telecommunications carrier receiving the service is the end user of the service.

9 (5) "Telecommunications carrier" means any provider of retail telecommunications ser-  
10 vices, except a call aggregator as defined in ORS 759.690.

11 (6) "Transition period" means the three years immediately following the date notice of  
12 an election is filed by an electing telecommunications utility under section 3 of this 2007 Act.

13 **SECTION 3. Deregulation of services of telecommunications utilities.** (1) A telecommu-  
14 nications utility may elect deregulation of the retail telecommunications services and intra-  
15 state switched access services provided by the utility. If a telecommunications utility elects  
16 deregulation under sections 2 to 9 of this 2007 Act, the retail telecommunications services  
17 and intrastate switched access services provided by the utility are subject only to the re-  
18 quirements of sections 2 to 9 of this 2007 Act, ORS 759.005, 759.015, 759.016, 759.020, 759.025,  
19 759.027, 759.060, 759.075, 759.080, 759.425 (1), 759.425 (3) to (8), 759.450, 759.455, 759.500, 759.506,  
20 759.535, 759.560, 759.565, 759.570, 759.580, 759.585, 759.590, 759.595, 759.650 to 759.675, 759.690,  
21 759.715, 759.720, 759.730, 759.900 and 759.990, sections 2 to 8 and 16, chapter 290, Oregon Laws  
22 1987, and sections 1 and 2, chapter 204, Oregon Laws 2005.

23 (2) An election by a telecommunications utility under this section must be made by filing  
24 a written notice with the Public Utility Commission. An election becomes effective 30 days  
25 after the written notice of election is filed.

26 (3) Notwithstanding any orders or rules of the commission issued before notice of an  
27 election is filed under this section, the rates, terms, conditions, charges and fees for or in  
28 connection with all retail telecommunications services and intrastate switched access service  
29 of an electing telecommunications utility are not subject to regulation by the commission.

30 (4) If a telecommunications utility elected to be subject to price regulation pursuant to  
31 ORS 759.410, and thereafter elects deregulation under sections 2 to 9 of this 2007 Act, the  
32 rates of the utility are governed by sections 2 to 9 of this 2007 Act and not by ORS 759.410.

33 (5) Sections 2 to 9 of this 2007 Act do not affect the ability of an electing telecommuni-  
34 cations utility to maintain a tariff or price list with the commission describing the rates or  
35 details of the telecommunications services provided by the utility.

36 (6) An election under this section does not affect the authority of the commission to  
37 regulate service quality standards and provision of access to interexchange carriers. Any  
38 requirements imposed by the commission for the regulation of service quality standards and  
39 provision of access to interexchange carriers must be technologically and competitively  
40 neutral.

41 **SECTION 4. Regulatory fee of electing telecommunications utilities.** An electing tele-  
42 communications utility shall pay to the Public Utility Commission a reduced regulatory fee  
43 to be determined by the commission under ORS 756.310 (6). The commission shall determine  
44 the amount of the fee based on costs to the commission in supervising and regulating elect-  
45 ing telecommunications utilities.

1       **SECTION 5. Price caps on primary line basic local exchange service during transition**  
2 **period.** (1) During the transition period, the rate that an electing telecommunications utility  
3 may charge for primary line basic local exchange service is subject to the price caps de-  
4 scribed in this section. During the transition period, a telecommunications utility may adjust  
5 rates for primary line basic local exchange service as long as the rates do not exceed the  
6 maximum price imposed by the price caps established by this section.

7       (2) During the first year of the three-year transition period, an electing telecommuni-  
8 cations utility may not charge a rate for primary line basic local exchange service that is  
9 more than 10 percent above the rate that was in effect for the utility immediately before the  
10 date notice of an election was filed under section 3 of this 2007 Act.

11       (3) During the second year of the three-year transition period, an electing telecommuni-  
12 cations utility may not charge a rate for primary line basic local exchange service that is  
13 more than 10 percent above the rate that was in effect for the utility in the preceding year.

14       (4) During the third year of the three-year transition period, an electing telecommuni-  
15 cations utility may not charge a rate for primary line basic local exchange service that is  
16 more than 10 percent above the rate that was in effect for the utility in the preceding year.

17       (5) An electing telecommunications utility shall provide written notice to the commission  
18 during the transition period of changes to the prices charged for primary line basic local  
19 exchange service. The notice must be given within 30 days after the effective date of the  
20 change.

21       (6) Following the transition period, the commission may not regulate the rates, terms  
22 and conditions of primary line basic local exchange service provided by the electing tele-  
23 communications utility.

24       (7) For purposes of calculating the price caps imposed under this section, the rate for  
25 primary line basic local exchange service does not include any charges resulting from action  
26 by a federal agency or taxes, fees or surcharges imposed or authorized by a governmental  
27 body that are separately itemized and billed by a telecommunications utility to its customers.

28       **SECTION 6. Price cap on intrastate switched access during transition period.** During the  
29 transition period, the rate that an electing telecommunications utility may charge for  
30 intrastate switched access service may not exceed the rate that was in effect for the utility  
31 immediately before notice of the election was filed under section 3 of this 2007 Act. Following  
32 the transition period, the Public Utility Commission may not regulate the rates, terms and  
33 conditions of intrastate switched access service provided by the electing telecommunications  
34 utility.

35       **SECTION 7. Price cap on extended area service during transition period.** (1) During the  
36 transition period, an electing telecommunications utility shall continue to provide extended  
37 area service on both a flat rate and measured service rate basis for the routes that were  
38 authorized by the Public Utility Commission immediately before notice of the election was  
39 filed under section 3 of this 2007 Act.

40       (2) The commission may not require any expanded or new extended area service routes  
41 for an electing telecommunications utility after notice of the election is filed under section  
42 3 of this 2007 Act.

43       (3) An electing telecommunications utility may, without commission approval, incorpo-  
44 rate the utility's extended area service flat rate for a local exchange telecommunications  
45 service area in effect immediately before notice of the election was filed under section 3 of

1 this 2007 Act into the flat rate for primary line basic local exchange service.

2 (4) Regardless of whether an electing telecommunications utility incorporates the utili-  
3 ty's extended area service flat rate into the utility's flat rate for primary line basic local  
4 exchange service under subsection (3) of this section, the rate that an electing telecommu-  
5 nications utility may charge for extended area service during the transition period may not  
6 exceed the rate that was in effect for the utility immediately before notice of the election  
7 was filed under section 3 of this 2007 Act.

8 (5) Following the transition period, the commission may not regulate the rates, terms  
9 and conditions of extended area service provided by an electing telecommunications utility.

10 **SECTION 8. Primary line basic local exchange service.** (1) A telecommunications utility  
11 may not require that a customer purchase or subscribe to a telecommunications service  
12 other than a single access line as a condition of providing primary line basic local exchange  
13 service to the customer.

14 (2) A telecommunications utility may not withdraw or otherwise discontinue the pro-  
15 vision of primary line basic local exchange service to a local exchange telecommunications  
16 service area unless one or more other alternative telecommunications service providers are  
17 furnishing an equivalent service to the customers in the local exchange telecommunications  
18 service area at the time the service is discontinued.

19 (3) Before withdrawing or otherwise discontinuing the provision of primary line basic lo-  
20 cal exchange service to a local exchange telecommunications service area a telecommuni-  
21 cations utility must:

22 (a) File a notice of the proposed discontinuance of service with the Public Utility Com-  
23 mission;

24 (b) Publish a notice of the proposed discontinuance of service in a newspaper circulated  
25 within the local exchange telecommunications service area; and

26 (c) Provide such other reasonable notice as may be required by the commission.

27 (4) Any person or telecommunications provider affected by a withdrawal or other dis-  
28 continuance of service by a telecommunications utility may apply to the commission to de-  
29 termine whether the discontinuance of service is permitted under subsection (2) of this  
30 section. An application under this section must be made not later than 30 days after notice  
31 of the proposed discontinuance of service is published under subsection (3)(b) of this section.

32 **SECTION 9. Commission authority to resolve customer complaints.** (1) The Public Utility  
33 Commission may investigate and resolve complaints described in subsection (2) of this sec-  
34 tion that are made by customers of an electing telecommunications utility and that relate  
35 to retail telecommunications services provided by the utility that were regulated services  
36 immediately before the date notice of the election was filed under section 3 of this 2007 Act.

37 (2) The commission may investigate and resolve complaints under this section relating  
38 to the quality and availability of retail telecommunications services, whether the price and  
39 conditions of services are in conformance with filed tariffs or price lists, deposit require-  
40 ments for the services and issues relating to the disconnection of the services.

41 (3) The commission shall use the procedures described in ORS 756.500 to 756.610 to in-  
42 vestigate and resolve complaints under this section.

43 **SECTION 10.** The section captions used in this 2007 Act are provided only for the con-  
44 venience of the reader and do not become part of the statutory law of this state or express  
45 any legislative intent in the enactment of this 2007 Act.

