

House Bill 3036

Sponsored by COMMITTEE ON SUSTAINABILITY AND ECONOMIC DEVELOPMENT

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**.

Provides that rates, terms, conditions, charges and fees for telecommunications services provided by telecommunications utility electing to be regulated under Act are not subject to regulation by Public Utility Commission.

Provides for transition period during which rates charged by telecommunications utility for primary line basic local exchange service are subject to price caps.

Requires commission to exempt telecommunications utility from providing certain measures of service quality in required report if telecommunications utility petitions commission and has met service quality levels in previous 12 months.

A BILL FOR AN ACT

1
2 Relating to telecommunications service.

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

4 **SECTION 1. Sections 2 to 6 of this 2009 Act are added to and made a part of ORS chapter**
5 **759.**

6 **SECTION 2. As used in sections 2 to 6 of this 2009 Act:**

7 (1) "Electing telecommunications utility" means a telecommunications utility that has
8 made an election to be regulated under the terms of sections 2 to 6 of this 2009 Act.

9 (2) "IntraLATA" means within a local access and transport area, as defined in 47 U.S.C.
10 153.

11 (3) "Primary line basic local exchange service" means the first line only of retail tele-
12 communications service to an individual customer location that is not included in a package
13 of services, that is single party, that has voice grade or equivalent transmission parameters
14 and tone-dialing capability, that provides local exchange telecommunications service and that
15 provides access to, but does not include:

16 (a) Extended area service;

17 (b) Long distance service;

18 (c) Telecommunications relay service for persons who are hard of hearing or speech im-
19 paired;

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

22 (e) Directory assistance; and

23 (f) Emergency 9-1-1 service, including enhanced 9-1-1 telephone service, as defined in ORS
24 401.710, where available.

25 (4)(a) "Retail telecommunications service" means a telecommunications service provided
26 for a fee to a retail customer.

27 (b) "Retail telecommunications service" does not include:

28 (A) A service that one telecommunications utility provides to a telecommunications

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 carrier, as defined in ORS 759.400, unless the telecommunications carrier is the end user of
 2 the service; or

3 (B) Switched access service.

4 (5) "Switched access service" means a service that a telecommunications utility provides
 5 to an interexchange carrier for its use in furnishing intraLATA, interexchange telecommu-
 6 nications service to its retail customers. Switched access service provides a connection be-
 7 tween the telecommunications utility's retail customers and the network of an interexchange
 8 carrier.

9 (6) "Transition period" means a three-year period that begins on the effective date of this
 10 2009 Act.

11 **SECTION 3.** (1) A telecommunications utility may elect to be regulated under the terms
 12 of sections 2 to 6 of this 2009 Act by filing a written notice of an election with the Public
 13 Utility Commission. Upon filing of the written notice, retail telecommunications services
 14 provided by an electing telecommunications utility are subject only to the requirements of:

15 (a) Sections 2 to 6 of this 2009 Act;

16 (b) ORS 759.005, 759.015, 759.016, 759.020, 759.025, 759.027, 759.060, 759.075, 759.080, 759.425
 17 (1), (3)(a) and (b) and (4) to (6), 759.445, 759.450, 759.455, 759.500, 759.506, 759.535, 759.560,
 18 759.565, 759.570, 759.580, 759.585, 759.590, 759.595, 759.650 to 759.675, 759.690, 759.715, 759.720,
 19 759.730, 759.900 and 759.990;

20 (c) Sections 2 to 8 and 16, chapter 290, Oregon Laws 1987; and

21 (d) Sections 1 and 2, chapter 204, Oregon Laws 2005.

22 (2) Notwithstanding an order or rule that the commission issued before the effective date
 23 of this 2009 Act, an electing telecommunications utility's rates, terms, conditions, charges
 24 and fees for or in connection with retail telecommunications services are not subject to
 25 regulation by the commission except as otherwise provided in sections 2 to 6 of this 2009 Act.

26 (3) If before the effective date of this 2009 Act an electing telecommunications utility
 27 elected to be subject to price cap regulation under ORS 759.410 or petitioned for a price plan
 28 as described in ORS 759.255, the utility's rates are governed by sections 2 to 6 of this 2009
 29 Act and not by ORS 759.410 or the price plan.

30 (4) Sections 2 to 6 of this 2009 Act do not affect an electing telecommunications utility's
 31 ability to maintain a tariff or price list with the commission that describes the rates or the
 32 details of the telecommunications services the utility provides.

33 (5) Sections 2 to 6 of this 2009 Act do not affect the commission's authority to regulate
 34 service quality standards or the provision of access to interexchange carriers. Requirements
 35 that the commission imposes to regulate service quality standards and the provision of ac-
 36 cess to interexchange carriers must be technologically and competitively neutral.

37 **SECTION 4.** (1) During the transition period:

38 (a) The rate that an electing telecommunications utility may charge for primary line
 39 basic local exchange service is subject to the price caps described in this section;

40 (b) An electing telecommunications utility may adjust rates for primary line basic local
 41 exchange service, provided that the rates do not exceed the price caps established in this
 42 section; and

43 (c) An electing telecommunications utility may not charge a rate for primary line basic
 44 local exchange service that is more than 10 percent above:

45 (A) The rate that was in effect for the utility on January 1, 2009, during the first year

1 of the transition period;

2 (B) The highest rate that was in effect for the utility in the preceding year, during the
3 second year of the transition period; and

4 (C) The highest rate that was in effect for the utility in the preceding year, during the
5 third year of the transition period.

6 (2) During the transition period, an electing telecommunications utility shall provide
7 written notice to the Public Utility Commission of changes to the prices the electing tele-
8 communications utility charges for primary line basic local exchange service. The electing
9 telecommunications utility shall provide the notice not later than 30 days after the effective
10 date of the change.

11 (3) The commission may not regulate the rates, terms or conditions of primary line basic
12 local exchange service that an electing telecommunications utility provides after the transi-
13 tion period expires.

14 (4) For purposes of calculating the price caps imposed under this section, the rate for
15 primary line basic local exchange service does not include charges that result from action
16 by a federal agency or taxes, fees or surcharges authorized or imposed by a governmental
17 body that the electing telecommunications utility separately itemizes and bills to the utility's
18 retail customers.

19 (5) An electing telecommunications utility may not require a retail customer to purchase
20 or subscribe to a telecommunications service other than a single access line as a condition
21 of providing primary line basic local exchange service to the retail customer. This subsection
22 does not affect an existing requirement for a retail customer to purchase extended area
23 service on a flat rate or measured basis in connection with obtaining local exchange service.

24 **SECTION 5.** (1) During the transition period, an electing telecommunications utility shall
25 continue to provide extended area service on both a flat rate and a measured service rate
26 basis for the routes authorized by the Public Utility Commission on January 1, 2009.

27 (2) The commission may not require an expanded or new extended area service route for
28 an electing telecommunications utility after the effective date of this 2009 Act.

29 (3) An electing telecommunications utility may, without the commission's approval, in-
30 corporate the utility's extended area service flat rate for a local exchange telecommuni-
31 cations service area in effect on January 1, 2009, into the flat rate for primary line basic local
32 exchange service.

33 (4) Whether or not an electing telecommunications utility incorporates the utility's ex-
34 tended area service flat rate into the utility's flat rate for primary line basic local exchange
35 service under subsection (3) of this section, the rate that an electing telecommunications
36 utility may charge for extended area service during the transition period may not exceed the
37 rate that was in effect for the utility on January 1, 2009.

38 (5) The commission may not regulate the rates, terms or conditions of extended area
39 service that an electing telecommunications utility provides after the transition period ex-
40 pires.

41 **SECTION 6.** If the Public Utility Commission requires an electing telecommunications
42 utility to submit reports on service quality levels, the utility may petition the commission
43 to exempt the utility from having to include one or more measures of service quality in the
44 reports. The commission shall grant the petition for each measure of service quality for
45 which an electing telecommunications utility met the service quality level objective set by

1 **the commission in the 12 months preceding the month in which the commission received the**
2 **petition.**

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