



House of Representatives

General Assembly

File No. 103

January Session, 2005

Substitute House Bill No. 6707

House of Representatives, March 30, 2005

The Committee on Energy and Technology reported through REP. FONTANA of the 87th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING INFORMATION ON QUALITY OF CELL PHONE SERVICE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) The Department of
2 Public Utility Control shall monitor and make public the quality of
3 cellular mobile telephone service in the state. Annually, each cellular
4 mobile telephone carrier shall provide a report to the department for
5 the twelve-month period ending August thirty-first of each year. Such
6 report shall provide information on dropped calls, blocked calls,
7 known coverage gaps, including average signal strength, dead zones,
8 predicted street level signal strength and any other matters the
9 department considers appropriate with respect to the quality of such
10 service in the state. The first such report shall be made no later than
11 October 1, 2006, and annually thereafter. The report shall be made in a
12 format and manner determined by the department.

13 (b) Not later than October 1, 2005, the department shall establish a
14 toll-free telephone number and an Internet web site at which members
15 of the public can submit to the department their comments and views
16 on the quality of cellular mobile telephone service in the state. The
17 department shall also accept such comments and views by mail. Not
18 later than October 1, 2005, and at least annually thereafter, each
19 cellular mobile telephone carrier shall, in a conspicuous manner, notify
20 each of its customers concerning such toll-free telephone number,
21 Internet web site address and the address of the department for
22 submitting such comments and views.

23 (c) Not later than January 1, 2007, and annually thereafter, the
24 department shall prepare a report on the quality of cellular mobile
25 telephone service in the state. The report shall be based on reports
26 received pursuant to subsection (a) of this section and other
27 information developed by the department, including information
28 received pursuant to subsection (b) of this section. The department
29 shall send a copy of the report to each such cellular mobile telephone
30 carrier and make it available to the public, on request, and on the
31 department's web site.

32 (d) There is established an account to be known as the "quality of
33 cell phone service account", which shall be a separate, nonlapsing
34 account within the General Fund. The Department of Public Utility
35 Control is authorized to use funds in the account only to administer
36 the provisions of this section.

37 (e) The department may, by regulations adopted in accordance with
38 the provisions of chapter 54 of the general statutes, establish
39 procedures to implement the provisions of this section. Any cellular
40 mobile telephone carrier that fails to comply with the provisions of this
41 section shall be subject to civil penalties in accordance with the
42 provisions of section 16-41 of the general statutes, as amended by this
43 act.

44 Sec. 2. Section 16-49 of the general statutes is repealed and the
45 following is substituted in lieu thereof (*Effective from passage*):

46 (a) As used in this section:

47 (1) "Company" means (A) any public service company other than a
48 telephone company, that had more than one hundred thousand dollars
49 of gross revenues in the state in the calendar year preceding the
50 assessment year under this section, except any such company not
51 providing service to retail customers in the state, (B) any telephone
52 company that had more than one hundred thousand dollars of gross
53 revenues in the state from telecommunications services in the calendar
54 year preceding the assessment year under this section, except any such
55 company not providing service to retail customers in the state, (C) any
56 certified telecommunications provider that had more than one
57 hundred thousand dollars of gross revenues in the state from
58 telecommunications services in the calendar year preceding the
59 assessment year under this section, except any such certified
60 telecommunications provider not providing service to retail customers
61 in the state, or (D) any electric supplier that had more than one
62 hundred thousand dollars of gross revenues in the state in the calendar
63 year preceding the assessment year under this section, except any such
64 supplier not providing electric generation services to retail customers
65 in the state;

66 (2) "Telecommunications services" means (A) in the case of
67 telecommunications services provided by a telephone company, any
68 service provided pursuant to a tariff approved by the department
69 other than wholesale services and resold access and interconnections
70 services, and (B) in the case of telecommunications services provided
71 by a certified telecommunications provider other than a telephone
72 company, any service provided pursuant to a tariff approved by the
73 department and pursuant to a certificate of public convenience and
74 necessity; and

75 (3) "Fiscal year" means the period beginning July first and ending
76 June thirtieth.

77 (b) On or before July 15, 1999, and on or before May first, annually
78 thereafter, each company shall report its intrastate gross revenues of

79 the preceding calendar year to the department, which amount shall be
80 subject to audit by the department. For each fiscal year, each company
81 shall pay the Department of Public Utility Control the company's share
82 of all expenses of the department and the Office of Consumer Counsel
83 for such fiscal year. On or before September first, annually, the
84 department shall give to each company a statement which shall
85 include: (1) The amount appropriated to the department and the Office
86 of Consumer Counsel for the fiscal year beginning July first of the
87 same year; (2) the total gross revenues of all companies; and (3) the
88 proposed assessment against the company for the fiscal year beginning
89 on July first of the same year, adjusted to reflect the estimated payment
90 required under subdivision (1) of subsection (c) of this section. Such
91 proposed assessment shall be calculated by multiplying the company's
92 percentage share of the total gross revenues as specified in subdivision
93 (2) of this subsection by the total revenue appropriated to the
94 department and the Office of Consumer Counsel as specified in
95 subdivision (1) of this subsection.

96 (c) Each company shall pay the department: (1) On or before June
97 thirtieth, annually, an estimated payment for the expenses of the
98 following year equal to twenty-five per cent of its assessment for the
99 fiscal year ending on such June thirtieth, (2) on or before September
100 thirtieth, annually, twenty-five per cent of its proposed assessment,
101 adjusted to reflect any credit or amount due under the recalculated
102 assessment for the preceding fiscal year, as determined by the
103 department under subsection (d) of this section, provided if the
104 company files an objection in accordance with subsection (e) of this
105 section, it may withhold the amount stated in its objection, and (3) on
106 or before the following December thirty-first and March thirty-first,
107 annually, the remaining fifty per cent of its proposed assessment in
108 two equal installments.

109 (d) Immediately following the close of each fiscal year, the
110 department shall recalculate the proposed assessment of each
111 company, based on the expenses, as determined by the Comptroller, of
112 the department and the Office of Consumer Counsel for such fiscal

113 year. On or before September first, annually, the department shall give
114 to each company a statement showing the difference between its
115 recalculated assessment and the amount previously paid by the
116 company.

117 (e) Any company may object to a proposed or recalculated
118 assessment by filing with the department, not later than September
119 fifteenth of the year of said assessment, a petition stating the amount of
120 the proposed or recalculated assessment to which it objects and the
121 grounds upon which it claims such assessment is excessive, erroneous,
122 unlawful or invalid. After a company has filed a petition, the
123 department shall hold a hearing. After reviewing the company's
124 petition and testimony, if any, the department shall issue an order in
125 accordance with its findings. The company shall pay the department
126 the amount indicated in the order not later than thirty days after the
127 date of the order.

128 (f) The department shall remit all payments received under this
129 section attributable to such companies to the State Treasurer for
130 deposit in the Consumer Counsel and Public Utility Control Fund
131 established under section 16-48a. [Such funds] Payments attributable
132 to such companies and payments received pursuant to subsection (k)
133 of this section shall be accounted for as expenses recovered from
134 public service companies, [and] certified telecommunications
135 providers and cellular mobile telephone carriers. All payments made
136 under this section shall be in addition to any taxes payable to the state
137 under chapters 211, 212, 212a and 219.

138 (g) Any assessment unpaid on the due date or any portion of an
139 assessment withheld after the due date under [subsection] subsections
140 (c) and (k) of this section shall be subject to interest at the rate of one
141 and one-fourth per cent per month or fraction thereof, or fifty dollars,
142 whichever is greater.

143 (h) Any company or cellular mobile telephone carrier that fails to
144 report in accordance with this section shall be subject to civil penalties
145 in accordance with section 16-41, as amended by this act.

146 (i) On or before July 15, 2005, and on or before May first, annually
147 thereafter, each cellular mobile telephone carrier, described in section
148 16-250b, shall report its intrastate gross revenues of the preceding
149 calendar year to the department, which amount shall be subject to
150 audit by the department. For each fiscal year, each carrier shall pay the
151 Department of Public Utility Control the carrier's share of all expenses
152 of the department to administer the activities set forth in section 1 of
153 this act and the activities with respect to such carrier set forth in this
154 section.

155 (j) On or before September first, annually, the department shall give
156 to each such carrier a statement which shall include (1) the total gross
157 revenues of all carriers, and (2) the proposed assessment against the
158 carrier for the fiscal year beginning on July first of the same year,
159 adjusted to reflect the estimated payment required under subdivision
160 (1) of subsection (c) of this section. Such proposed assessment shall be
161 calculated by multiplying the carrier's percentage share of the total
162 gross revenues as specified in subdivision (1) of this subsection by the
163 estimated expenses of the department for the fiscal year to administer
164 the activities set forth in section 1 of this act and the activities with
165 respect to such carrier set forth in this section.

166 (k) Each carrier shall pay the department estimated expense as
167 provided in subsection (c) of this section and the proposed assessment
168 for each carrier shall be recalculated following the close of the fiscal
169 year as provided in subsection (d) of this section to reflect the expenses
170 of the department for the fiscal year to administer the activities set
171 forth in section 1 of this act and the activities with respect to such
172 carrier set forth in this section. The department shall remit all
173 payments received from such cellular mobile telephone carriers to the
174 State Treasurer for deposit in the quality of cell phone service account
175 established pursuant to subsection (d) of section 1 of this act.

176 Sec. 3. Subsection (a) of section 16-41 of the general statutes is
177 repealed and the following is substituted in lieu thereof (*Effective from*
178 *passage*):

179 (a) Each (1) public service company and its officers, agents and
180 employees, (2) electric supplier or person providing electric generation
181 services without a license in violation of section 16-245, and its officers,
182 agents and employees, (3) certified telecommunications provider or
183 person providing telecommunications services without authorization
184 pursuant to sections 16-247f to 16-247h, inclusive, and its officers,
185 agents and employees, (4) person, public agency or public utility, as
186 such terms are defined in section 16-345, subject to the requirements of
187 chapter 293, (5) person subject to the registration requirements under
188 section 16-258a, [and] (6) each cellular mobile telephone carrier, as
189 described in section 16-250b, and (7) company, as defined in section 16-
190 49, as amended by this act, shall obey, observe and comply with all
191 applicable provisions of this title, section 1 of this act and each
192 applicable order made or applicable regulations adopted by the
193 Department of Public Utility Control by virtue of this title or section 1
194 of this act so long as the same remains in force. Any such company,
195 electric supplier, certified telecommunications provider, cellular
196 mobile telephone carrier, person, any officer, agent or employee
197 thereof, public agency or public utility which the department finds has
198 failed to obey or comply with any such provision of this title, section 1
199 of this act, order or regulation shall be fined by order of the
200 department in accordance with the penalty prescribed for the violated
201 provision of this title or, if no penalty is prescribed, not more than ten
202 thousand dollars for each offense except that the penalty shall be a fine
203 of not more than forty thousand dollars for failure to comply with an
204 order of the department made in accordance with the provisions of
205 section 16-19 or 16-247k or within thirty days of such order or within
206 any specific time period for compliance specified in such order. Each
207 distinct violation of any such provision of this title, section 1 of this act,
208 order or regulation shall be a separate offense and, in case of a
209 continued violation, each day thereof shall be deemed a separate
210 offense. Each such penalty and any interest charged pursuant to
211 subsection (g) or (h) of section 16-49 shall be excluded from operating
212 expenses for purposes of rate-making.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	16-49
Sec. 3	<i>from passage</i>	16-41(a)

Statement of Legislative Commissioners:

Section 1 was rewritten for clarity and throughout the bill "service carrier" was changed to "carrier" for consistency with statutory provisions.

ET *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Public Utility Control, Dept.	New Revolving Fund - Cost/Revenue	79,064	79,064
Attorney General	GF - Revenue Gain	Less than 50,000	Less than 50,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Public Utility Control (DPUC) to monitor and make public the quality of cellular telephone service in the state. It also requires cellular mobile telephone carriers to provide annual reports to DPUC detailing certain information. Furthermore, the bill requires DPUC, no later than January 1, 2007, to annually prepare a report on the quality of cellular mobile telephone service in the state. It is estimated that DPUC would incur a cost of approximately \$17,500 for a part-time clerical assistant to compile the data for the report on cell phone service quality.

The bill also requires DPUC to establish, by October 1, 2005, a toll-free telephone number and Internet website for cellular telephone service customers to submit comments about the quality of service. In FY 06 and FY 07, it is estimated that DPUC will incur costs of approximately \$40,000, (plus \$21,564 in fringe benefits) for a total of \$61,564, in personal services in order to provide a toll-free telephone service and Internet website for customers.

The bill also requires cellular mobile telephone carriers to annually report intrastate gross revenues of the preceding year to DPUC for

auditing purposes. Under the bill companies must pay DPUC an assessment proportional to its share of the industry's total gross revenue times DPUC's cost in implementing the bill's provisions. Each company must make quarterly estimated payments, each equal to one quarter of its total assessment. Such assessments will go into the "Quality of Cell Phone Service Account", an account established by the bill, within the General Fund. This will result in a revenue gain to the General Fund. However, under the bill funds within the "Quality of Cell Phone Service Account" may be used by DPUC only to administer Section 1 of the bill.

The bill subjects cell phone companies to DPUC's existing civil penalties if they fail to comply with the provisions of the bill. The penalty is a fine of up to \$10,000 per offense, with each violation, and each day of a violation considered a separate offense. This could result in a minimal revenue gain to the state. While there is the potential for the Attorney General to get involved in some cases of violations, it is anticipated that the Office of the Attorney General (OAG) would be able to accommodate the additional workload within available resources.

OLR Bill Analysis

sHB 6707

AN ACT CONCERNING INFORMATION ON QUALITY OF CELL PHONE SERVICE**SUMMARY:**

This bill requires the Department of Public Utility Control (DPUC) to (1) monitor and publicize the quality of cell phone service in the state; (2) establish, by October 1, 2005, a toll-free telephone number and Web site where people can provide their comments and views on cell phone companies; (3) accept such comments and views by mail; and (4) prepare an annual report on cell phone quality, which it must make available to the public and the industry.

The bill imposes related reporting and notification requirements on cell phone companies. It requires companies to comply with DPUC orders and regulations and subjects those that violate these provisions or the existing utility law to civil penalties. It allows DPUC to adopt implementing regulations.

The bill subjects cell phone companies to an assessment to cover DPUC's costs of implementing the bill. The assessment procedure is similar to the one that applies to DPUC's existing assessment of companies under its jurisdiction.

EFFECTIVE DATE: Upon passage

CELL PHONE COMPANY NOTIFICATION AND REPORTING REQUIREMENTS

By October 1 annually each cell phone company must notify each of its customers of the DPUC toll-free number, Website, and address for submitting their comments and views on cell phone service quality.

The bill requires cell phone companies to annually report by October 1, starting in 2006, on their service quality for the 12-month period ending the previous August 31. The report must provide information on dropped calls; blocked calls; and known coverage gaps, including

average signal strength, dead zones, and predicted street level signal strength; and other matters DPUC considers appropriate with respect to service quality. The report must be made in a format and manner determined by DPUC.

DPUC REPORT

By January 1 annually, starting in 2007, DPUC must report on the quality of cell phone service. The report must be based on the companies' annual reports and other information DPUC develops, including the comments and views reported to it. DPUC must (1) send a copy of its report to each cell phone company, (2) post it on its Website, and (3) make it available to the public upon request.

DPUC ASSESSMENT OF CELL PHONE COMPANIES

Under the bill, by July 15, 2005, and by each subsequent May 1, each cell phone company must report its intrastate gross revenues for the preceding calendar year to DPUC. This amount is subject to DPUC audit.

By September 1 annually, DPUC must give each company a statement that includes (1) the total gross revenues of all cell phone companies and (2) the proposed assessment against the company for the current fiscal year. The company's assessment is proportional to its share of the industry's total gross revenue times DPUC's cost in implementing the bill's provisions, including the cost of the assessment.

By law, companies subject to the existing assessment can object to it, arguing that it is excessive, erroneous, unlawful, or invalid. DPUC must hold a hearing on the petition and issue an order. It appears that these provisions also apply to the cell phone company assessment.

Each company must make quarterly estimated payments, each equal to one quarter of its total assessment. DPUC must recalculate the assessment following the close of the fiscal year to reflect its expenses in implementing the bill's provisions.

The assessments go into a separate General Fund account created by the bill. As is true with the existing assessment, (1) the assessments are in addition to otherwise applicable taxes, (2) unpaid assessments are subject to the greater of 0.25% per month interest or \$50, and (3) failure

to pay the assessment is subject to DPUC civil penalties.

CIVIL PENALTIES

The bill subjects cell phone companies to DPUC’s existing civil penalties if they fail to (1) comply with the service quality notification and reporting requirements, (2) report their intrastate gross revenues or pay their assessments, or (3) comply with DPUC orders or applicable utility laws. The penalty is a fine of up to \$10,000 per offense, with each violation and each day of a violation considered a separate offense. The existing penalties apply to companies under DPUC’s jurisdiction; a penalty of up to \$40,000 per offense applies to violations of DPUC rate regulation laws. (Under federal law, cell phone companies are not subject to state rate regulation.)

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 17 Nay 0