



OLR RESEARCH REPORT

September 30, 2013

2013-R-0359

TELECOMMUNICATIONS LEGISLATION

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You asked (1) how many states have adopted legislation comparable to Connecticut's 2013 telecommunications modernization bill ([HB 6402](#)), (2) what the significant differences were between their laws and Connecticut's bill, and (3) if similar legislation was proposed unsuccessfully in other states.

SUMMARY

Among other things, [HB 6402](#) would have:

1. allowed a telephone company to withdraw from providing a competitive telecommunications service by giving notice to, rather than getting approval from, the Public Utilities Regulatory Authority (PURA);
2. allowed telecommunications companies to exempt themselves from the requirement to file or maintain tariffs (detailed descriptions of a service's terms, conditions, and rates) with PURA for many services;
3. exempted many telecommunications services from PURA's quality of service standards, which cover such things as responding to trouble reports and service outages;
4. reduced auditing requirements for certain telecommunications companies; and

5. eliminated a floor on certain telephone company charges.

Twenty-two states have adopted legislation with one or more provisions similar to those in [HB 6402](#), most commonly dealing with tariffs and quality of service standards. Delaware, Florida, Idaho, Michigan, Ohio, and Texas either allow a telephone company to withdraw from providing a competitive service without the approval of their public utility commission or have more extensively deregulated telephone company services.

In many cases, other state's legislation included provisions not addressed in [HB 6402](#), such as requiring telephone companies to serve as the carrier of last resort (COLR) and barring state regulation of Voice over Internet Protocol (VOIP) services, such as AT&T's UVerse service. On the other hand, several provisions in [HB 6402](#) amended Connecticut laws that do not have counterparts in the laws of most other states. These include provisions for the floor on telephone charges and requiring telecommunications companies to complete a Connecticut-specific audit.

During the 2013 legislative session telecommunications deregulation legislation failed in Kansas, Kentucky, Minnesota, Mississippi, Missouri, and Pennsylvania. In Kansas, proposed legislation would have relieved telephone companies of their COLR obligations under some circumstances. In Kentucky, proposed legislation would have largely deregulated telecommunication services other than basic local exchange service. Proposed legislation in Minnesota would have limited tariff filing requirements and largely eliminated the public utility commission's rate ability to regulate telecommunications rates. Mississippi's proposed legislation would have barred state-specific quality of service standards and limited the scope of the commission's jurisdiction. Missouri's proposed legislation would have allowed companies to exempt themselves from tariff filing requirements and rate regulation. Pennsylvania's bill would have reduced regulations for non-rural telephone company exchanges and reduced tariffing requirements.

Comprehensive telecommunications reform legislation ([A 4143/S 3178](#)) is pending in New York.

We obtained much of the information in this report regarding legislation in other states from an April 2013 National Regulatory Research Institute [report](#).

CONNECTICUT'S TELECOMMUNICATIONS MODERNIZATION BILL

By law, Connecticut's telecommunications services are (1) classified as competitive, emerging competitive, or noncompetitive and (2) subject to varying levels of regulation depending on how they are classified. In 2013, Connecticut considered [HB 6402](#) would have allowed a telephone company (Verizon in part of Greenwich and AT&T in the rest of the state) to withdraw from providing a competitive telecommunications service by giving notice to, rather than getting approval from, PURA.

The bill also would have:

1. allowed telecommunications companies to exempt themselves from the requirement to file or maintain tariffs with PURA for intrastate retail competitive or emerging competitive services;
2. exempted competitive and emerging competitive services from of PURA's quality of service standards, which cover such things as responding to trouble reports and service outages;
3. eliminated a floor on certain telephone company charges; and
4. reduced auditing requirements for certain telecommunications and cable television companies.

LEGISLATION IN OTHER STATES

Adopted Legislation

Twenty-three states have passed legislation that substantially overlaps with [HB 6402](#). In many cases, this legislation eliminated tariff filing requirements and state-specific quality of service standards (several states allowed their public utilities commissions to enforce Federal Communications Commission standards).

In addition:

1. Alabama eliminated the requirement that telephone companies provide basic service, unless a customer cannot obtain service from another carrier or using a different technology;
2. Delaware allowed telephone companies to abandon any competitive retail service;

3. Florida removed all telephone company services from the jurisdiction of its public utilities commission;
4. Idaho ended commission regulation of business customer services and residential services in areas subject to competition;
5. Michigan eliminated requirements that telephone companies provide primary basic local exchange service to residential customers and toll service to all customers;
6. Ohio allowed a telephone company to (a) withdraw any telecommunications service and (b) entirely abandon telecommunications service in the state if it gives at least 30 days' prior notice to the public utilities commission and notifies certain other parties; and
7. Texas allowed companies to withdraw services without commission approval.

In many cases, the legislation in these states addressed issues not covered by [HB 6402](#). For example, by the end of 2012, legislation in ten states had withdrawn or limited COLR requirements for telephone companies for some or all of their service territories. These provisions require telephone companies to serve all customers in their territories, including building or extending wired facilities to individual customers and locations when necessary.

The legislation in several of these states also:

1. restricted state regulation of VOIP service (previous telecommunications bills in Connecticut addressed VOIP, but [HB 6402](#) did not);
2. limited or ended state public utility commission jurisdiction over consumer complaints; and
3. modified requirements that telephone companies contribute to universal service funds or establish lifeline rates for low-income customers.

Table 1 describes the major provisions of legislation passed through 2012 in states that adopted one or more of [HB 6402](#)'s provisions.

Table 1: Pre-2013 Telecommunications Legislation

State	Year Adopted	Major Provisions
Alabama SB 87	2011	Ended public utilities commission oversight of basic residential service pricing and quality of service.
Alabama HB 196	2012	Eliminated the requirement that telephone companies no longer required to provide basic service unless a customer in an existing service area cannot obtain service from another carrier or by another mode. In this case, the public utilities commission can order the company to provide service.
Arkansas Act 594	2011	Eliminated quality of service standards for carriers operating in a competitive exchange and prohibited new standards.
Arkansas Act 1098	2013	Generally eliminated tariff-filing requirements.
Delaware HB 96	2013	Allowed telephone companies to abandon any competitive retail service. They must provide basic service but it is only regulated in areas where there is no competitive provider (including cell phone providers). Eliminated most tariff filing requirements and the need for public utilities commission approval to changes in basic service terms and conditions.
Florida Ch. 36	2011	Removed public utilities commission regulatory oversight of all services (basic and non-basic) and ended COLR obligations.
Georgia HB 1115	2012	Removed tariff filing requirements.
Idaho S 1156	2011	Eliminated the requirement that carriers file price lists or tariffs for business services and required them to publish rates online. Ended regulation of business customer services and on residential services in areas subject to competition.
Illinois PA 96-0927	2010	Continued to require that telephone companies to provide basic service but ended rate regulation of this service.
Illinois SB 1664	2013	Generally eliminated tariff requirements for competitive services and instead allowed information to be posted online. Allowed basic local exchange services to be classified as competitive under certain circumstances.
Indiana	2006	Eliminated public utilities commission oversight of pricing and service quality for all retail offerings, except for basic local service, which remained regulated until June 30, 2009.
Indiana SB 1112	2012	Allowed a telephone company to withdraw as COLR if there are at least one other service providers using any technology. Eliminated COLR requirement as of June 30, 2014.
Indiana SB 492	2013	Eliminated the public utilities commission's authority to order telecommunications carriers to report on service quality goals and performance data.
Kansas SB 72	2011	Allowed any telephone company with a price cap that has opened a majority of its local access lines to competition to elect to be regulated as a telecommunications carrier. The company must continue to offer single-line residential local service.
Kansas HB 2201	2013	Ends public utilities commission jurisdiction over quality of service. Ended COLR for telephone companies that have price caps and have opened a majority of their local access lines to competition.
Maine Ch. 623	2012	Ended tariff requirements except for COLR service. Limited COLR service to single line, unlimited local calling, toll blocking, and connectivity to long-distance service. Allowed a telephone company to petition the public utilities commission for relief from COLR obligations.

Table 1 (continued)

State	Year Adopted	Major Provisions
Michigan PA 58	2011	Made tariffs for local services optional. Eliminated requirements that telephone companies provide primary basic local exchange service to residential customers and toll service to all customers. Eliminated quality-of-service rules filed before January 1, 2006, but allowed the public utilities commission to establish new rules. Exempted a telephone company from COLR obligations if there is more than one provider in an area.
Missouri HB 339	2011	Allowed telephone companies to exempt themselves from tariff requirement for retail services and instead publish this information online. Eliminated state-specific quality of service standards. Eliminated COLR obligations in St. Louis city and county and Kansas City and other areas where another carrier is contracted with to provide service.
Mississippi HB 825	2012	Eliminated state-specific quality of service standards and COLR obligations.
Nebraska LB 257	2011	Eliminated tariff requirements for business services and instead allowed a telephone company to publish its rates and terms its website.
Nevada Ch. 368	2013	Allowed a telephone company to choose to be relieved of its duty to provide basic network service and business line service when alternative services are available by filing notice with the public utilities commission and providing it certain information.
New Hampshire SB 48	2012	Allowed a telephone company to cease providing residential basic service if the public utilities commission determines it would not harm the public good.
North Carolina S 343	2012	Eliminated tariff requirements and rate regulation for telephone companies that have opted into alternative regulation (e.g., price caps). Eliminated COLR obligations and as of 2015 quality of service standards.
Ohio SB 162	2010	Allowed a telephone company to withdraw any telecommunications service if it gives at least 30 days' prior notice to the public utilities commission and its affected customers. Allowed a telephone company to entirely abandon telecommunications service in the state if it gives at least 30 days' prior notice to the commission, its wholesale and retail customers, and to any telephone company wholesale provider of its services. Eliminated tariff requirements except for basic service. Required telephone companies providing basic local exchange service to ensure available, adequate, and reliable service. Limited the public utilities commission's ability to regulate rates.
Tennessee SB 1180	2013	Eliminated COLR obligations and regulation of basic service rates.
Texas SB 980	2011	Allowed telephone companies subject to price caps to withdraw services without public utilities commission approval. Eliminated tariff requirements and service quality standards.
SB 259	2013	Prohibited the public utility commission from requiring companies to obtain advance approval for a filing that adds, modifies, withdraws, or grandfatheres a non-basic retail service or the service's rates, terms, or conditions. Eliminated COLR obligations and quality of service standards.
Virginia Ch. 738	2011	Ended tariff requirements for competitive services and long-distance services. Allowed the end of tariffs for all services as of July 1, 2013.
Wisconsin Act 22	2011	Eliminated tariff requirements except for access to intrastate long distance service. Eliminated service quality standards.

Source: Telecommunications Deregulation: Updating the Scorecard for 2013
Sherry Lichtenberg, Ph.D., National Regulatory Research Institute, April 2013

In addition to the states described above, Montana and New Hampshire passed legislation similar to a Connecticut bill adopted in 1994, allowing alternative forms of rate regulation for telephone companies, such as price caps.

Unsuccessful Legislation

Kansas. Proposed bill HB 2104, which died in committee, would have relieved telephone companies of their COLR obligations if (1) if two alternate providers were available in the service area and (2) the telephone company was not receiving support from the state's universal-service fund. It would have also required customers to allow the telephone company to move them to an alternate technology, for example wireless or VOIP, if it chose to do so.

Kentucky. Proposed legislation in Kentucky (SB 88) would have eliminated Public Service Commission regulation of the terms, conditions, rates, and availability of telecommunication service, except basic local exchange service. It would have required utilities that chose the alternative form of regulation to continue to offer basic local exchange service to existing customers in some exchanges. But it would have allowed such utilities to be relieved of that obligation if there was alternative service available. It would have ended the commission's authority to develop state-specific quality standards for telecommunications carriers.

Minnesota. [SF 584](#), which died in committee, would have limited tariff filing requirements and largely eliminated the public utilities commission's rate regulatory jurisdiction over telecommunications services.

Mississippi. [HB 991](#), which died in committee, would have barred state-specific quality of service standards. It also would have limited the public utilities commission's regulatory jurisdiction the rates, terms, and conditions of wholesale service to certain switched access services providers and retail single-line flat rate voice communication services. On the other hand, it would have re-imposed COLR obligations for telephone companies under certain circumstances.

Missouri. [HB 601](#), which passed the House but not the Senate, would have allowed companies to exempt themselves from tariff filing requirements and rate regulation. It would have allowed specified companies to exempt themselves from most commission rules and regulations relating to retail services.

Table 1 (continued)

Pennsylvania. [SB 1608](#) would have allowed telephone companies to declare their non-rural exchanges to be competitive and thus subject to less extensive regulation. The companies would be required to continue to offer basic calling service to existing residential customers until the customer requests that the service be disconnected or January 1, 2018, whichever is earlier. Customers could also petition the commission to order a company to continue providing this service if it was unavailable from another provider. It would permit designation of rural exchanges as competitive if two or more alternative providers operate in the exchange, but retain commission oversight of protected services. It also would have ended tariff requirements except for switched access service.

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