WRITTEN COMMENTS OF THE NEW ENGLAND CABLE & TELECOMMUNICATIONS ASSOCIATION, INC. ON SENATE BILL 330
AN ACT CONCERNING THE REGULATION OF VOICE PROVIDER

March 8, 2018

Chairs Winfield, Formica and Reed; Vice Chairs Doyle, Hwang and Slap; Ranking Member Ackert; and esteemed Members of the Energy & Technology Committee. My name is Tim Wilkerson, and I am Vice President and General Counsel for the New England Cable and Telecommunications Association (“NECTA”). NECTA appreciates the opportunity to submit these written comments that highlight some of the concerns and questions we have about this proposed legislation that is broad in scope and makes significant changes to the state’s current regulatory landscape for telecommunications.

NECTA is a five-state regional trade association representing substantially all private cable telecommunications companies in Connecticut, Massachusetts, New Hampshire, Rhode Island, and Vermont, as well as, some associate member content providers like A&E, AMC, Bloomberg TV, and NESN. All NECTA cable members have a physical presence in Connecticut, including two Fortune® 100 companies, Charter Communications, which is headquartered in Stamford, and Comcast with a Regional New England headquarters in Berlin and a subsidiary, NBC Sports, headquartered in Stamford, as well as, privately held Cox Communications and Atlantic Broadband. NECTA’s cable members have collectively invested $2 billion over the past seven years developing state of the art networks in Connecticut and employing thousands of residents.

As a general matter, NECTA agrees with Frontier’s view that Connecticut’s telecommunications marketplace is highly competitive and that consumers have benefited from the innovation, investment and cost savings associated with state policy changes that have reduced regulations for communications providers. However, Frontier has a unique, special status in Connecticut’s telecommunications marketplace (as the incumbent local exchange carrier—“ILEC”) that provides it with certain advantages relative to other competitive providers. For example, as the ILEC, Frontier has an obligation to interconnect with our member companies on fair terms and at cost-based rates. As a result, while NECTA is a proponent of light-touch regulation, there are particular regulations where it is appropriate from a public policy perspective for an ILEC to be subject to certain regulatory obligations that are not applied to other telecommunications providers.

Specifically, this legislation also involves services that are currently defined as “non-competitive” which means that there is no competitive market for these services. As a consequence, there is a risk that without any state regulatory oversight Frontier could exercise unfair market power or engage in anti-competitive behavior. We request that you examine these important provisions when deciding if you should remove PURA’s oversight role in these areas.
To that end, NECTA respectfully requests that the Committee include its membership in any discussions about these important issues if you elect to move forward with consideration of this legislation.

Specific proposed changes include but are not limited to the following:

Sections 1 & 2: C.G.S Section 16-8
- Modifies provision in existing law that enables the PURA to conduct a “management audit” of “telephone companies” (i.e., ILECs like Frontier).

Section 3: C.G.S. Section 16-19
- Modifies provision in existing law that provides PURA with limited rate making authority over public service companies (i.e. Frontier) that provides certain “non-competitive” telecommunications services, and it would also repeal current prohibition on excess rates (both wholesale & retail).

Section 4: C.G.S. Section 16-19d
- Modifies provision in existing law that restricts a telephone company from including the costs of political or institutional advertising as an operating expense in a rate-making proceeding.

Section 11: C.G.S. Section 16-247f
- Modifies provisions in existing law that: 1) direct PURA to regulate telecommunications services in the state “in a manner designed to foster competition and protect the public interest.”; 2) deem certain services “competitive” or “noncompetitive,” and then prescribe tariff requirements for competitive and emerging competitive services; and 3) establishes a distinction between competitive and noncompetitive services.

Section 14: C.G.S. Section 16-247s
- Modifies provision in existing law that requires a telecommunications carrier to make information regarding customer listings available to telephone companies providing directory assistance, free of charge, if the telephone company serves more than 100,000 customers.

Section 9: C.G.S. Section 16-247b
- Modifies provision in existing law that requires ILEC to interconnect and make unbundled network elements available to other telecommunications providers.

Section 15: C.G.S. Section 16-247u
- Modifies provision in existing law relating to the protection of telephone records (ex. confidentiality requirements).

Section 16: C.G.S. Section 16-256d
- Modifies provision in existing law that imposes certain obligations on each “telephone company” (i.e., ILEC) regarding billing disclosures to customers.

Section 17: C.G.S. Section 16-256i
• Modifies provision in existing law that imposes requirements on “telecommunications carriers” regarding the use of telemarketing to promote their services, and also forbids certain practices relating to handling of subscriber change orders.

Section 19: C.G.S Section 16-247k
• Modifies provision in existing law that allows the PURA to implement an “alternative form of regulation” for a given telephone company.

Section 19: C.G.S. Section 16-247l
• Modifies provision in existing law that creates a right on behalf of certified telecommunications providers to have access to occupied buildings.

Section 19: C.G.S Section 16-247m
• Modifies provisions in existing law that imposes various restrictions on a telephone company before it may withdraw from providing a service.

Section 19: C.G.S 16-247n
• Modifies provision that requires the PURA to certify that each telephone company serving more than 75,000 customers meets certain operational criteria, and also requires the agency to establish and determine rates for “unbundled network elements”.

Section 19: C.G.S Section 16-256c
• Modifies provision in existing law which provides for the PURA to establish criteria for the granting of extended local calling service to a telephone exchange.

Section 19: C.G.S. Section 16-256h
• Modifies provision in existing law which provides that the PURA may, as part of its general rate-making authority under C.G.S Section 16-19 (discussed above), set a ratio for business to residential pricing.

Dated: March 8, 2018

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Vice President & General Counsel