



Senate

General Assembly

File No. 281

February Session, 2018

Senate Bill No. 330

Senate, April 5, 2018

The Committee on Energy and Technology reported through SEN. WINFIELD of the 10th Dist. and SEN. FORMICA of the 20th Dist., Chairpersons of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE REGULATION OF VOICE SERVICE PROVIDERS.

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

1 Section 1. Subdivision (1) of subsection (b) of section 16-8 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2018*):

4 (b) (1) The authority may employ professional personnel to perform
5 management audits. The authority shall promptly establish such
6 procedures as it deems necessary or desirable to provide for
7 management audits to be performed on a regular or irregular schedule
8 on all or any portion of the operating procedures and any other
9 internal workings of any public service company, including the
10 relationship between any public service company and a related
11 holding company or subsidiary, consistent with the provisions of
12 section 16-8c, provided no such audit shall be performed on a
13 community antenna television company or telephone company, except

14 with regard to any noncable communications services which the
15 company may provide, or when (A) such an audit is necessary for the
16 authority to perform its regulatory functions under the
17 Communications Act of 1934, 47 USC 151, et seq., as amended from
18 time to time, other federal law or state law, (B) the cost of such an audit
19 is warranted by a reasonably foreseeable financial, safety or service
20 benefit to subscribers of the company which is the subject of such an
21 audit, and (C) such an audit is restricted to examination of the
22 operating procedures that affect operations within the state.

23 Sec. 2. Subsection (a) of section 16-18a of the general statutes is
24 repealed and the following is substituted in lieu thereof (*Effective*
25 *October 1, 2018*):

26 (a) In the performance of their duties the Public Utilities Regulatory
27 Authority and the Office of Consumer Counsel may retain consultants
28 to assist their staffs in proceedings before the authority by providing
29 expertise in areas in which staff expertise does not currently exist or
30 when necessary to supplement existing staff expertise. In any case
31 where the authority or Office of Consumer Counsel determines that
32 the services of a consultant are necessary or desirable, the authority
33 shall (1) allow opportunity for the parties and participants to the
34 proceeding for which the services of a consultant are being considered
35 to comment regarding the necessity or desirability of such services, (2)
36 upon the request of a party or participant to the proceeding for which
37 the services of a consultant are being considered, hold a hearing, and
38 (3) limit the reasonable and proper expenses for such services to not
39 more than two hundred thousand dollars for each agency per
40 proceeding involving a public service company, telecommunications
41 company, electric supplier or person seeking certification to provide
42 telecommunications services pursuant to chapter 283, with more than
43 fifteen thousand customers, and to not more than fifty thousand
44 dollars for each agency per proceeding involving such a company,
45 electric supplier or person with less than fifteen thousand customers,
46 provided the authority or the Office of Consumer Counsel may exceed
47 such limits for good cause. In the case of multiple proceedings

48 conducted to implement the provisions of this section and sections
49 16-1, 16-19, as amended by this act, 16-19e, as amended by this act,
50 16-22, 16-247a to 16-247c, inclusive, as amended by this act, 16-247e to
51 16-247h, inclusive, [16-247k] and subsection (e) of section 16-331, the
52 authority or the Office of Consumer Counsel may exceed such limits,
53 but the total amount for all such proceedings shall not exceed the
54 aggregate amount which would be available pursuant to this section.
55 All reasonable and proper expenses, as defined in subdivision (3) of
56 this section, shall be borne by the affected company, electric supplier
57 or person and shall be paid by such company, electric supplier or
58 person at such times and in such manner as the authority or the Office
59 of Consumer Counsel directs. All reasonable and proper costs and
60 expenses, as defined in subdivision (3) of this section, shall be
61 recognized by the authority for all purposes as proper business
62 expenses of the affected company, electric supplier or person. The
63 providers of consultant services shall be selected by the authority or
64 the Office of Consumer Counsel and shall submit written findings and
65 recommendations to the authority or the Office of Consumer Counsel,
66 as the case may be, which shall be made part of the public record.

67 Sec. 3. Subsection (h) of section 16-19 of the 2018 supplement to the
68 general statutes is repealed and the following is substituted in lieu
69 thereof (*Effective October 1, 2018*):

70 (h) The provisions of this section shall not apply to [the regulation
71 of a] telecommunications service, [which is a competitive service, as
72 defined in section 16-247a, or to a telecommunications service to which
73 an approved plan for an alternative form of regulation applies,
74 pursuant to section 16-247k.]

75 Sec. 4. Section 16-19d of the general statutes is repealed and the
76 following is substituted in lieu thereof (*Effective October 1, 2018*):

77 (a) As used in this section:

78 (1) "Advertising" means the commercial use of any media including,
79 but not limited to, newspaper and all other forms of print, radio and

80 television, in order to transmit a message to a substantial number of
81 members of the public or customers of a public service company;

82 (2) "Political advertising" means any advertising for the purpose of
83 influencing public opinion with respect to any legislative,
84 administrative or electoral decision or with respect to any controversial
85 issue of public importance;

86 (3) "Institutional advertising" means any advertising which is
87 designed to create, enhance or sustain a public service company's
88 image or good will with regard to the general public or its customers;

89 (4) "Promotional advertising" means any advertising that has the
90 purpose of inducing the public to select or use the service or additional
91 service of a public service company or select or install any appliance or
92 equipment designed to use such service, provided such advertising
93 shall not include advertising authorized by order or regulation of the
94 Public Utilities Regulatory Authority.

95 (b) The cost of political, institutional or promotional advertising of
96 any gas company or electric distribution company [and the cost of
97 political or institutional advertising of any telephone company] shall
98 not be deemed to be an operating expense in any rate schedule
99 proceedings held pursuant to section 16-19, as amended by this act.
100 For the purposes of this section, political, institutional or promotional
101 advertising shall not be deemed to include reasonable expenditures for
102 (1) the publication or distribution of existing or proposed tariffs or rate
103 schedules; (2) notices required by law or regulation; (3) public
104 information regarding service interruptions, safety measures,
105 emergency conditions, employment opportunities or the means by
106 which customers can conserve energy or make efficient and
107 economical use of service; (4) the promotion or marketing of efficient
108 gas and electric equipment which the Public Utilities Regulatory
109 Authority determines: (A) Is consistent with the state's energy policy;
110 (B) is consistent with integrated resource planning principles; (C)
111 provides net economic benefit to such company's customers; and (D)
112 shall not have the primary purpose of promoting one fuel over

113 another; or (5) advertising by a gas company that is necessary as a
114 result of competition created by actions and decisions of the Federal
115 Energy Regulatory Commission and the Public Utilities Regulatory
116 Authority. Such advertising shall be limited to the express purpose of
117 promoting gas companies in competition with other providers and
118 marketers of natural gas. Such advertising shall not include any
119 promotions, cash, equipment, installation or service subsidies for the
120 conversion to natural gas from any other energy source.

121 (c) A public service company shall make application to the authority
122 for determination that equipment meets the requirements of
123 subdivision (4) of subsection (b) of this section. The authority shall, to
124 the extent practicable, make such determination within one hundred
125 twenty days of such filing. All reasonable and proper expenses,
126 required by the authority and the Office of Consumer Counsel,
127 including, but not limited to, the costs associated with analysis, testing,
128 evaluation and testimony at a public hearing or other proceeding, shall
129 be borne by the company and shall be paid by the company at such
130 times and in such manner as the authority directs.

131 (d) The authority shall not allocate any expenditures made by a gas
132 company pursuant to subdivision (5) of subsection (b) of this section to
133 residential customers in any rate schedule proceedings held pursuant
134 to section 16-19, as amended by this act, unless the authority finds that
135 effective competition in the residential gas market already exists.

136 (e) The authority shall adopt regulations to carry out the purposes
137 of subsections (a) and (b) of this section.

138 (f) Each gas or electric distribution company shall conspicuously
139 indicate in all of its advertising whether the costs of the advertising are
140 being paid for by the company's shareholders, its customers or both.

141 (g) The provisions of this section shall not apply to a
142 telecommunications company, as defined in section 16-1, or a
143 telephone company, as defined in section 16-1.

144 Sec. 5. Subsection (f) of section 16-19e of the general statutes is
145 repealed and the following is substituted in lieu thereof (*Effective*
146 *October 1, 2018*):

147 (f) The provisions of this section shall not apply to the regulation of
148 a telecommunications service which is a competitive service, as
149 defined in section 16-247a, as amended by this act, or to a
150 telecommunications service to which an approved plan for an
151 alternative form of regulation applies. [, pursuant to section 16-247k.]

152 Sec. 6. Subsection (b) of section 16-19j of the general statutes is
153 repealed and the following is substituted in lieu thereof (*Effective*
154 *October 1, 2018*):

155 (b) Notwithstanding subsection (a) of this section, the authority
156 shall require a portion of the staff to be made a party to proceedings
157 relating to (1) a rate amendment proposed pursuant to section 16-19, as
158 amended by this act, by a public service company having more than
159 seventy-five thousand customers, (2) the approval of performance-
160 based incentives pursuant to subsection (b) of section 16-19a, or (3) the
161 approval of any alternative form of regulation, [pursuant to section 16-
162 247k,] provided the authority shall not require a portion of the staff to
163 be made a party to any proceeding described in this subsection if the
164 authority issues a notice of its intent not to do so in writing. The notice
165 shall include the reasons for not requiring a portion of the staff to be
166 made a party. Upon petition of any party so noticed, the authority
167 shall require a portion of the staff to be made a party.

168 Sec. 7. Subsection (a) of section 16-41 of the general statutes is
169 repealed and the following is substituted in lieu thereof (*Effective*
170 *October 1, 2018*):

171 (a) Each (1) public service company and its officers, agents and
172 employees, (2) electric supplier or person providing electric generation
173 services without a license in violation of section 16-245, and its officers,
174 agents and employees, (3) certified telecommunications provider or
175 person providing telecommunications services without authorization

176 pursuant to sections 16-247f to 16-247h, inclusive, as amended by this
177 act, and its officers, agents and employees, (4) person, public agency or
178 public utility, as such terms are defined in section 16-345, subject to the
179 requirements of chapter 293, (5) person subject to the registration
180 requirements under section 16-258a, (6) cellular mobile telephone
181 carrier, as described in section 16-250b, (7) Connecticut electric
182 efficiency partner, as defined in section 16-243v, (8) company, as
183 defined in section 16-49, and (9) entity approved to submeter pursuant
184 to section 16-19ff shall obey, observe and comply with all applicable
185 provisions of this title and each applicable order made or applicable
186 regulations adopted by the Public Utilities Regulatory Authority by
187 virtue of this title as long as the same remains in force. Any such
188 company, electric supplier, certified telecommunications provider,
189 cellular mobile telephone carrier, Connecticut electric efficiency
190 partner, entity approved to submeter, person, any officer, agent or
191 employee thereof, public agency or public utility which the authority
192 finds has failed to obey or comply with any such provision of this title,
193 order or regulation shall be fined by order of the authority in
194 accordance with the penalty prescribed for the violated provision of
195 this title or, if no penalty is prescribed, not more than ten thousand
196 dollars for each offense, except that the penalty shall be a fine of not
197 more than forty thousand dollars for failure to comply with an order of
198 the authority made in accordance with the provisions of section 16-19,
199 [or 16-247k] as amended by this act, or within thirty days of such order
200 or within any specific time period for compliance specified in such
201 order. Each distinct violation of any such provision of this title, order
202 or regulation shall be a separate offense and, in case of a continued
203 violation, each day thereof shall be deemed a separate offense. Each
204 such penalty and any interest charged pursuant to subsection (g) or (h)
205 of section 16-49 shall be excluded from operating expenses for
206 purposes of rate-making.

207 Sec. 8. Section 16-247a of the general statutes is repealed and the
208 following is substituted in lieu thereof (*Effective October 1, 2018*):

209 (a) Due to the following: Affordable, high quality

210 telecommunications services that meet the needs of individuals and
211 businesses in the state are necessary and vital to the welfare and
212 development of our society; the efficient provision of modern
213 telecommunications services by multiple providers will promote
214 economic development in the state; expanded employment
215 opportunities for residents of the state in the provision of
216 telecommunications services benefit the society and economy of the
217 state; and advanced telecommunications services enhance the delivery
218 of services by public and not-for-profit institutions, it is, therefore, the
219 goal of the state to (1) ensure the universal availability and accessibility
220 of high quality, affordable telecommunications services to all residents
221 and businesses in the state, (2) promote the development of effective
222 competition as a means of providing customers with the widest
223 possible choice of services, (3) utilize forms of regulation
224 commensurate with the level of competition in the relevant
225 telecommunications service market, (4) facilitate the efficient
226 development and deployment of an advanced telecommunications
227 infrastructure, including open networks with maximum
228 interoperability and interconnectivity, (5) encourage shared use of
229 existing facilities and cooperative development of new facilities where
230 legally possible, and technically and economically feasible, and (6)
231 ensure that providers of telecommunications services in the state
232 provide high quality customer service and high quality technical
233 service. The authority shall implement the provisions of this section,
234 sections 16-1, 16-18a, as amended by this act, 16-19, as amended by this
235 act, 16-19e, as amended by this act, 16-22, 16-247b, as amended by this
236 act, 16-247c, as amended by this act, 16-247e to 16-247h, inclusive, [and
237 16-247k] and subsection (e) of section 16-331 in accordance with these
238 goals.

239 (b) As used in sections 16-247a to 16-247c, inclusive, as amended by
240 this act, 16-247e to 16-247h, inclusive, [16-247k,] section 16-247o and
241 sections [16-247m] 16-247q to 16-247r, inclusive:

242 (1) "Affiliate" means a person, firm or corporation which, with
243 another person, firm or corporation, is under the common control of

244 the same parent firm or corporation.

245 (2) "Competitive service" means (A) a telecommunications service
246 deemed competitive in accordance with the provisions of section 16-
247 247f, as amended by this act, (B) a telecommunications service
248 reclassified by the authority as competitive in accordance with the
249 provisions of section 16-247f, as amended by this act, or (C) a new
250 telecommunications service provided under a competitive service
251 tariff accepted by the authority, in accordance with the provisions of
252 section 16-247f, as amended by this act, provided the authority has not
253 subsequently reclassified the service set forth in subparagraph (A), (B)
254 or (C) of this subdivision as noncompetitive pursuant to section 16-
255 247f, as amended by this act.

256 (3) "Emerging competitive service" means (A) a telecommunications
257 service reclassified as emerging competitive in accordance with the
258 provisions of section 16-247f, as amended by this act, or (B) a new
259 telecommunications service provided under an emerging competitive
260 service tariff accepted by the authority, in accordance with the
261 provisions of section 16-247f, as amended by this act, or of a plan for
262 an alternative form of regulation approved, [pursuant to section 16-
263 247k,] provided the authority has not subsequently reclassified the
264 service set forth in subparagraph (A) or (B) of this subdivision as
265 competitive or noncompetitive pursuant to section 16-247f, as
266 amended by this act.

267 (4) "Noncompetitive service" means (A) a telecommunications
268 service deemed noncompetitive in accordance with the provisions of
269 section 16-247f, as amended by this act, (B) a telecommunications
270 service reclassified by the authority as noncompetitive in accordance
271 with the provisions of section 16-247f, as amended by this act, or (C) a
272 new telecommunications service provided under a noncompetitive
273 service tariff accepted by the authority, in accordance with the
274 provisions of section 16-19, as amended by this act, and any applicable
275 regulations, or of a plan for an alternative form of regulation
276 approved, [pursuant to section 16-247k,] provided the authority has

277 not subsequently reclassified the service set forth in subparagraph (A),
278 (B) or (C) of this subdivision as competitive or emerging competitive
279 pursuant to section 16-247f, as amended by this act.

280 (5) "Private telecommunications service" means any
281 telecommunications service which is not provided for public hire as a
282 common carrier service and is utilized solely for the
283 telecommunications needs of the person that controls such service and
284 any subsidiary or affiliate thereof, except for telecommunications
285 service which enables two entities other than such person, subsidiary
286 or affiliate to communicate with each other.

287 (6) "Telecommunications service" means any transmission in one or
288 more geographic areas (A) between or among points specified by the
289 user, (B) of information of the user's choosing, (C) without change in
290 the form or content of the information as sent and received, (D) by
291 means of electromagnetic transmission, including but not limited to,
292 fiber optics, microwave and satellite, (E) with or without benefit of any
293 closed transmission medium, and (F) including all instrumentalities,
294 facilities, apparatus and services, except customer premises
295 equipment, which are used for the collection, storage, forwarding,
296 switching and delivery of such information and are essential to the
297 transmission.

298 (7) "Network elements" means "network elements", as defined in 47
299 USC 153(a)(29).

300 Sec. 9. Section 16-247b of the general statutes is repealed and the
301 following is substituted in lieu thereof (*Effective October 1, 2018*):

302 [(a) On petition or its own motion, the authority shall initiate a
303 proceeding to unbundle a telephone company's network, services and
304 functions that are used to provide telecommunications services and
305 which the authority determines, after notice and hearing, are in the
306 public interest, are consistent with federal law and are technically
307 feasible of being tariffed and offered separately or in combinations.
308 Any telecommunications services, functions and unbundled network

309 elements and any combination thereof shall be offered under tariff at
310 rates, terms and conditions that do not unreasonably discriminate
311 among actual and potential users and actual and potential providers of
312 such local network services.

313 (b) Each telephone company shall provide reasonable
314 nondiscriminatory access and pricing to all telecommunications
315 services, functions and unbundled network elements and any
316 combination thereof necessary to provide telecommunications services
317 to customers. The authority shall determine the rates that a telephone
318 company charges for telecommunications services, functions and
319 unbundled network elements and any combination thereof, that are
320 necessary for the provision of telecommunications services.] The rates
321 for interconnection and a telephone company's unbundled network
322 elements and any combination thereof shall be [based on their
323 respective forward looking long-run incremental costs, and shall be]
324 consistent with the provisions of 47 USC 252(d).

325 [(c) (1) The rate that a telephone company charges for a competitive
326 or emerging competitive telecommunications service shall not be less
327 than the sum of (A) the rate charged to another telecommunications
328 company for a noncompetitive or emerging competitive local network
329 service function used by that company to provide a competing
330 telecommunications service, and (B) the applicable incremental costs of
331 the telephone company.

332 (2) On and after the date the authority certifies a telephone
333 company's operations support systems interface pursuant to section
334 16-247n, the authority shall, upon petition, conduct a contested case
335 proceeding to consider whether modification or removal of the pricing
336 standard set forth in subdivision (1) of this subsection for a
337 telecommunications service deemed competitive pursuant to section
338 16-247f is appropriate. Notwithstanding the provisions of subdivision
339 (1) of this subsection, if the authority determines that such a
340 modification or removal is appropriate and is consistent with the goals
341 set forth in section 16-247a, the authority shall so modify or remove

342 said pricing standard for such telecommunications service.

343 (3) Prior to the date that the authority certifies a telephone
344 company's operations support systems interface pursuant to section
345 16-247n, the authority may, upon petition, conduct a contested case
346 proceeding to consider whether modification or removal of the pricing
347 standard set forth in subdivision (1) of this subsection for a
348 telecommunications service deemed competitive pursuant to section
349 16-247f is appropriate. Any petition filed pursuant to this subdivision
350 shall specify the geographic area in which the applicant proposes to
351 modify or remove such pricing standard. Notwithstanding the
352 provisions of subdivision (1) of this subsection, if the authority
353 determines that such modification or removal is appropriate, is
354 consistent with the goals set forth in section 16-247a and facilities-
355 based competition exists in the relevant geographic area, the authority
356 shall so modify or remove said pricing standard for such
357 telecommunications service. In determining whether facilities-based
358 competition exists in the relevant geographic area, the authority shall
359 consider:

360 (A) The number, size and geographic distribution of other providers
361 of service;

362 (B) The availability of functionally equivalent services in the
363 relevant geographic area at competitive rates, terms and conditions;

364 (C) The financial viability of each company providing functionally
365 equivalent services in the relevant geographic market;

366 (D) The existence of barriers to entry into, or exit from, the relevant
367 geographic market;

368 (E) Other indicators of market power that the authority deems
369 relevant, which may include, but not be limited to, market penetration
370 and the extent to which the applicant can sustain the price for the
371 service above the cost to the company of providing the service in the
372 relevant geographic area;

373 (F) The extent to which other telecommunications companies must
374 rely upon the noncompetitive services of the applicant to provide their
375 telecommunications services and carrier access rates charged by the
376 applicant;

377 (G) Other factors that may affect competition; and

378 (H) Other factors that may affect the public interest.

379 (d) A telephone company shall not use the revenues, expenses,
380 costs, assets, liabilities or other resources derived from or associated
381 with providing a noncompetitive service to subsidize the provision of
382 competitive, emerging competitive or unregulated telecommunications
383 services by such telephone company or any affiliate that is a certified
384 telecommunications provider.]

385 Sec. 10. Subsection (c) of section 16-247c of the general statutes is
386 repealed and the following is substituted in lieu thereof (*Effective*
387 *October 1, 2018*):

388 (c) The authority shall not prohibit or restrict the competitive
389 provision of intrastate telecommunications services offered by a
390 certified telecommunications provider unless the authority finds that
391 the competitive provision of a telecommunications service would be
392 contrary to the goals set forth in section 16-247a, as amended by this
393 act, or would not be in accordance with the provisions of section
394 16-247a, as amended by this act, or 16-247b, as amended by this act,
395 this section [,] or sections 16-247e to 16-247h, inclusive, [,] or section 16-
396 247k.]

397 Sec. 11. Section 16-247f of the general statutes is repealed and the
398 following is substituted in lieu thereof (*Effective October 1, 2018*):

399 [(a) The authority shall regulate the provision of
400 telecommunications services in the state in a manner designed to foster
401 competition and protect the public interest.

402 (b) Notwithstanding the provisions of section 16-19, the following

403 telecommunications services shall be deemed competitive services: (1)
404 A telecommunications service offered on or before July 1, 1994, by a
405 certified telecommunications provider and a wide area telephone
406 service, "800" service, centrex service or digital centrex service offered
407 by a telephone company, (2) a telecommunications service offered to
408 business customers by a telephone company, (3) a home office service
409 offered by a telephone company, and (4) a telecommunications service
410 provided by a telephone company to a residential customer who
411 subscribes to two or more telephone company services, including basic
412 local exchange service, any vertical feature or interstate toll provided
413 by a telephone company affiliate. Unless reclassified pursuant to this
414 section, any other service offered by a telephone company on or before
415 July 1, 1994, shall be deemed a noncompetitive service, provided such
416 initial classification shall not be a factual finding that such service is
417 noncompetitive. Notwithstanding subdivision (3) of subsection (c) of
418 section 16-247b, prior to January 1, 2010, a telephone company shall
419 not obtain a waiver from the authority of the pricing standard set forth
420 in subdivision (1) of subsection (c) of section 16-247b for any service
421 reclassified as competitive pursuant to subdivision (2), (3) or (4) of this
422 subsection.

423 (c) On petition, on its own motion, or in conjunction with a tariff
424 investigation conducted pursuant to subsection (f) of this section, after
425 notice and hearing, and within ninety days of receipt of a petition or its
426 motion or within the time period set forth in subsection (f) of this
427 section, as applicable, the authority may reclassify a
428 telecommunications service as competitive, emerging competitive or
429 noncompetitive, in accordance with the degree of competition which
430 exists for that service in the marketplace, provided (1) a competitive
431 service shall not be reclassified as an emerging competitive service,
432 and (2) the authority may extend the period (A) before the end of the
433 ninety-day period and upon notifying all parties to the proceedings by
434 thirty days, or (B) in accordance with the provisions of subsection (f) of
435 this section, as applicable.

436 (d) In determining whether to reclassify a telecommunications

437 service, the authority shall consider:

438 (1) The number, size and geographic distribution of certified
439 telecommunications providers of the service, provided the authority
440 shall not reclassify any service as competitive if such service is
441 available only from a telephone company or an affiliate of a telephone
442 company that is a certified telecommunications provider;

443 (2) The availability of functionally equivalent services in the
444 relevant geographic area at competitive rates, terms and conditions,
445 including, but not limited to, services offered by certified
446 telecommunications providers, providers of commercial mobile radio
447 services, as defined in 47 CFR 20.3, voice over Internet protocol
448 providers and other services provided by means of alternative
449 technologies;

450 (3) The existence of barriers to entry into, or exit from, the relevant
451 market;

452 (4) Other factors that may affect competition; and

453 (5) Other factors that may affect the public interest.

454 (e) Except for those tariffs for services offered or provided to
455 business retail end users for which a certified telecommunications
456 provider or a telephone company elects to be exempt from filing or
457 maintaining pursuant to subsection (h) of this section, each certified
458 telecommunications provider and each telephone company shall file
459 with the authority a new or amended tariff for each competitive or
460 emerging competitive intrastate telecommunications service
461 authorized pursuant to section 16-247c. A tariff for a competitive
462 service shall be effective on five days' written notice to the authority. A
463 tariff for an emerging competitive service shall be effective on
464 twenty-one days' written notice to the authority. A tariff filing for a
465 competitive or emerging competitive service shall include (1) rates and
466 charges which may consist of a maximum rate and a minimum rate, (2)
467 applicable terms and conditions, (3) a statement of how the tariff will

468 benefit the public interest, and (4) any additional information required
469 by the authority. A telephone company filing a tariff pursuant to this
470 section shall include in said tariff filing the information set forth in
471 subdivisions (1) to (4), inclusive, of this subsection, a complete
472 explanation of how the company is complying with the provisions of
473 section 16-247b and, in a tariff filing which declares a new service to be
474 competitive or emerging competitive, a statement addressing the
475 considerations set forth in subsection (d) of this section. If the authority
476 approves a tariff which consists of a minimum rate and a maximum
477 rate, the certified telecommunications provider or telephone company
478 may amend its rates upon five days' written notice to the authority and
479 any notice to customers which the authority may require, provided the
480 amended rates are not greater than the approved maximum rate and
481 not less than the approved minimum rate. A promotional offering for a
482 previously approved competitive or emerging competitive tariffed
483 service or a service deemed competitive pursuant to this section shall
484 be effective on three business days' written notice to the authority.

485 (f) On petition or its own motion, the authority may investigate a
486 tariff or any portion of a tariff, which investigation may include a
487 hearing. The authority may suspend a tariff or any portion of a tariff
488 during such investigation. The investigation may include, but is not
489 limited to, an inquiry to determine whether the tariff is predatory,
490 deceptive, anticompetitive or violates the pricing standard set forth in
491 subdivision (1) of subsection (c) of section 16-247b. Not later than
492 seventy-five days after the effective date of the tariff, unless the party
493 filing the tariff, all statutory parties to the proceeding and the authority
494 agree to a specific extension of time, the authority shall issue its
495 decision, including whether to approve, modify or deny the tariff. If
496 the authority determines that a tariff filed as a new service is, in fact, a
497 reclassification of an existing service, the authority shall review the
498 tariff filing as a petition for reclassification in accordance with the
499 provisions of subsection (c) of this section.

500 (g) The provisions of this section shall not prohibit the authority
501 from ordering different tariff filing procedures or effective dates for an

502 emerging competitive service, pursuant to a plan for an alternative
503 form of regulation of a telephone company approved by the authority
504 in accordance with the provisions of section 16-247k.]

505 [(h)] (a) On and after [July 1, 2016] October 1, 2018, any certified
506 telecommunications provider or telephone company [may, upon
507 written notice to the authority, elect to be exempt from any
508 requirement to file or maintain with the authority any tariff for
509 services offered or provided to business retail end users. A certified
510 telecommunications provider or telephone company that elects to be
511 exempt from the requirement to file or maintain with the authority any
512 tariff for services offered or provided to business retail end users] shall
513 make the rates, terms and conditions for [such] services offered or
514 provided to business retail end users available to business retail end
515 users in a clear and conspicuous manner, that is apparent to the
516 reasonable business retail end user, either (1) in a customer service
517 guide, (2) on such certified telecommunications provider's or
518 telephone company's Internet web site, or (3) in a contract between
519 such business retail end user and such certified telecommunications
520 provider or telephone company.

521 (b) On and after October 1, 2018, any certified telecommunications
522 provider or telephone company shall make the rates, terms and
523 conditions for services offered or provided to residential end users
524 available to residential end users in a clear and conspicuous manner
525 that is apparent to the reasonable residential end user on such certified
526 telecommunications provider's or telephone company's Internet web
527 site.

528 Sec. 12. Subsection (d) of section 16-247g of the general statutes is
529 repealed and the following is substituted in lieu thereof (*Effective*
530 *October 1, 2018*):

531 (d) Any certified telecommunications provider and any telephone
532 company shall (1) maintain its accounts in such manner as the
533 authority shall require; (2) file financial reports at such times and in
534 such form as the authority shall prescribe; (3) file with the authority

535 such current descriptions of services and listings of rates and charges
536 as it may require; (4) cooperate with the authority in its investigations
537 of consumer complaints and comply with any resulting orders; [(5)
538 comply with standards established pursuant to section 16-247p;] and
539 [(6)] (5) comply with additional requirements as the authority shall
540 prescribe by regulation.

541 Sec. 13. Subsection (g) of section 16-247g of the general statutes is
542 repealed and the following is substituted in lieu thereof (*Effective*
543 *October 1, 2018*):

544 (g) Notwithstanding any decision of the authority to allow the
545 competitive provision of a telecommunications service or to grant a
546 certificate pursuant to this section, the authority, after holding a
547 hearing with notice to all interested parties and determining that (1)
548 continued competitive provision of a telecommunications service
549 would be contrary to the goals set forth in section 16-247a, as amended
550 by this act, or would not be in accordance with the provisions of
551 sections 16-247a to 16-247c, inclusive, as amended by this act, section
552 16-247e or 16-247f, as amended by this act, this section [,] or section 16-
553 247h₂ [or 16-247k,] (2) a certified telecommunications provider does not
554 have adequate financial resources, managerial ability or technical
555 competency to provide the service, or (3) a certified
556 telecommunications provider has failed to comply with an applicable
557 order made or regulation adopted by the authority, may suspend or
558 revoke the authorization to provide said telecommunications service
559 or take any other action it deems appropriate. In determining whether
560 to suspend or revoke such authorization, the authority shall consider,
561 without limitation, (A) the effect of such suspension or revocation on
562 the customers of the telecommunications service, (B) the technical
563 feasibility of suspending or revoking the authorized usage only on an
564 intrastate basis, and (C) the financial impact of such suspension or
565 revocation on the provider of the telecommunications service.

566 Sec. 14. Subsection (b) of section 16-247s of the general statutes is
567 repealed and the following is substituted in lieu thereof (*Effective*

568 *October 1, 2018*):

569 (b) Each certified telecommunications provider, as defined in
570 section 16-1, that provides local exchange service to customers in the
571 state shall [provide without charge to a telephone company serving
572 more than one hundred thousand customers for directory assistance
573 purposes all listings for its Connecticut customers other than those
574 listings that are nonpublished. Such telephone company, or its agent or
575 affiliate as applicable, shall, in accordance with the terms and
576 conditions set forth in the federal Telecommunications Act of 1996, as
577 from time to time amended, and any applicable order or regulation
578 adopted by the Federal Communications Commission thereunder,
579 including the availability and timing of updates and applicable rates,
580 compile all such listings and all listings for its own Connecticut
581 customers other than those that are nonpublished in a directory
582 assistance database and make all such listings contained in such
583 database available in electronic format to directory assistance
584 providers. If a customer requests a customer listing from a certified
585 telecommunications provider that does not provide directory
586 assistance, such provider shall connect the customer at no charge with
587 an entity that provides directory assistance to the customer. Each such
588 certified telecommunications provider shall indemnify a telephone
589 company for any damages caused by that certified telecommunications
590 provider's negligence in misidentifying a nonpublished customer.]
591 comply with the subscriber list terms pursuant to 47 USC 222(e).

592 Sec. 15. Section 16-247u of the general statutes is repealed and the
593 following is substituted in lieu thereof (*Effective October 1, 2018*):

594 (a) As used in this section:

595 (1) "Telephone record" means information retained by a telephone
596 company that relates to a telephone number dialed by a customer or
597 another person using the customer's telephone with such customer's
598 permission, or the incoming number of a call directed to a customer or
599 another person using the customer's telephone with such customer's
600 permission, or other data related to such call typically contained on a

601 customer's telephone bill, including, but not limited to, the time the
602 call started and ended, the duration of the call, the time the call was
603 made and any charges applied. A telephone record does not include
604 information collected and retained by or on behalf of a customer
605 utilizing caller identification or similar technology;

606 (2) "Telephone company" means any person that provides
607 commercial telephone services to a customer, irrespective of the
608 communications technology used to provide such service, including,
609 but not limited to, traditional wireline or cable telephone service,
610 cellular, broadband PCS or other wireless telephone service,
611 microwave, satellite or other terrestrial telephone service, and voice
612 over Internet telephone service;

613 (3) "Telephone" means any device used by a person for voice
614 communications, in connection with the services of a telephone
615 company, whether such voice communications are transmitted in
616 analog, data or any other form;

617 (4) "Customer" means the person who subscribes to telephone
618 service from a telephone company or the person in whose name such
619 telephone service is listed. [;]

620 [(5) "Person" means any individual, partnership, corporation,
621 limited liability company, trust, estate, cooperative association or other
622 entity;

623 (6) "Procure" in regard to a telephone record, means to obtain by
624 any means, whether electronically, in writing or in oral form, with or
625 without consideration.

626 (b) No person shall: (1) Knowingly procure, attempt to procure,
627 solicit or conspire with another to procure a telephone record of any
628 resident of this state without the authorization of the customer to
629 whom the record pertains, (2) knowingly sell or attempt to sell a
630 telephone record of any resident of this state without the authorization
631 of the customer to whom the record pertains, or (3) receive a telephone

632 record of any resident of this state with the knowledge such record has
633 been obtained without the authorization of the customer to whom the
634 record pertains or by fraudulent, deceptive or false means.

635 (c) The provisions of this section shall not apply to any person
636 acting pursuant to a valid court order, warrant or subpoena and shall
637 not be construed to prevent any action by a law enforcement agency,
638 or any officer, employee or agent of such agency, to obtain telephone
639 records in connection with the performance of the official duties of the
640 agency.

641 (d) The provisions of this section shall not be construed to prohibit a
642 telephone company from obtaining, using, disclosing or permitting
643 access to any telephone record, either directly or indirectly through its
644 agents (1) as otherwise authorized by law, (2) with the lawful consent
645 of the customer, (3) as may be necessarily incident to the rendition of
646 the service, including, but not limited to, initiating, rendering, billing
647 and collecting customer charges, or to the protection of the rights or
648 property of the telephone company, or to protect the customer of those
649 services and other carriers from fraudulent, abusive or unlawful use of
650 or subscription to, such services, (4) to a governmental entity, if the
651 telephone company reasonably believes that an emergency involving
652 immediate danger of death or serious physical injury to any person
653 justifies disclosure of the information, or (5) to the National Center for
654 Missing and Exploited Children, in connection with a report submitted
655 thereto under Section 227 of the Victims of Child Abuse Act of 1990.

656 (e) The provisions of this section shall not be construed to expand
657 upon the obligations and duties of any telephone company to protect
658 telephone records beyond those otherwise established by federal or
659 state law, including, but not limited to, provisions governing customer
660 proprietary network information in Section 222 of the
661 Communications Act of 1934, as amended, and 47 USC 222.

662 (f) The provisions of this section shall not apply to a telephone
663 company and its agents or representatives who act reasonably and in
664 good faith pursuant to this section.]

665 [(g)] (b) Each telephone company that maintains telephone records
666 of a resident of this state shall establish reasonable procedures to
667 protect against unauthorized or fraudulent disclosure of such records
668 which could result in substantial harm or inconvenience to any
669 customer. For purposes of this subsection, a telephone company's
670 procedures shall be deemed reasonable if the telephone company
671 complies with the provisions governing customer proprietary network
672 information in Section 222 of the Communications Act of 1934, as
673 amended, and 47 USC 222.

674 [(h) Any violation of subsection (b) of this section: (1) Involving a
675 single telephone record of a resident of this state shall be a class C
676 misdemeanor, (2) involving two to not more than ten telephone
677 records of a resident of this state shall be a class B misdemeanor, and
678 (3) involving more than ten telephone records of a resident of this state
679 shall be a class A misdemeanor.

680 (i) Any violation of subsection (b) of this section shall be deemed an
681 unfair or deceptive trade act or practice under subsection (a) of section
682 42-110b.]

683 Sec. 16. Section 16-256d of the general statutes is repealed and the
684 following is substituted in lieu thereof (*Effective October 1, 2018*):

685 Each telephone company, as defined in section 16-1, shall [, upon
686 request of any business customer, provide the customer with an
687 itemization of tariffed equipment and associated charges, indicating
688 the number of telephones and lines and the types of service the
689 customer is being billed for and the charge for each such telephone,
690 line and service. Each such company shall, on a quarterly basis, notify
691 its business customers of the availability of such itemizations.] comply
692 with the federal truth in billing laws pursuant to 47 USC 201(b).

693 Sec. 17. Section 16-256i of the general statutes is repealed and the
694 following is substituted in lieu thereof (*Effective October 1, 2018*):

695 (a) As used in this section:

696 (1) "Customer" means (A) in the case of a residential customer, any
697 adult who is authorized by the individual in whose name the local
698 exchange carrier has established an account for telecommunications
699 services to authorize a change in telecommunications services, and (B)
700 in the case of a business customer, any individual who is authorized
701 by the business to authorize a change in telecommunications services;

702 (2) "Telemarketer" means any individual who, by telephone,
703 initiates the sale of telecommunications services for a
704 telecommunications company; and

705 (3) "Telemarketing" means the act of soliciting by telephone the sale
706 of telecommunications services.

707 (b) A telecommunications company shall not submit a primary,
708 local or intrastate interexchange carrier change order to a company
709 providing local exchange telephone service [prior to the order being
710 confirmed in accordance with the provisions of Subpart K of Part 64 of
711 Title 47 of the Code of Federal Regulations, as from time to time
712 amended, and the provisions of this section, if applicable] unless such
713 change order is in compliance with 47 USC 258.

714 [(c) A telecommunications company or its affiliate or authorized
715 representative using telemarketing to initiate the sale of
716 telecommunications services shall comply with the following
717 requirements for all such telemarketing calls: (1) The telemarketer shall
718 identify himself by name and identify the telecommunications
719 company providing the proposed services and the name of the
720 business, firm, corporation, association, joint stock association, trust,
721 partnership, or limited liability company, if different from the
722 telecommunications company, for whom the call is made; (2) the
723 telemarketer shall state that only the customer may authorize a change
724 in service; (3) the telemarketer shall confirm that he is speaking to the
725 customer; (4) the telemarketer shall clearly explain the proposed
726 services in detail and explain that an affirmative response will change
727 the customer's telecommunications carrier; (5) the telemarketer shall
728 obtain from the customer an affirmative response that the customer

729 agrees to a change in his primary, local or intrastate interexchange
730 carrier; and (6) the primary, local or intrastate interexchange carrier
731 change order or independent third party verification record shall
732 identify the individual with whom the telemarketer confirmed the
733 authorization to change the primary, local or intrastate interexchange
734 carrier.

735 (d) (1) A telecommunications company or its affiliate or authorized
736 representative using telemarketing to initiate the sale of
737 telecommunications services shall (A) prior to submitting a change in
738 primary, local or intrastate interexchange carriers, obtain verbal
739 authorization confirmed by an independent third party or written
740 authorization of such change from the customer, and (B) not more than
741 four business days after obtaining notification or confirmation that the
742 change in carrier has been made, send by first class mail to the
743 customer notification that the customer's primary, local or intrastate
744 interexchange carrier has been changed, along with a postpaid
745 postcard or toll-free number which the customer can use to deny
746 authorization for the change order. If the telecommunications
747 company receives a postcard or telephone call at the toll-free number
748 provided in the notification denying authorization for the change, the
749 company shall immediately notify the customer's previous carrier and
750 shall cause the customer's primary, local or intrastate interexchange
751 service to be switched back to the customer's previous carrier and
752 shall: (i) Adjust the affected customer's bill so that the customer pays
753 no more than the customer would have paid had his carrier not been
754 switched; (ii) pay the previous carrier an amount equal to all charges
755 paid by the customer after the change to the new carrier; and (iii) pay
756 the previous carrier an amount equal to all expenses assessed by the
757 local exchange company for switching the customer's primary, local or
758 intrastate interexchange service.

759 (2) It shall be an unfair or deceptive trade practice, in violation of
760 chapter 735a, for any telecommunications company to unreasonably
761 delay or deny a request by a customer to switch a customer's primary,
762 local or intrastate interexchange carrier back to the customer's previous

763 carrier.

764 (e) The authority shall adopt regulations in accordance with the
765 provisions of chapter 54 to implement the provisions in this section.

766 (f) A telecommunications company, or its affiliate or authorized
767 representative using telemarketing to initiate the sale of
768 telecommunications services, which the authority determines, after
769 notice and opportunity for a hearing as provided in section 16-41, has
770 failed to comply with the provisions of this section or section 16-256j
771 shall pay to the state a civil penalty of not more than ten thousand
772 dollars per violation.]

773 Sec. 18. Section 16-256k of the general statutes is repealed and the
774 following is substituted in lieu thereof (*Effective October 1, 2018*):

775 Each telephone company, as defined in section 16-1, and each
776 certified telecommunications provider, as defined in said section 16-1,
777 shall [clearly and conspicuously disclose, in writing, to customers,
778 upon subscription and annually thereafter, (1) whether the removal or
779 change in any telecommunications service will result in the loss of a
780 discount or other change in the rate charged for any
781 telecommunications service subscribed to or used by the customer; and
782 (2) for any promotional offering filed on and after October 1, 2002,
783 with the Public Utilities Regulatory Authority pursuant to subsection
784 (e) of section 16-247f, that the offering is a promotion and will be in
785 effect for a limited period of time.] comply with the federal truth in
786 billing laws pursuant to 47 USC 201(b).

787 Sec. 19. Sections 16-247k to 16-247n, inclusive, 16-247p, 16-256c and
788 16-256h of the general statutes are repealed. (*Effective October 1, 2018*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018</i>	16-8(b)(1)
Sec. 2	<i>October 1, 2018</i>	16-18a(a)
Sec. 3	<i>October 1, 2018</i>	16-19(h)

Sec. 4	<i>October 1, 2018</i>	16-19d
Sec. 5	<i>October 1, 2018</i>	16-19e(f)
Sec. 6	<i>October 1, 2018</i>	16-19j(b)
Sec. 7	<i>October 1, 2018</i>	16-41(a)
Sec. 8	<i>October 1, 2018</i>	16-247a
Sec. 9	<i>October 1, 2018</i>	16-247b
Sec. 10	<i>October 1, 2018</i>	16-247c(c)
Sec. 11	<i>October 1, 2018</i>	16-247f
Sec. 12	<i>October 1, 2018</i>	16-247g(d)
Sec. 13	<i>October 1, 2018</i>	16-247g(g)
Sec. 14	<i>October 1, 2018</i>	16-247s(b)
Sec. 15	<i>October 1, 2018</i>	16-247u
Sec. 16	<i>October 1, 2018</i>	16-256d
Sec. 17	<i>October 1, 2018</i>	16-256i
Sec. 18	<i>October 1, 2018</i>	16-256k
Sec. 19	<i>October 1, 2018</i>	Repealer section

ET *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: See Below

Explanation

The bill eliminates various requirements related to the state's regulation of telecommunications services (e.g., local telephone service).

The bill eliminates rate regulation for local telephone service, which may increase the local telephone rates paid by the state and municipalities, as ratepayers.

Additionally the bill removes a civil penalty provision of up to \$10,000 per violation for telecommunications companies and other parties who violate certain requirements in regards to telemarketing violations. There is no fiscal impact, as there is currently no revenue collected for this purpose.

The Out Years

Any increase to local telephone service rates to the state and municipalities as ratepayers would continue into the future subject to inflation and changes in rates.

OLR Bill Analysis**SB 330*****AN ACT CONCERNING THE REGULATION OF VOICE SERVICE PROVIDERS.*****SUMMARY**

The bill eliminates various requirements related to the state's regulation of telecommunications services (e.g., local telephone service), including requirements for telecommunications providers generally and requirements specific to telephone companies, which, by law, are telecommunications providers that provide at least one noncompetitive service.

Current law subjects telecommunications services to varying levels of regulation based on the service's degree of competitiveness and the type of company providing the service. Generally, it requires more stringent regulation of rates, tariffs, disclosures, and practices of telephone companies providing noncompetitive services (i.e., legacy utility phone companies) and less stringent regulatory requirements for telecommunications providers providing competitive services. The bill largely eliminates this regulatory framework, including:

1. the Public Utilities Regulatory Authority's (PURA) ability to designate services as competitive, emerging competitive, and noncompetitive, and criteria for such designations, and
2. rate regulation for noncompetitive telecommunications services.

For telephone companies, in addition to rate regulation as described above, the bill eliminates:

1. requirements that companies with over 75,000 customers (Frontier) apply to PURA to withdraw from providing retail competitive services;

2. provisions related to unbundling services to make them available to other telecommunications providers; and
3. PURA's ability to conduct management audits, except for noncable services.

For all telecommunications companies, the bill eliminates, among other things:

1. requirements to file tariffs with PURA for competitive and emerging competitive services;
2. a requirement to cooperate with the telephone company to create a statewide directory assistance database;
3. provisions that generally make the unauthorized procuring, selling, or receiving of telephone records a crime;
4. procedures telecommunications companies, their affiliates, and authorized representatives must follow when selling telecommunications services over the phone;
5. annual written disclosure requirements to customers related to promotional offerings and discounts; and
6. a requirement for certain building owners to permit wiring by a telecommunications provider to provide service to the building under certain conditions.

EFFECTIVE DATE: October 1, 2018

RATES AND TARIFFS

Elimination of Regulatory Structure based on Competitiveness (§ 11)

Under current law, PURA regulates telecommunication services based on their classification as competitive, emerging competitive, or noncompetitive. Current law generally allows PURA to reclassify services as competitive, emerging competitive, and noncompetitive, based on the amount of competition in the market place and related

factors specified in statutes. These provisions were enacted to promote competition in the telecommunications industry. (In practice, PURA does not anticipate reclassifying services going forward, as telephone companies have not proposed a reclassification in over 10 years.)

The bill largely eliminates this regulatory structure. It retains references to competitive, noncompetitive, and emerging competitive services (see COMMENT).

Rate Regulation (§§ 3, 4, 10 & 19)

Existing law subjects certain utilities to rate of return regulation, in which PURA determines or approves a utility's rates based on its capital investment and operating expenses. Current law exempts from this regulation telecommunications services that are:

1. competitive (i.e., services PURA classifies as competitive or those specified in statutes, such as services offered to business customers) or
2. subject to a PURA-approved plan for an alternative form of regulation.

The bill instead exempts all telecommunication services from rate of return regulations. It also makes conforming changes throughout the statutes, including one that exempts telecommunications companies (including telephone companies) from a prohibition on recovering their political or institutional advertising costs through their rates.

Current law allows PURA to implement an alternative form of rate regulation for a telephone company's noncompetitive and emerging competitive services. Once PURA approves a plan for an alternative form of rate regulation, the company is no longer subject to rate of return regulation for the affected services. Current law also allows PURA to modify an approved plan if it determines modification is required due to previously unforeseen circumstances. In practice, PURA adopted such a plan for the state's telephone companies in 1995.

The bill eliminates the provisions for alternative forms of rate regulation.

Elimination of Required Tariffs Filed with PURA (§ 11)

Under current law, telecommunications providers and telephone companies must file tariffs with PURA for their competitive and emerging competitive services. Companies can, however, elect to be exempt from this requirement for services provided to business retail end users (i.e., businesses) and instead make their rates, terms, and conditions available to businesses in a clear and conspicuous manner in their customer service guide, on their website, or in the company's contract with the business.

Beginning October 1, 2018, the bill eliminates the requirement for any company to file tariffs with PURA for competitive and emerging competitive services. For services provided to businesses, all companies must meet current law's disclosure requirements for those that elect to be exempt from the tariff requirement. For services offered or provided to residential end users, the bill requires telecommunications providers and telephone companies to make the rates, terms, and conditions available on the company's website in a clear, conspicuous manner apparent to a reasonable end user.

Under current law, tariff filings for competitive or emerging competitive services must include:

1. rates and charges, which may be described as minimum and maximum rates;
2. applicable terms and conditions;
3. a statement of how the tariff will benefit the public interest; and
4. any addition information PURA requires.

By eliminating the requirement to file tariffs, the bill also eliminates (1) provisions requiring a company's rate change to be effective only after a designated time period after the company files the tariff with

PURA and (2) PURA's ability to investigate and hold hearings on tariffs.

Telephone Companies' Disclosure to Business Customers (§ 16)

Conforming to the elimination of tariffs, the bill eliminates a requirement that telephone companies provide business customers, at their request, an itemization of tariffed equipment and association charges that indicates (1) the number of telephones and lines, and the types of service the customer is being billed for, and (2) the charge for each such telephone, line, and service.

The bill instead requires telephone companies to comply with existing federal law that broadly requires a communications service's charges and practices to be just and reasonable.

§ 19 — PROCEDURES TO WITHDRAW SERVICES

The bill eliminates requirements that telephone companies with over 75,000 customers (Frontier) apply to PURA to withdraw from providing retail competitive services. Under these requirements, a telephone company's application to withdraw services must include, among other things, the number of affected customers and a discussion of how to mitigate the withdrawal's impact. Current law requires PURA to consider several factors when considering applications to withdraw services, including the withdrawal's effect on the (1) company's ability to provide other services and the quality of those services and (2) rates paid by retail customers of the withdrawn service. Under current law, PURA can only approve the applications if it finds that the withdrawal is consistent with the state's telecommunications goals and not contrary to the public interest.

§§ 9 & 19 — UNBUNDLED NETWORKS AND RATES

Current law requires PURA to unbundle a telephone company's network, services, and functions to allow other telecommunications companies to compete with the local telephone company by having reasonable and nondiscriminatory access to the network.

The bill eliminates this requirement and related provisions

requiring telephone companies to provide reasonable and nondiscriminatory access to and pricing for all telecommunications services, functions, and unbundled network elements necessary to provide telecommunications service to customers. It also eliminates requirements that PURA determine telephone company rates for such services. The law requires rates for interconnection and a telephone company's unbundled network elements to be consistent with federal law. The bill eliminates a requirement that such rates also be based on respective forward looking long-run incremental costs.

The bill also deletes requirements for PURA to (1) require telephone companies to release information related to their unbundled network elements and (2) determine rates for unbundled network elements.

§ 14 — DIRECTORY ASSISTANCE

The bill eliminates a requirement that telecommunications companies cooperate to create a statewide directory assistance database and instead requires the companies to meet applicable federal requirements. Current law requires each telecommunications company that provides local service in the state to provide its published listings for Connecticut customers to a telephone company with more than 100,000 customers (Frontier). The telephone company, its agent, or affiliate, must compile the listings with the company's own published listings in a directory assistance database and make listings in the database available to directory assistance providers.

The bill also eliminates related provisions requiring the telecommunications providers to (1) connect customers at no charge to entities that provide directory assistance if the telecommunications provider does not provide such assistance and (2) indemnify the telephone company for any damages caused by the provider's negligence in misidentifying a nonpublished customer.

The bill instead requires companies to comply with existing federal law that requires telecommunications companies that provide local service to provide subscriber list information on a timely and

unbundled basis, under nondiscriminatory and reasonable rates, terms, and conditions to anyone upon request for purposes of publishing directories in any format (47 U.S.C. 222(e)). Under federal law, subscriber list information is any information that (1) identifies subscribers' listed names, telephone numbers, addresses, or primary advertising classifications and (2) a carrier or affiliate has caused to be published in any directory format identifying subscribers' listed names (47 U.S.C. 222(h)(3)).

§ 15 — UNAUTHORIZED PROCUREMENT OF TELEPHONE RECORDS

The bill eliminates provisions generally prohibiting anyone from unauthorized procuring, selling, or receiving telephone records (see BACKGROUND) and associated penalties for violating this prohibition.

The bill eliminates provisions that, with certain exceptions, prohibit anyone from knowingly:

1. procuring, attempting to procure, soliciting, or conspiring with others to procure any state resident's telephone record without the resident's authorization;
2. selling or attempting to sell a state resident's telephone record without the resident's authorization; or
3. receiving a state resident's telephone record obtained (a) without the customer's authorization or (b) by fraudulent, deceptive, or false means.

Current law includes exceptions to this prohibition for law enforcement officers in connection with their official duties; anyone acting under a valid court order, warrant, or subpoena; and telephone companies acting reasonably and in good faith and in certain other circumstances.

In eliminating the prohibition, the bill also eliminates associated penalties. Under current law, any violation of the prohibition

described above is an unfair or deceptive trade practice under state law. Under current law, violations involving:

1. a single record are a class C misdemeanor,
2. between two and 10 records are a Class B misdemeanor, and
3. more than 10 records are a class A misdemeanor.

By law, unchanged by the bill, each telephone company that maintains a state resident's telephone records must establish reasonable procedures, as defined in federal law, to protect against the records' unauthorized or fraudulent disclosure which could result in any customer's substantial harm or inconvenience.

§ 17 — TELEMARKETING AND “SLAMMING”

Change Orders

State and federal law requires telecommunications companies to take certain steps to prevent unauthorized switching of a customer's telecommunications carrier (i.e., “slamming”). Under current state law, a telecommunications company cannot submit an order to change a customer's primary, local, or intrastate interexchange carrier unless it authorizes the change through verbal authorization confirmed by an independent third party or written authorization of the change from the customer. The bill instead allows such change orders to be authorized in compliance with federal law, which, among other things, allows companies to verify change orders electronically and in the ways permissible currently under state law. Unlike current state law, federal law does not require the change order or third party verification record to identify the individual with whom the telemarketer confirmed authorization.

The bill also eliminates requirements for telecommunications companies that have received confirmation of such change orders to send customers notice that their carrier has changed and a post card or toll-free number they can call to deny authorization for the change order. It also eliminates related provisions requiring the company, if a

customer denies authorization, to (1) adjust the customer's bill so the customer pays no more than he or she would have paid had the carrier not been switched and (2) pay related charges to the previous carrier.

Other Telemarketing Procedures

The bill eliminates other procedures telecommunications companies, their affiliates, and authorized representatives must follow when selling telecommunications services over the phone (i.e., telemarketing). The bill eliminates requirements that telemarketers conducting such calls:

1. identify themselves, the telecommunications company providing proposed services, and the name of the business for whom the call is made, if different from the telecommunications company;
2. state that only the customer may authorize a change in service;
3. confirm they are speaking to the customer;
4. clearly explain the proposed services in detail and explain that an affirmative response will change the customer's telecommunications carrier; and
5. obtain from the customer an affirmative response that the customer agrees to a change in his primary, local, or intrastate interexchange carrier.

Regulations and Penalties

The bill eliminates the civil penalty of up to \$10,000 per violation for telecommunications companies, their affiliates, and authorized representatives who fail to comply with requirements in current law concerning change orders, telemarketing, and unchanged requirements related to billing format and content. It also eliminates PURA's authority to adopt regulations related to change orders and telemarketing.

The bill also eliminates a provision making a telecommunications company's unreasonable delay or denial of a request to switch back a

customer's carrier an unfair trade practice.

§ 18 — ANNUAL DISCLOSURE ON PROMOTIONS AND DISCOUNTS

The bill eliminates requirements that telephone companies and telecommunications providers make written disclosures related to promotional offerings and discounts to their customers annually and when the customer subscribes. Under current law, the companies must disclose:

1. that the offering is a promotion and will be in effect for a limited period of time, for any promotional offering filed with PURA on or after October 1, 2002; and
2. whether a removal of or change in service will result in the loss of a discount or other rate change for any service the customer subscribes to or uses.

The bill instead requires the companies to comply with existing federal requirements on truth in billing.

§ 1 — MANAGEMENT AUDITS FOR TELEPHONE COMPANIES

The law authorizes PURA to conduct management audits on public service companies (i.e., generally utilities, including telephone companies), but prohibits management audits for cable companies, with certain exceptions.

The bill similarly prohibits management audits for telephone companies, but it retains an exception for noncable communications services (see BACKGROUND). Thus, presumably, under the bill, as under current law, PURA remains authorized to conduct management audits on telephone companies' noncable communications services (e.g., phone services).

By law, unchanged by the bill, PURA may also conduct a management audit on a telephone company when the audit:

1. is necessary for PURA to perform its regulatory functions under

federal or state law;

2. has a cost warranted by a reasonably foreseeable financial, safety, or service benefit to the company's subscribers; and
3. only examines operating procedures affecting operations within the state.

§ 19 — OTHER REPEALED SECTIONS

Telecommunication Provider Access to Occupied Buildings

The bill eliminates provisions related to a telecommunications provider's access to occupied buildings (i.e., a residence with three or more families, a place of business with three or more occupants separately conducting business, or a combination of three or more families or businesses, including trailer parks, hospitals, and condominium associations).

The bill eliminates prohibitions on:

1. occupied building owners demanding or accepting payment in exchange for permitting a provider on their property and
2. telecommunications providers entering into agreements with occupied building owners or managers that would diminish or interfere with tenants' existing rights to use other telecommunications providers.

It also eliminates requirements for occupied building owners to permit wiring by a telecommunications provider to provide service to the building, or prewiring if the building's construction is not yet complete, as long as certain requirements are met. The bill eliminates a requirement for PURA to enact regulations for telecommunications providers to compensate occupied building owners for any taking of property resulting from the installation and wiring.

The bill also eliminates the penalty for violating these provisions, which, under current law, is a civil penalty of up to \$1,000 for each day after PURA finds a failure to comply.

Regulations on Quality-of-Service and Performance Standards

The bill eliminates a requirement that PURA adopt regulations establishing:

1. quality-of-service standards for telephone companies and certified telecommunications providers and
2. comprehensive performance standards and performance-based reporting requirements for functions provided by a telephone company to a telecommunications provider.

BACKGROUND***Noncable Communications Services***

By law, noncable communications services are telecommunications services that are not included as cable services under federal law (CGS § 16-1(14)). Under federal law, cable service is one-way transmission to subscribers of video programming (i.e., programming comparable to television broadcasts) or other information a cable operator makes available to subscribers (47 U.S.C. § 522). Telecommunications services generally include any transmission of information by various means of information chosen by the user to points specified by the user (e.g., telephone service)(CGS § 16-247a).

Telephone Records

By law, a telephone record is information, retained by a company providing commercial telephone services to a customer, related to:

1. a phone number dialed by the customer, or someone using the customer's phone with the customer's permission;
2. the incoming number of a call directed to a customer or someone using their phone; and
3. other call-related data typically contained in a customer's telephone bill, including start and end times for calls, the time calls were made, and any applied charges.

By law, telephone records do not include information collected and retained by or on behalf of a customer using caller identification or a

similar technology (CGS § 16-247u(a)(1)).

Related Bill

HB 5343, favorably reported by the Energy and Technology Committee, requires PURA to impose a fine, order restitution, or both for anyone who fails to obey or comply with laws, orders, or regulations, including those orders made under alternative rate plan provisions.

COMMENT

Conforming Changes

The bill eliminates provisions on how services are classified as “competitive,” “noncompetitive,” and “emerging competitive” but retains references to such classifications in numerous places throughout the statutes. In practice, PURA does not anticipate reclassifying services going forward, as telephone companies have not proposed a reclassification in over 10 years. However, the retained references make certain provisions unclear under the bill. For example, under 16-247a, in the bill and in current law, competitive is defined in part as telecommunications services deemed competitive in accordance with § 16-247f, but under the bill, 16-247f no longer contains any language describing how services are deemed competitive.

The bill eliminates provisions on alternative forms of regulation PURA can establish for telephone companies, but retains reference to such alternative forms in numerous places (e.g., line 262 in the bill, 16-247a(b)(3)). With 16-247k repealed under the bill, it is unclear what this would mean.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 20 Nay 5 (03/20/2018)