Bill No.: SB-847  
Title: AN ACT CONCERNING THE REGULATION OF VOICE SERVICE PROVIDERS.  
Vote Date: 3/19/2019  
Vote Action: Joint Favorable  
PH Date: 2/19/2019  
File No.: 369

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SPONSORS OF BILL:
Energy and Technology Committee  
Co-Sponsors:  

REASONS FOR BILL:

The bill intends to ensure regulatory parity between phone service providers, as existing regulatory statutes have become outdated and target larger providers, specifically, Frontier Communications that no longer have the dominant market share that they have enjoyed in the past. This bill would have the impact of modernizing the regulations of the industry and specifically relax some regulations impacting Frontier Communications ability to be more reactive in the current market.

RESPONSE FROM ADMINISTRATION/AGENCY:

Elin Swason Katz, Commissioner, Office of Consumer Counsel: The Office of Consumer Counsel (OCC) opposes SB-847 entirely. The agency’s testimony argues that no longer requiring telephone companies to obtain Public Utilities Regulatory Authority (PUR Authority) approval before removing retail services to certain areas or customers will allow telecommunication companies, especially Frontier Communications, to walk away from their least profitable customers, leaving these people without vital communication services. According to the agency, the section of this law would allow Frontier to retire its marginally-profitable copper wirelines network, which is essential for fax machines, home alarms, voice services, and other communication services that people rely on. Frontier would also be able to abandon stand-alone phone service for customers in areas where other providers supply voice services, even if the voice service is bundled in cable or digital packages which may be undesirable or unaffordable for many people. Additionally, the agency also believes that any
assistance offered to Frontier to address the company’s severe financial problems should not come at the expense of specifically, senior, low income, and rural customers.

NATURE AND SOURCES OF SUPPORT:

Allison M. Ellis, Senior Vice President, Frontier Communications: Allison Ellis testified on behalf of Frontier in full support of SB-847, they believe this bill will foster competition in the voice market in the State and allows Frontier to compete with its rivals. They point to the vast majority of states that have significantly reduced or eliminated regulatory oversight of landline telecommunications and believe CT should follow suit. They believe that this legislation will allow for greater parity between voice service providers by removing outdated regulations that were put into practice when Frontier enjoyed a monopoly in the telecommunications market. They state that eliminating these regulations will allow Frontier to compete more effectively with national competitors operating in Connecticut.

NATURE AND SOURCES OF OPPOSITION:

Altice: Altice, the country’s fourth-largest telecommunications provider, submits testimony in opposition to sections eight and ten of SB-847. Altice explains that passages eight and ten would upset the pro-consumer regulatory model that has produced completion and the benefits of lower prices. The provider’s testimony states that Frontier is seeking to eliminate PURA’s authority over the pricing of services that are not competitive and asked that section 2 & 8 are removed.

John Erlingheuser, AARP CT: John Erlingheuser submitted testimony on behalf of AARP in opposition of SB-847 they state that this bill would eliminate consumer protection safeguards which will expose AARP’s members to the risk of declining quality and increasing prices for basic phone service. AARP’s testimony states that three out of four people ages 65 and older continue to rely on landlines as their primary telephone service, and the organization believes that this bill would lead Frontier to abandon these less-profitable customers, leaving them without a vital service that they rely on for their health and safety.

Tom Swan, Executive Director, Connecticut Citizen Action Group: Tom Swan testified in opposition of SB-847. They argue that the bill fails to ensure that adequate universal telephone service is available across Connecticut and that it will put low-income and elderly users at risk.

Reported by: Elizabeth Blackman Date: 3/26/19