
By: Senators Young, Trotter, Blount, Hughes, and Kelley

Introduced and read first time: February 2, 1996

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Public Service Commission - Telecommunications - Competition**

3 FOR the purpose of prohibiting telecommunications carriers from engaging in certain
4 discriminatory behavior; establishing rules for basic telephone service rates;
5 authorizing alternative methods of rate regulation; requiring certain local exchange
6 carriers to provide local exchange services to end users through retail subsidiaries;
7 establishing rules governing business between carriers and retail subsidiaries;
8 requiring the Public Service Commission to classify local exchange services as
9 competitive or noncompetitive; prohibiting certain carriers from using
10 noncompetitive services to subsidize competitive services; requiring certain
11 telecommunications services to be unbundled; requiring certain local exchange
12 carriers to offer interconnection services and access on a nondiscriminatory basis;
13 requiring the Commission to select certain providers of last resort to offer local
14 exchange service to certain consumers; requiring providers of last resort to make
15 certain investments; establishing a Universal Service Fund; establishing an
16 Infrastructure Fund; establishing rules governing number portability, video
17 programming, cable television companies, and electronic advertising and news;
18 defining certain terms; and generally relating to regulation of the
19 telecommunications industry.

20 BY renumbering

21 Article 78 - Public Service Commission Law
22 Section 55C to be Section 55T
23 Annotated Code of Maryland
24 (1995 Replacement Volume)

25 BY adding to

26 Article 78 - Public Service Commission Law
27 Section 55C through 55S
28 Annotated Code of Maryland
29 (1995 Replacement Volume)

30 BY repealing

31 Article 78 - Public Service Commission Law
32 Section 69(e)

2

1 Annotated Code of Maryland
2 (1995 Replacement Volume)

3 Preamble

4 WHEREAS, Universally available and widely affordable telecommunications
5 services are essential to the health, welfare, and prosperity of citizens in the State; and

6 WHEREAS, Federal regulatory, State regulatory, and judicial rulings have caused a
7 restructuring of the telecommunications industry and have opened certain aspects of the
8 industry to competition, thereby requiring revision of State telecommunications
9 regulatory policies and practices; and

10 WHEREAS, The competitive offering of local exchange telecommunications
11 services has created the potential for increased innovation and efficiency in
12 telecommunications services and reduced prices for consumers; and

13 WHEREAS, The protection of the public interest requires changes in the
14 regulation of local exchange telecommunications carriers and services to ensure the
15 reasonable and timely development of effective competition; and

16 WHEREAS, It is the intent of the General Assembly to provide universally
17 available and widely affordable telecommunications services; and

18 WHEREAS, It is the intent of the General Assembly to ensure that the competitive
19 offering of local exchange telecommunications services increases innovation and
20 efficiency in telecommunications services and reduces prices for consumers; and

21 WHEREAS, It is the intent of the General Assembly to ensure that rates for
22 noncompetitive telecommunications services do not subsidize the competitive ventures of
23 providers of telecommunications services; and

24 WHEREAS, It is the intent of the General Assembly to provide diversity in the
25 supply of existing and future telecommunications services and products throughout the
26 State by ensuring that rates, terms, and conditions for noncompetitive services, including
27 access services, are reasonable and do not impede competition; and

28 WHEREAS, It is the intent of the General Assembly to ensure the efficient delivery
29 of technological advances and new services throughout the State to improve the quality of
30 life for the people of Maryland; and

31 WHEREAS, It is the intent of the General Assembly to encourage
32 telecommunications services and products that enhance the quality of life for people with
33 disabilities; and

34 WHEREAS, It is the intent of the General Assembly to encourage a variety of
35 service providers to make competitive services available on equal terms in all geographic
36 areas of the State; and

37 WHEREAS, It is the intent of the General Assembly to encourage joint ventures
38 between local exchange telecommunications companies and other entities to assist local
39 exchange companies in modernizing their networks; and

3

1 WHEREAS, It is the intent of the General Assembly to ensure that educational,
2 health care, community, and government institutions be early recipients of universal
3 service mandated by this Act; now, therefore,

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
5 MARYLAND, That Section 55C of Article 78 of the Annotated Code of Maryland be
6 renumbered to be Section 55T.

7 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
8 read as follows:

9 **Article 78 - Public Service Commission Law**

10 55C.

11 (A) IN THIS SUB-SUBHEADING THE FOLLOWING WORDS HAVE THE
12 MEANINGS INDICATED.

13 (B) "BASIC SERVICE" MEANS THE MINIMUM ELEMENTS OF HIGH QUALITY
14 TELECOMMUNICATIONS SERVICE.

15 (C) "BROADBAND" MEANS A COMMUNICATION CHANNEL USING ANY
16 TECHNOLOGY AND HAVING A BANDWIDTH EQUAL TO OR GREATER THAN 1.544
17 MEGABITS PER SECOND.

18 (D) "COMPETITIVE SERVICE" MEANS A SERVICE OR BUSINESS ACTIVITY THAT
19 IS OFFERED BY MORE THAN ONE PROVIDER TO AN IDENTIFIABLE GROUP OF
20 CUSTOMERS.

21 (E) "DOMINANT LOCAL EXCHANGE CARRIER" MEANS A LOCAL EXCHANGE
22 CARRIER THAT PROVIDES SERVICES TO ONE MILLION OR MORE SUBSCRIBERS.

23 (F) "LOCAL EXCHANGE CARRIER" MEANS A CARRIER AUTHORIZED BY THE
24 COMMISSION TO PROVIDE LOCAL TELECOMMUNICATIONS SERVICES.

25 (G) "NUMBER PORTABILITY" MEANS THE CAPABILITY OF A LOCAL
26 EXCHANGE SERVICE CUSTOMER AT A PARTICULAR LOCATION TO CHANGE LOCAL
27 SERVICE PROVIDERS WITHOUT CHANGE IN TELEPHONE NUMBER OR QUALITY OF
28 SERVICE.

29 (H) "PROVIDER OF LAST RESORT" MEANS A TELECOMMUNICATIONS
30 CARRIER THAT MUST OFFER BASIC LOCAL EXCHANGE SERVICE TO ALL CONSUMERS
31 IN A SPECIFIED AREA WHO REQUEST IT.

32 (I) "UNIVERSAL SERVICE" MEANS A COMMUNICATIONS NETWORK IN THE
33 STATE THAT:

34 (1) IS CAPABLE OF CARRYING VOICE, HIGH SPEED DATA IN DIGITAL
35 FORMAT, AND VIDEO SIGNALS;

36 (2) IS EQUIPPED WITH FULL DIGITAL SWITCHING CAPABILITIES,
37 ALLOWING A USER TO CONNECT WITH ANY OTHER USER;

4

1 (3) IS AVAILABLE TO EVERY HOME, SCHOOL, LIBRARY, BUSINESS,
2 HEALTH CARE, AND OTHER INSTITUTION;

3 (4) ALLOWS USERS TO SEND AND RECEIVE ALL TYPES OF DATA;

4 (5) CONTAINS COMPLETE INFORMATION DIRECTORIES;

5 (6) CONTAINS SAFEGUARDS TO PROTECT USERS; AND

6 (7) OFFERS SERVICE THROUGHOUT THE STATE AT THE SAME COST.

7 55D.

8 (A) A TELECOMMUNICATIONS CARRIER MAY NOT:

9 (1) GRANT AN UNREASONABLE PREFERENCE OR ADVANTAGE TO ANY
10 PERSON;

11 (2) REQUIRE DIFFERENT DEPOSIT AMOUNTS FROM PERSONS BECAUSE
12 OF RACE, RELIGION, COLOR, NATIONAL ORIGIN, ANCESTRY, PHYSICAL HANDICAP,
13 MEDICAL CONDITION, OCCUPATION, SEX, OR MARITAL STATUS; OR

14 (3) MAINTAIN UNREASONABLE DIFFERENCES IN SERVICES AND
15 FACILITIES BETWEEN LOCALITIES.

16 (B) IF A VIOLATION OF THIS SECTION OCCURS, A PERSON WHO HAS
17 EXHAUSTED ALL ADMINISTRATIVE REMEDIES MAY SEEK INJUNCTIVE RELIEF AND
18 REASONABLE ATTORNEY'S FEES.

19 55E.

20 (A) TELECOMMUNICATIONS COMPANIES MUST PROVIDE BASIC SERVICE AT
21 JUST, REASONABLE, AND AFFORDABLE RATES.

22 (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE COMMISSION
23 MAY:

24 (1) REGULATE RATES FOR NONCOMPETITIVE SERVICES BASED ON
25 RATE OF RETURN OR AN ALTERNATIVE METHOD THAT RESULTS IN JUST,
26 REASONABLE, AND AFFORDABLE RATES; AND

27 (2) USE DIFFERENT METHODS OF RATE REGULATION FOR DIFFERENT
28 TELECOMMUNICATIONS CARRIERS.

29 (C) IN CONSIDERING ALTERNATIVE METHODS OF RATE REGULATION, THE
30 COMMISSION SHALL CONSIDER WHETHER THEY WILL:

31 (1) REDUCE REGULATORY DELAY AND COSTS;

32 (2) ENCOURAGE INNOVATION IN SERVICES;

33 (3) PROMOTE EFFICIENCY;

34 (4) FACILITATE THE DISSEMINATION OF TECHNOLOGY TO ALL CLASSES
35 OF RATEPAYERS;

5

1 (5) ENHANCE ECONOMIC DEVELOPMENT;

2 (6) PROVIDE JUST, REASONABLE, AND AFFORDABLE RATES; AND

3 (7) INCREASE COMPETITION.

4 55F.

5 (A) IN THIS SECTION THE TERM "RETAIL SUBSIDIARY" MEANS A SEPARATE
6 SUBSIDIARY OF A LOCAL EXCHANGE CARRIER THAT PROVIDES LOCAL EXCHANGE
7 SERVICES TO END USERS.

8 (B) A DOMINANT LOCAL EXCHANGE CARRIER SHALL PROVIDE LOCAL
9 EXCHANGE SERVICES TO END USERS THROUGH A RETAIL SUBSIDIARY.

10 (C) A DOMINANT LOCAL EXCHANGE CARRIER SHALL PROVIDE LOCAL
11 EXCHANGE SERVICES TO OTHER CARRIERS ON A WHOLESALE BASIS.

12 (D) A DOMINANT LOCAL EXCHANGE CARRIER AND ITS RETAIL SUBSIDIARY
13 MAY NOT:

14 (1) MARKET OR SELL EACH OTHER'S SERVICES;

15 (2) ENTER INTO A JOINT VENTURE INVOLVING BOTH COMPANIES;

16 (3) PROVIDE GOODS OR SERVICES TO EACH OTHER ON A
17 PREFERENTIAL BASIS;

18 (4) PROVIDE SERVICES OR INFORMATION TO EACH OTHER UNLESS
19 THEY OFFER THE SERVICES OR INFORMATION TO COMPETITIVE CARRIERS AT THE
20 SAME TIME AND UNDER THE SAME CONDITIONS; OR

21 (5) USE EACH OTHER IN ANY WAY TO OBTAIN CREDIT.

22 (E) A DOMINANT LOCAL EXCHANGE CARRIER SHALL PROVIDE WHOLESALE
23 SERVICES AND UNBUNDLED NETWORK COMPONENTS TO COMPETITIVE CARRIERS
24 ON THE SAME TERMS AND CONDITIONS AS THE CARRIER APPLIES TO ITSELF OR ITS
25 AFFILIATES.

26 55G.

27 (A) THE COMMISSION SHALL CLASSIFY EACH SERVICE OFFERED BY A LOCAL
28 EXCHANGE CARRIER AS A COMPETITIVE SERVICE OR A NONCOMPETITIVE SERVICE.

29 (B) A LOCAL EXCHANGE CARRIER THAT OFFERS NONCOMPETITIVE
30 SERVICES SHALL OFFER THEM TO ALL PERSONS AT THE SAME RATES AND ON THE
31 SAME TERMS AND CONDITIONS.

32 (C) A LOCAL EXCHANGE CARRIER MAY NOT USE NONCOMPETITIVE
33 SERVICES TO SUBSIDIZE COMPETITIVE SERVICES OR ANOTHER NONREGULATED
34 ACTIVITY.

35 (D) RATES FOR NONCOMPETITIVE SERVICES SHALL REFLECT ONLY THE
36 VALUE OF FACILITIES USED AND EXPENSES REASONABLY AND PRUDENTLY
37 INCURRED IN PROVIDING THE SERVICE.

6

1 55H.

2 (A) IN THIS SECTION THE TERM "BASIC NETWORK FUNCTION" MEANS THE
3 SMALLEST DISAGGREGATION OF LOCAL EXCHANGE TRANSPORT, SWITCHINGS, AND
4 LOOP FUNCTIONS THAT IS CAPABLE OF BEING OFFERED FOR SALE SEPARATELY.

5 (B) A LOCAL EXCHANGE CARRIER THAT PROVIDES BOTH COMPETITIVE AND
6 NONCOMPETITIVE TELECOMMUNICATIONS SERVICES SHALL PROVIDE
7 NONCOMPETITIVE SERVICES ON AN UNBUNDLED BASIS.

8 (1) THE LOCAL EXCHANGE NETWORKS OF LOCAL EXCHANGE
9 CARRIERS WITH 250,000 OR MORE ACCESS LINES SHALL BE UNBUNDLED TO THE
10 BASIC NETWORK FUNCTION.

11 (2) THE LOCAL EXCHANGE NETWORKS OF LOCAL EXCHANGE
12 CARRIERS WITH FEWER THAN 250,000 ACCESS LINES SHALL BE UNBUNDLED TO THE
13 BASIC NETWORK FUNCTION IF REQUESTED.

14 (C) A LOCAL EXCHANGE CARRIER MUST OFFER EACH BASIC NETWORK
15 FUNCTION SEPARATELY FOR SALE ON A NONDISCRIMINATORY BASIS.

16 55-I.

17 (A) EXCEPT AS THE COMMISSION MAY DETERMINE, THIS SECTION DOES NOT
18 APPLY TO AN INDEPENDENT TELEPHONE COMPANY.

19 (B) WITHOUT PREFERENCE TO OR DISCRIMINATION AGAINST ANY SERVICE
20 OR PERSON, A LOCAL CARRIER SHALL PROVIDE:

21 (1) INTERCONNECTION SERVICES IDENTICAL TO THOSE THAT IT
22 PROVIDES TO ITSELF OR ITS AFFILIATES; AND

23 (2) ACCESS TO POLES, DUCTS, CONDUITS, RIGHTS-OF-WAY, AND OTHER
24 PATHWAYS IT CONTROLS.

25 (C) (1) EXCEPT AS THE COMMISSION MAY REQUIRE, AN INDEPENDENT
26 TELEPHONE COMPANY IS NOT REQUIRED TO PROVIDE THE INTERCONNECTION OR
27 ACCESS REQUIRED BY THIS SECTION.

28 (2) AN INDEPENDENT COMPANY THAT PROVIDES INTERCONNECTION
29 OR ACCESS MUST DO SO ON A NONDISCRIMINATORY BASIS.

30 55J.

31 (A) THE COMMISSION SHALL DESIGNATE AT LEAST ONE PROVIDER OF LAST
32 RESORT IN ALL AREAS OF THE STATE.

33 (B) A DOMINANT LOCAL EXCHANGE CARRIER SHALL PROVIDE TELEPHONE
34 SERVICE AS A PROVIDER OF LAST RESORT THROUGH A SEPARATE SUBSIDIARY.

35 (C) A PROVIDER OF LAST RESORT SHALL MAKE A TELECOMMUNICATIONS
36 INFRASTRUCTURE INVESTMENT IN THE STATE OF:

37 (1) FOR A COMPANY SERVING FIVE MILLION LINES OR MORE, \$600
38 MILLION OVER A 6-YEAR PERIOD; AND

7

1 (2) FOR A COMPANY SERVING FEWER THAN FIVE MILLION ACCESS
2 LINES, \$300 MILLION OVER A 6-YEAR PERIOD.

3 (D) AS PART OF THE INFRASTRUCTURE INVESTMENT, THE PROVIDER SHALL:

4 (1) PROVIDE A 30% DISCOUNT ON MONTHLY CHARGES TO:

5 (I) EDUCATIONAL INSTITUTIONS;

6 (II) LIBRARIES;

7 (III) DISTANCE LEARNING CUSTOMER GROUPS THAT HAVE FIVE OR
8 FEWER LOCATIONS; AND

9 (IV) HOSPITALS AND TELEMEDICINE CUSTOMER GROUPS THAT
10 HAVE TEN OR FEWER LOCATIONS;

11 (2) IN AREAS WHERE TOLL-FREE ACCESS TO THE INTERNET IS NOT
12 AVAILABLE, MAKE AVAILABLE A TOLL-FREE CONNECTION OR TOLL-FREE DIALING
13 ARRANGEMENT TO THE INTERNET FOR SCHOOLS AND LIBRARIES; AND

14 (3) IF REQUESTED, PROVIDE BROADBAND SERVICE TO AN
15 EDUCATIONAL FACILITY, LIBRARY, NONPROFIT HOSPITAL, OR PRIMARY HEALTH
16 CARE PROVIDER.

17 (E) THE COMMISSION SHALL PROMULGATE REGULATIONS TO ENCOURAGE A
18 PROVIDER OF LAST RESORT TO INVEST IN RURAL AREAS AND AREAS DESIGNATED
19 AS CRITICALLY UNDER SERVED, EDUCATIONAL AND MEDICAL FACILITIES, AND
20 SCHOOLS THAT HAVE A HIGH PERCENTAGE OF ECONOMICALLY DISADVANTAGED
21 STUDENTS.

22 (F) PROVIDERS OF LAST RESORT ARE ELIGIBLE TO RECEIVE FUNDS FROM
23 THE UNIVERSAL SERVICE FUND.

24 55K.

25 THE COMMISSION SHALL:

26 (1) EXCEPT FOR PROGRAMS THAT BURDEN CONSUMERS, PARTICIPATE
27 IN ALL FEDERAL PROGRAMS INTENDED TO PRESERVE OR EXTEND UNIVERSAL
28 TELECOMMUNICATIONS SERVICE;

29 (2) MONITOR THE LEVEL OF TELECOMMUNICATIONS SUBSCRIBER
30 CONNECTION IN EACH EXCHANGE;

31 (3) PROMULGATE RULES AND REGULATIONS TO ENSURE UNIVERSAL
32 SERVICE IN THE STATE CONSISTENT WITH COMPETITIVE LOCAL EXCHANGE
33 MARKETS; AND

34 (4) DEFINE THE NATURE AND EXTENT OF SERVICES IN A CARRIER'S
35 UNIVERSAL SERVICE OBLIGATION.

36 55L.

37 (A) THE COMMISSION SHALL ADMINISTER A UNIVERSAL SERVICE FUND.

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1 (B) THE COMMISSION SHALL USE PROCEEDS IN THE FUND TO ASSIST LOCAL
2 EXCHANGE CARRIERS TO PROVIDE UNIVERSAL SERVICE, INCLUDING:

3 (1) BASIC LOCAL TELECOMMUNICATIONS SERVICE IN HIGH COST
4 RURAL AREAS AT REASONABLE RATES; AND

5 (2) SERVICE FOR THE DISABLED, SCHOOLS, LIBRARIES, AND HOSPITALS.

6 (C) (1) THE COMMISSION SHALL IMPOSE A STATEWIDE UNIFORM CHARGE
7 ON ALL TELECOMMUNICATIONS PROVIDERS THAT DO BUSINESS IN THE STATE.

8 (2) EACH YEAR THE COMMISSION SHALL COLLECT AN AGGREGATE OF
9 \$100 MILLION FROM PROVIDERS THAT DO BUSINESS IN THE STATE. THE COMMISSION
10 SHALL DETERMINE THE AMOUNT THAT EACH PROVIDER MUST PAY.

11 (D) THE COMMISSION SHALL MAKE PROCEEDS FROM THE FUND AVAILABLE
12 TO PROVIDERS OF LAST RESORT AND ANY OTHER LOCAL EXCHANGE CARRIER
13 THAT PROVIDES OR OFFERS CONTINUOUS AND ADEQUATE SERVICE TO EVERY
14 CONSUMER IN THE CARRIER'S AREA.

15 55M.

16 (A) THE UNIVERSAL SERVICE FUND SHALL CONTAIN A
17 TELECOMMUNICATIONS INFRASTRUCTURE FUND.

18 (B) THE INFRASTRUCTURE FUND BOARD SHALL ADMINISTER THE
19 INFRASTRUCTURE FUND.

20 (C) THE INFRASTRUCTURE FUND BOARD SHALL BE COMPOSED OF NINE
21 REPRESENTATIVES SELECTED FROM SCHOOLS, EDUCATIONAL INSTITUTIONS,
22 LIBRARIES, AND HOSPITALS AS FOLLOWS:

23 (1) THREE MEMBERS APPOINTED BY THE GOVERNOR;

24 (2) THREE MEMBERS APPOINTED BY THE PRESIDENT OF THE SENATE;
25 AND

26 (3) THREE MEMBERS APPOINTED BY THE SPEAKER OF THE HOUSE OF
27 DELEGATES.

28 (D) THE GOVERNOR SHALL APPOINT A CHAIRPERSON.

29 (E) A MEMBER SHALL SERVE FOR A TERM OF 6 YEARS.

30 (F) THE BOARD SHALL USE PROCEEDS IN THE INFRASTRUCTURE FUND TO:

31 (1) AWARD GRANTS AND LOANS TO RURAL AND URBAN SCHOOL
32 DISTRICTS, INSTITUTIONS OF HIGHER EDUCATION, LIBRARIES, MUSEUMS, AND
33 NONPROFIT HOSPITALS; AND

34 (2) PROVIDE EQUIPMENT, INFRASTRUCTURE, AND TRAINING FOR
35 DISTANCE LEARNING AND TELEMEDICINE SERVICES.

36 (G) IN GRANTING FUNDS, THE BOARD SHALL CONSIDER WHETHER THE
37 PROPOSAL:

9

1 (1) IS A COOPERATIVE EFFORT BETWEEN MULTIPLE SCHOOLS,
2 UNIVERSITIES, LIBRARIES, MUSEUMS, AND HOSPITALS;

3 (2) HAS MATCHING FUNDS FROM OTHER SOURCES;

4 (3) SHOWS PROMISE OF BECOMING SELF-SUSTAINING;

5 (4) EXTENDS EDUCATIONAL SERVICES TO GROUPS NOT PREVIOUSLY
6 SERVED;

7 (5) RESULTS IN MORE EFFICIENT AND EFFECTIVE LEARNING; OR

8 (6) IMPROVES THE EFFECTIVENESS OF HEALTH CARE DELIVERY.

9 55N.

10 (A) A LOCAL EXCHANGE CARRIER SHALL OFFER NUMBER PORTABILITY AS
11 SOON AS IT IS TECHNICALLY FEASIBLE.

12 (B) AN IMPARTIAL ENTITY SHALL ADMINISTER TELECOMMUNICATIONS
13 NUMBERING AND MAKE NUMBERS AVAILABLE ON A REASONABLE AND
14 NONDISCRIMINATORY BASIS.

15 (C) A LOCAL EXCHANGE CARRIER SHALL PROVIDE LOCAL DIALING THAT
16 PERMITS CUSTOMERS OF COMPETITIVE TELECOMMUNICATIONS CARRIERS TO:

17 (1) USE THE LOCAL EXCHANGE SERVICES OF THE CARRIER WITHOUT
18 HAVING TO DIAL ADDITIONAL DIGITS OR ACCESS CODES; AND

19 (2) BE ACCESSED BY CALLERS WITHOUT THE NEED FOR CALLERS TO
20 DIAL ADDITIONAL DIGITS OR ACCESS CODES.

21 (D) ALL TELECOMMUNICATIONS CARRIERS SHALL HAVE
22 NONDISCRIMINATORY ACCESS TO TELEPHONE NUMBERS, OPERATOR SERVICES,
23 DIRECTORY ASSISTANCE, AND DIRECTORY LISTINGS WITH NO UNREASONABLE
24 DIALING DELAYS.

25 55-O.

26 (A) THE COMMISSION SHALL IMMEDIATELY AUTHORIZE A CABLE
27 TELEVISION COMPANY TO PROVIDE LOCAL TELECOMMUNICATIONS SERVICES IN A
28 LOCAL TELECOMMUNICATIONS CARRIER'S JURISDICTION IF THE LOCAL CARRIER IS
29 AUTHORIZED TO PROVIDE CABLE TELEVISION.

30 (B) THE CABLE TELEVISION COMPANY SHALL BE SUBJECT TO THE SAME
31 CONDITIONS GOVERNING TELECOMMUNICATIONS SERVICES AS THE LOCAL
32 CARRIER.

33 55P.

34 (A) A LOCAL EXCHANGE CARRIER SHALL PROVIDE VIDEO PROGRAMMING
35 DIRECTLY TO SUBSCRIBERS IN ITS TELEPHONE SERVICE AREA THROUGH A
36 SEPARATE AFFILIATE.

10

1 (B) A LOCAL EXCHANGE CARRIER MAY NOT CHARGE
2 TELECOMMUNICATIONS SERVICE RATEPAYERS FOR GOODS OR SERVICES
3 PROVIDED TO THE CARRIER BY ITS SEPARATE VIDEO AFFILIATE.

4 (C) A LOCAL EXCHANGE CARRIER MAY NOT PROVIDE TELEMARKETING OR
5 REFERRAL SERVICES FOR THE VIDEO AFFILIATE UNLESS IT MAKES THEM
6 AVAILABLE TO ALL VIDEO PROGRAMMERS OR CABLE OPERATORS ON
7 NONDISCRIMINATORY TERMS AND CONDITIONS.

8 (D) A LOCAL EXCHANGE CARRIER MAY PROVIDE TELECOMMUNICATIONS
9 SERVICES TO A VIDEO AFFILIATE ONLY IF THE COMMISSION DETERMINES THAT
10 THE CARRIER IS NOT CROSS SUBSIDIZING THE AFFILIATE AT UNCOMPETITIVE
11 RATES.

12 (E) THE COMMISSION MAY EXEMPT INDEPENDENT PHONE COMPANIES FROM
13 THE REQUIREMENTS OF THIS SECTION.

14 55Q.

15 (A) THIS SECTION DOES NOT APPLY TO:

16 (1) MATERIAL PURCHASED FROM AN UNAFFILIATED ENTITY;

17 (2) MATERIAL PURCHASED FROM A SEPARATE SUBSIDIARY IF THE
18 SUBSIDIARY OFFERS THE MATERIAL TO ALL OTHER PERSONS WITH SIMILAR RATES,
19 TERMS, AND CONDITIONS; AND

20 (3) ELECTRONIC ADVERTISING OF SERVICES PROVIDED BY A LOCAL
21 EXCHANGE CARRIER.

22 (B) A LOCAL EXCHANGE CARRIER THAT OFFERS COMPETITIVE AND
23 NONCOMPETITIVE SERVICES MAY NOT PROVIDE ELECTRONICALLY PUBLISHED
24 NEWS OR ELECTRONIC ADVERTISING SERVICES.

25 55R.

26 LOCAL SERVICE CALLING PLANS OFFERED BY A LOCAL EXCHANGE CARRIER
27 MUST INCLUDE:

28 (1) A FLAT RATE LOCAL CALLING SERVICE;

29 (2) AN UNTIMED CALLING ZONE WHERE CALLS ARE NOT CHARGED
30 FOR DURATION; OR

31 (3) A LOW INCOME RESIDENTIAL UNIVERSAL ASSISTANCE PROGRAM
32 DEVELOPED BY THE COMMISSION.

33 55S.

34 (A) UPON REQUEST BY A CUSTOMER, TELECOMMUNICATIONS CARRIERS
35 THAT OFFER CUSTOMERS A CHOICE OF TWO OR MORE LOCAL EXCHANGE SERVICES
36 MUST PROVIDE A REPORT INDICATING WHICH LOCAL EXCHANGE SERVICE WOULD
37 RESULT IN THE LOWEST BILL FOR THE CUSTOMER.

11

1 (B) TELECOMMUNICATIONS CARRIERS MUST NOTIFY CUSTOMERS ONCE A
2 YEAR OF THE AVAILABILITY OF THE REPORT.

3 69.

4 [(e) Notwithstanding the provisions of subsection (a) of this section or any other
5 provision of law to the contrary, the Commission may regulate a telephone company by
6 means of alternative forms of regulation, which may include, but are not limited to, the
7 use of price regulation, revenue regulation, ranges of authorized return, rate of return,
8 categories of services, or price indexing, if it finds, after notice and hearing, that the
9 alternative form of regulation protects consumers by, at a minimum, producing affordable
10 and reasonably priced basic local exchange service, as defined by the Commission, and by
11 ensuring the quality, availability, and reliability of telecommunications services
12 throughout the State; encourages the development of competition; and is in the public
13 interest.]

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 1996.