

SENATE BILL 498

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2000 Regular Session
Olr2279
CF HB 56

By: **Senators Hogan, Roesser, and Forehand**
Introduced and read first time: February 4, 2000
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Public Utility Companies - Rates - Intra-County and Adjacent County**
3 **Phone Calls**

4 FOR the purpose of requiring the Public Service Commission to use an alternative
5 rate setting mechanism to establish local telephone calling rates for calls within
6 adjacent exchanges, within the same LATA or county or between adjacent
7 counties within the same LATA, between the District of Columbia and adjacent
8 counties within the same LATA, between Maryland counties and counties in
9 adjacent LATAs in adjacent states, between adjacent counties in adjacent
10 LATAs, and between certain exchanges within a metropolitan exchange area;
11 requiring the Public Service Commission to seek approval by the Federal
12 Communications Commission for certain calling rates and establishing certain
13 rules between adjacent counties in adjacent LATAs; requiring the Public Service
14 Commission to file petitions with the Federal Communications Commission by a
15 certain date to seek approval for local calling rates for calls between adjacent
16 counties in adjacent LATAs and to seek approval for the waiver of LATA
17 boundaries; requiring the Public Service Commission to report to certain
18 committees of the General Assembly by a certain date on its progress in
19 obtaining approval from the Federal Communications Commission, on the
20 results of any Federal Communications Commission proceedings on the petition,
21 and on the impact of this Act on calling rates; defining a certain term; and
22 generally relating to local telephone calling rates.

23 BY repealing and reenacting, without amendments,
24 Article - Public Utility Companies
25 Section 4-101
26 Annotated Code of Maryland
27 (1998 Volume and 1999 Supplement)

28 BY adding to
29 Article - Public Utility Companies
30 Section 4-301.1
31 Annotated Code of Maryland
32 (1998 Volume and 1999 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article - Public Utility Companies**

4 4-101.

5 In this title, "just and reasonable rate" means a rate that:

- 6 (1) does not violate any provision of this article;
- 7 (2) fully considers and is consistent with the public good; and
- 8 (3) except for rates of a common carrier, will result in an operating
9 income to the public service company that yields, after reasonable deduction for
10 depreciation and other necessary and proper expenses and reserves, a reasonable
11 return on the fair value of the public service company's property used and useful in
12 providing service to the public.

13 4-301.1.

14 (A) IN THIS SECTION, "REASONABLY EXPECTED GEOGRAPHIC SPHERE OF
15 TELEPHONE ACTIVITY" INCLUDES TELEPHONE COMMUNICATION BY:

- 16 (1) LAND LINE;
- 17 (2) WIRELESS COMMUNICATIONS, INCLUDING BUT NOT LIMITED TO
18 FIXED WIRELESS, CELLULAR, AND PCS; AND
- 19 (3) E-MAIL.

20 (B) THE COMMISSION SHALL ADOPT A NEW ALTERNATIVE RATE SETTING
21 MECHANISM FOR LOCAL TELEPHONE CALLS THAT ARE:

- 22 (1) WITHIN ADJACENT EXCHANGES;
- 23 (2) WITHIN THE SAME LATA OR COUNTY OR BETWEEN ADJACENT
24 COUNTIES WITHIN THE SAME LATA;
- 25 (3) BETWEEN THE DISTRICT OF COLUMBIA AND ADJACENT MARYLAND
26 COUNTIES WITHIN THE SAME LATA;
- 27 (4) BETWEEN MARYLAND COUNTIES AND COUNTIES IN ADJACENT
28 STATES, INCLUDING VIRGINIA, WEST VIRGINIA, PENNSYLVANIA, AND DELAWARE;
- 29 (5) BETWEEN COUNTIES THAT ARE IN ADJACENT LATAS; OR
- 30 (6) FROM ANY EXCHANGE WITHIN A COUNTY INTO ANY METROPOLITAN
31 EXCHANGE AREA THAT CURRENTLY INCLUDES AT LEAST ONE ENTIRE EXCHANGE
32 FROM THAT COUNTY.

1 (C) THE ALTERNATIVE RATE SETTING MECHANISM ESTABLISHED UNDER
2 SUBSECTION (B) OF THIS SECTION SHALL ESTABLISH RATES FOR LOCAL CALLS THAT
3 ARE PRESUMED TO BE CO-EQUAL TO THE RATES FOR LOCAL TOLL CALLS, ABSENT
4 CLEAR AND CONVINCING EVIDENCE THAT THE RATES, AS DETERMINED BY THE
5 PUBLIC SERVICE COMMISSION UTILIZING A FORWARD-LOOKING INCREMENTAL
6 COSTING METHODOLOGY, SHOULD BE SET AT A HIGHER OR LOWER LEVEL.

7 (D) THE COMMISSION SHALL SEEK APPROVAL FROM THE FEDERAL
8 COMMUNICATIONS COMMISSION AS NECESSARY TO ESTABLISH LOCAL CALLING
9 RATES BETWEEN LATAS.

10 SECTION 2. AND BE IT FURTHER ENACTED, That the Public Service
11 Commission shall:

12 (1) file a petition with the Federal Communications Commission to seek
13 initial approval of local telephone calling rates for calls between LATAs on or before
14 July 1, 2001;

15 (2) file a petition with the Federal Communications Commission to seek
16 approval for the waiver of LATA boundaries;

17 (3) report to the Senate Finance Committee and the House
18 Environmental Matters Committee on or before April 1, 2001, on its progress in
19 developing a petition to file with the Federal Communications Commission seeking
20 approval of local telephone calling rates for calls between LATAs;

21 (4) report to the Senate Finance Committee and the House
22 Environmental Matters Committee on or before January 31, 2002, on the status of
23 any Federal Communications Commission proceedings on the petition; and

24 (5) report to the Senate Finance Committee and the House
25 Environmental Matters Committee on or before January 1, 2003, on the impact of this
26 Act on calling rates.

27 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2000.