

SENATE BILL 764

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2003 Regular Session
3r2670
CF HB 898

By: **Senator Hooper**

Constitutional Requirements Complied with for Introduction in the last 35 Days of Session

Introduced and read first time: March 6, 2003

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Telephone Calls - Rates - Intracounty and Adjacent County Phone Calls**

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

24 BY repealing and reenacting, without amendments,
25 Article - Public Utility Companies
26 Section 4-101
27 Annotated Code of Maryland
28 (1998 Volume and 2002 Supplement)

29 BY adding to
30 Article - Public Utility Companies

1 Section 4-301.1
2 Annotated Code of Maryland
3 (1998 Volume and 2002 Supplement)

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

6 **Article - Public Utility Companies**

7 4-101.

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

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

16 4-301.1.

17 (A) THIS SECTION APPLIES TO LOCAL TELEPHONE CALLS THAT ARE MADE BY:

- 18 (1) LAND LINE;
- 19 (2) WIRELESS COMMUNICATIONS, INCLUDING FIXED WIRELESS,
20 CELLULAR, AND PCS; OR
- 21 (3) INTERNET SERVICE.

22 (B) (1) THE COMMISSION SHALL ADOPT A NEW ALTERNATIVE RATE
23 SETTING MECHANISM FOR LOCAL TELEPHONE CALLS THAT ARE:

- 24 (I) WITHIN ADJACENT EXCHANGES;
- 25 (II) WITHIN THE SAME LATA OR COUNTY OR BETWEEN ADJACENT
26 COUNTIES WITHIN THE SAME LATA OR WITHIN 40 MILES OF ANY EXCHANGE IN THAT
27 AREA;
- 28 (III) BETWEEN THE DISTRICT OF COLUMBIA AND ADJACENT
29 MARYLAND COUNTIES WITHIN THE SAME LATA;
- 30 (IV) BETWEEN MARYLAND COUNTIES AND COUNTIES IN ADJACENT
31 STATES, INCLUDING VIRGINIA, WEST VIRGINIA, PENNSYLVANIA, DELAWARE, AND
32 THE DISTRICT OF COLUMBIA, OR WITHIN 40 MILES OF ANY EXCHANGE IN THAT AREA;

1 (V) BETWEEN THE DISTRICT OF COLUMBIA AND ADJACENT
2 MARYLAND COUNTIES THAT ARE IN ADJACENT LATAS OR WITHIN 40 MILES OF ANY
3 EXCHANGE IN THAT AREA; AND

4 (VI) FROM ANY EXCHANGE WITHIN A COUNTY INTO ANY
5 METROPOLITAN EXCHANGE AREA THAT CURRENTLY INCLUDES AT LEAST ONE
6 ENTIRE EXCHANGE FROM THAT COUNTY OR WITHIN 40 MILES OF THAT AREA.

7 (2) THE COMMISSION SHALL CLASSIFY EACH CALL FOR WHICH A RATE
8 IS SET UNDER PARAGRAPH (1) OF THIS SUBSECTION AS A TOLL-FREE LOCAL
9 TELEPHONE CALL.

10 (C) THE ALTERNATIVE RATE SETTING MECHANISM ESTABLISHED UNDER
11 SUBSECTION (B) OF THIS SECTION SHALL ESTABLISH RATES FOR LOCAL CALLS THAT
12 ARE PRESUMED TO BE COEQUAL TO THE RATES FOR LOCAL TOLL CALLS, ABSENT
13 CLEAR AND CONVINCING EVIDENCE THAT THE RATES, AS DETERMINED BY THE
14 COMMISSION UTILIZING A FORWARD-LOOKING INCREMENTAL COSTING
15 METHODOLOGY, SHOULD BE SET AT A HIGHER OR LOWER LEVEL.

16 (D) THE COMMISSION SHALL SEEK APPROVAL FROM THE FEDERAL
17 COMMUNICATIONS COMMISSION AS NECESSARY TO ESTABLISH LOCAL CALLING
18 BETWEEN LATAS IN ADJACENT STATES AND THE DISTRICT OF COLUMBIA.

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

21 (1) file a petition with the Federal Communications Commission to seek
22 initial approval of local telephone calling between LATAs in adjacent states and the
23 District of Columbia on or before July 1, 2004;

24 (2) file a petition with the Federal Communications Commission to seek
25 approval for the waiver of appropriate LATA boundaries under this Act; and

26 (3) subject to § 2-1312 of the State Government Article, report to the
27 Senate Finance Committee and the House Economic Matters Committee:

28 (i) on or before April 1, 2004, on its progress in developing a
29 petition to file with the Federal Communications Commission seeking approval of
30 local telephone calling for calls between LATAs in adjacent states and the District of
31 Columbia;

32 (ii) on or before January 31, 2005, on the status of any Federal
33 Communications Commission proceedings on the petition; and

34 (iii) on or before January 1, 2006, on the impact of this Act on calling
35 rates in the State.

36 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
37 October 1, 2003.