

**Department of Legislative Services**  
 Maryland General Assembly  
 2003 Session

**FISCAL AND POLICY NOTE**

Senate Bill 288  
 Finance

(Senator Frosh, *et al.*)

**Wireless Telephone Services - Definitions, Exemptions, and Consumer Protection**

This bill subjects wireless telephone companies to regulation by the Public Service Commission (PSC). The bill requires PSC to adopt regulations and conduct investigations relating to wireless telephone companies and wireless telephone services and authorizes the Office of People’s Counsel (OPC) to act in the interests of residential users of wireless telephone services.

**Fiscal Summary**

**State Effect:** FY 2004 special fund revenues and expenditures of PSC and OPC would increase by \$83,600. Out-years are adjusted for annualization and inflation. Special fund expenditures of these agencies are reimbursed by assessments on public service companies.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
SF Revenue	\$83,600	\$98,300	\$104,100	\$110,600	\$117,500
SF Expenditure	83,600	98,300	104,100	110,600	117,500
Net Effect	\$0	\$0	\$0	\$0	\$0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

## Analysis

**Bill Summary:** The bill adds a wireless telephone company to the definition of public utility company for the purpose of determining PSC expenses and reimbursements. The bill defines “wireless telephone company” and “wireless telephone service,” specifies that certain provisions of the Public Utility Companies Article applies to wireless telephone companies, and specifies that PSC must adopt regulations to protect residential customers who purchase wireless telephone service. The regulations must:

- specify quality of service standards and requirements;
- require wireless telephone companies to disclose price and service terms, in a specified format, for all residential service plans and offers; and
- allow for cancellation of a contract and return of the wireless telephone within 14 days.

PSC is authorized to investigate residential users’ complaints and violations of PSC regulations related to wireless telephone companies and service.

To protect the interests of residential and noncommercial users, OPC is authorized to investigate complaints, appear before PSC and courts with the rights of counsel for a party to the proceeding, request PSC to initiate proceedings, access PSC records, and exercise specified powers in carrying out its duties.

**Current Law:** A “cellular telephone company” is specifically excluded from the definition of “telephone company” under the definitions relating to public service companies. As such, cellular or wireless companies are not subject to PSC oversight or OPC authority, but are regulated in part under the authority of the Federal Communications Commission.

**State Expenditures:** Fiscal 2004 special fund revenues and expenditures would increase by \$83,600 for one full-time administrative specialist at PSC, one-half an attorney at OPC, and one-third an office secretary at OPC, to implement and administer the bill’s requirements. The 2004 expenditure estimate includes \$70,200 in salaries and fringe benefits, \$12,000 in one-time costs for equipment and furniture, and \$1,400 for operating expenses. Out-years are adjusted for annualization and inflation. Special fund expenditures of PSC and OPC are reimbursed by assessments on public service companies.

## **Additional Information**

**Prior Introductions:** SB 449 of 2002, a substantially similar bill, received an unfavorable report from the Senate Finance Committee.

**Cross File:** None.

**Information Source(s):** Public Service Commission, Office of People's Counsel, Department of Legislative Services

**Fiscal Note History:** First Reader - February 21, 2003  
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