HB 708

Department of Legislative Services

Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 708 (Delegate Hucker, *et al.*)
Economic Matters

Public Service Commission - Telephone Companies - Line Assessment

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This bill authorizes the Public Service Commission (PSC) to require a telephone company to conduct an assessment of nonfiber-optic telephone lines owned or operated by the telephone company to study any maintenance, security, or reliability problems on the lines. A telephone company must submit a written assessment report of its findings to PSC, including any data required by PSC. PSC must establish, by order or regulation, the deadline for submitting the required report and the information to be included in the report. Except for information identified as proprietary by a telephone company, PSC must make assessment reports available to the public and provide an opportunity for public comment. The bill requires PSC to project proprietary information in a specified manner.

Fiscal Summary

State Effect: None. PSC can implement the bill with existing budgeted resources.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law: In regulating telecommunications, PSC reviews tariff filings and rate revisions, authorizes telephone and telegraph companies to provide new service offerings, and regulates the intrastate services of long distance ("interexchange") companies and companies that resell interexchange service. Verizon Maryland, Inc. (formerly Bell Atlantic – Maryland, formerly C&P Telephone) is the traditional provider of local telephone service in virtually all of Maryland. However, Verizon now faces competition from additional telephone companies providing facilities-based local service and telephone companies providing resold local service.

Background: Via docketed cases, PSC has been considering various issues associated with Verizon including service quality, bundled services, local calling areas and the pricing of foreign exchange services, a proposed pricing tariff, and other factors dating back to at least 2006.

In February 2010 a final order was issued by PSC resolving six case proceedings (Case Numbers 9072, 9114, 9120, 9121, 9123, 9133). Under the order, Verizon must file an annual operational plan detailing steps it will take to meet service quality metrics specified in the order. Verizon must also adhere to a service quality plan and must track and report quarterly on residential voice out-of-service data. Verizon is required to adhere to rigorous service quality standards and is at financial risk if those standards are not met.

Small Business Impact: Telephone companies currently detect reliability problems in copper wires through diagnostic equipment at the central office. To the extent a line assessment cannot be performed by the existing workforce of a telephone company, small businesses may be contracted to perform the line assessment.

Additional Information

Prior Introductions: None.

Cross File: None.

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

Fiscal Note History: First Reader - March 14, 2011
ncs/lgc

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