

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

Senate Bill 619
Finance

(Senator Manno, *et al.*)

Public Service Commission - Telephone Companies - Line Assessment

This bill requires 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 every three years 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 and a detailed description of how the telephone company will resolve any problems discovered in the study. 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, which is required every three years under the bill, 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

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