

HB 339 -- TELECOMMUNICATIONS

SPONSOR: Pollock

COMMITTEE ACTION: Voted "do pass" by the Committee on Utilities by a vote of 21 to 2.

This bill changes the laws regarding telecommunications as they relate to the carrier of last resort obligations. In its main provisions, the bill:

(1) Relieves a local exchange carrier from serving as the carrier of last resort in greenfield areas and from being obligated to provide basic local voice service or any telecommunications service to any occupant of real property if the owner or developer or a person acting on his or her behalf:

(a) Allows an alternative service provider to install, based on a condition of exclusion of the local exchange carrier, facilities during the construction phase of the real property;

(b) Accepts or agrees to accept incentives or rewards from an alternative service provider that are contingent upon the provision of any or all local voice telecommunications services by one or more alternative service providers to the exclusion of the local exchange carrier; or

(c) Collects from the occupants or residents of the property mandatory charges for the provision of any local voice telecommunications service provided by an alternative service provider including collection through rent, fees, or dues;

(2) Requires the local exchange carrier relieved of its carrier of last resort obligation to notify the Missouri Public Service Commission in writing of that fact within 120 days after knowledge of that fact;

(3) Allows a local exchange carrier to seek a waiver of carrier of last resort obligation requirements from the commission for good cause shown based on the facts and circumstances of the provision of services to a particular property. Notice of the petition must also be given to the relevant owner or developer. The commission must make a determination on or before 90 days after the petition is filed with certain specified exceptions;

(4) Requires, if a local exchange carrier is relieved of its carrier of last resort obligation, the owner or developer of the property to notify the occupants of the property and any subsequent owners that the incumbent local exchange carrier does not have facilities installed to serve their property and the

name of the person who will be providing the local communications service;

(5) Specifies the conditions for resuming the carrier of last resort obligation by a local exchange carrier if the circumstances under which an exemption was granted change. The local exchange carrier must provide notice to the commission that it is assuming the carrier of last resort obligation. The local exchange carrier may require an owner or developer to pay the carrier in advance a reasonable fee to recover the costs that exceed the costs that would have been incurred to construct or acquire facilities to serve customers at the real property initially;

(6) Requires the owner or developer who permits an alternative service provider to install its facilities or equipment used to provide local voice service to the property based on a condition of exclusion of the local exchange carrier to provide written notice to the purchaser of the property that there is an exclusion of that local exchange carrier and that the alternative service provider is the exclusive provider of service to the property;

(7) Allows an incumbent local exchange carrier to require a payment from an owner or developer in certain cases where the costs of extending facilities to provide service are not economically reasonable;

(8) Specifies that a telecommunications company may meet its carrier of last resort obligations and its obligations to offer basic local voice or basic interchange telecommunications service by providing local voice service using any technology;

(9) Prohibits the carrier of last resort obligation from being transferred to an alternative service provider and prohibits the loss of carrier of last resort obligation in areas outside a greenfield area; and

(10) Allows a telecommunications company, upon notice to the commission, to elect to no longer be designated as a carrier of last resort for any telecommunications service in St. Louis County, St. Louis City, or Kansas City. The company may provide local voice service using any technology.

FISCAL NOTE: No impact on state funds in FY 2012, FY 2013, and FY 2014.

PROPOSERS: Supporters say that the bill allows carrier of last resort requirements to be met by different types of telecommunications technology. The bill will save money by

removing the requirements to build expensive land-line networks in new development areas that will be serviced by other providers using different telecommunications services such as wireless services. The consumer preference for wireless technology with huge broadband volume indicates that the land-line based requirements are obsolete. All areas will still require the existence of telecommunications service at all times.

Testifying for the bill were Representative Pollock; AT&T, Incorporated and Affiliates; and Missouri Telecommunications Industry Association.

OPPONENTS: Those who oppose the bill say that the carrier of last resort obligation is still necessary to ensure statewide coverage. The bill could result in job loss and the deterioration of land-line networks that have multiple purposes and are more reliable than wireless technology.

Testifying against the bill were Consumers Council of Missouri; and A. J. Villegas, Communication Workers of America.