

MAINE STATE LEGISLATURE

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1 (EMERGENCY)
2 FIRST REGULAR SESSION
3

4 ONE HUNDRED AND TWELFTH LEGISLATURE
5

6 Legislative Document

No. 1011

8 S.P. 377

In Senate, March 13, 1985

9 Referred to the Committee on Utilities. Sent down for concurrence and
10 ordered printed.

11 JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Baldacci of Penobscot.

Cosponsored by Senator Hichens of York.

13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-FIVE
17

18 AN ACT to Maintain Universal Telephone
19 Service.
20

21 **Emergency preamble.** Whereas, Acts of the Legis-
22 lature do not become effective until 90 days after
23 adjournment unless enacted as emergencies; and

24 Whereas, the Public Utilities Commission has or-
25 dered that nonoptional local measured service begin
26 on July 1, 1985; and

27 Whereas, this could be the first step toward the
28 loss of adequate, universally available telephone
29 service at affordable rates; and

30 Whereas, Maine is a rural state where many people
31 have come to rely on local telephone calling for
32 their daily social contact, for medical and other
33 services and for emergency purposes; and

1 Whereas, loss of unlimited local calling will
2 represent a deterioration in the quality of life for
3 those people; and

4 Whereas, the telephone network has been success-
5 fully built up on the basis of flat rate unlimited
6 local service; and

7 Whereas, measured service charges could inhibit
8 use of telephones and stunt the growth of modern
9 telecommunications' service in Maine; and

10 Whereas, modern telecommunications' service is
11 vital for the health and growth of business within
12 the State; and

13 Whereas, according to the Public Utilities Com-
14 mission decision, the revenues of the telephone com-
15 pany will be the same under either flat rate or mea-
16 sured service; and

17 Whereas, in the judgment of the Legislature,
18 these facts create an emergency within the meaning of
19 the Constitution of Maine and require the following
20 legislation as immediately necessary for the preser-
21 vation of the public peace, health and safety; now,
22 therefore,

23 Be it enacted by the People of the State of Maine as
24 follows:

25 Sec. 1. 35 MRS §75 is enacted to read:

26 §75. Local telephone service

27 1. Standard nonlimited flat rate service. The
28 Public Utilities Commission shall establish rates and
29 rate structures for telephone companies which will
30 preserve reasonably affordable flat rate service, al-
31 lowing for unlimited local exchange calling for a
32 single monthly fee as the standard telephone service
33 for both business and residential customers. Flat
34 rate service with unlimited local calling shall al-
35 ways be described by the telephone company as the
36 standard service. Any other local calling service
37 shall be available as an optional service.

1 2. Optional local measured service. The commis-
2 sion may approve a telephone rate structure which al-
3 lows for a lower-cost limited local measured service
4 option, provided that the rate structure for that op-
5 tion does not jeopardize reasonably affordable flat
6 rate service allowing for unlimited local calling.
7 Any limited local measured service option must be de-
8 signed and implemented in a manner intended to in-
9 crease the number of households with telephones, that
10 is to further the goal of universally available tele-
11 phone service.

12 3. Cost allocation of common cost. In order to
13 achieve a fair cost allocation in the setting of the
14 rates required by this section, nontraffic sensitive
15 costs shall be allocated among all the company ser-
16 vices which benefit from those costs, including, but
17 not limited to, local and long distance services.
18 Nontraffic sensitive costs shall be considered common
19 costs. The commission costs shall be allocated on
20 the basis of a reasonable assessment of each class'
21 benefit from the use of facilities contributing to
22 common costs, including the local subscriber loop.

23 Sec. 2. Limitation on local measured service.
24 No local measured service rate structure which was
25 not in effect on July 1, 1984, within the State may
26 take effect within the State unless the standard
27 nonlimited flat rate service required by the Maine
28 Revised Statutes, Title 35, section 75, is in effect.

29 Emergency clause. In view of the emergency cited
30 in the preamble, this Act shall take effect when ap-
31 proved.

1

STATEMENT OF FACT

2 This bill prohibits nonoptional Local Measure
3 Service (LMS) as presently ordered by the Public
4 Utilities Commission. Instead, it requires that that
5 nonlimited flat rate service be the standard tele-
6 phone service for business and residential customers.
7 In setting the rates for that service, the Public
8 Utilities Commission must allocate common costs among
9 local, long distance and other services.

10 In order to make telephone service available to
11 more people, the Public Utilities Commission may ap-
12 prove a lower cost limited local measured service op-
13 tion. This will further the policy of the State in
14 the Maine Revised Statutes, Title 35, section 75, in
15 favor of universal telephone service.

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