

MAINE STATE LEGISLATURE

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MS

L.D. 265

DATE: 4-1-03

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UTILITIES AND ENERGY

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STATE OF MAINE SENATE 121ST LEGISLATURE FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 99, L.D. 265, Bill, "An Act To Promote Affordable Telephone Service for Business and Residential Customers in Rural Maine"

Amend the bill in section 1 by striking out all of subsection 2 (page 1, lines 36 to 50 in L.D.) and inserting in its place the following:

2. Access rates. After any decrease of interstate access rates by the Federal Government, the commission shall consider corresponding reductions in intrastate access rates, taking into account both the disadvantages to customers of intrastate access rates that exceed interstate access rates and the disadvantages to customers of increases in rates for local telephone service that may result from reductions in intrastate access rates.

A. By May 31, 2005, the commission shall ensure that intrastate access rates are equal to interstate access rates established by the Federal Communications Commission as of January 1, 2003.

B. If achieving the result required under paragraph A would result in an increase of more than 50% in the price of local telephone service, whether as a result of an increase in local service rates or an increase in universal service fund collections, the commission shall:

(1) Phase in intrastate access rate reductions through stepped reductions so as to produce as smooth a transition as possible; and

COMMITTEE AMENDMENT

2 (2) To the maximum extent possible, keep increases in
4 the price of local telephone service to no more than
50% for each stepped reduction in the intrastate access
rate.

6 C. If interstate access rates are reduced by the Federal
8 Communications Commission below the rates as of January 1,
10 2003, the commission may further require reductions in
12 intrastate access rates beyond what is required under
14 paragraph A, except that, within any 2-year period, the
commission may not require such further access rate
reduction if the result will be an increase of more than 50%
in local service rates or an increase of more than 50% in
the collection rate for the state universal service fund.

16 The commission may adopt rules to implement this subsection.
18 Rules adopted pursuant to this subsection are routine technical
rules as defined in Title 5, chapter 375, subchapter 2-A.'

20
22 **SUMMARY**

24 Current law requires that intrastate access rates be equal
26 to or less than interstate access rates. The Public Utilities
Commission has directed the full reduction in access rates for
28 Verizon but has given the independent local exchange carriers
more time to phase in the rate reductions. The commission has
30 directed that the local exchange carriers achieve the reductions
by May 31, 2003, which will result in substantial local rate
32 increases for these companies.

34 This amendment provides for a 2-year delay in the reduction
of intrastate access rates to the interstate level as of January
36 1, 2003. The amendment also provides that if further reduction
occur in interstate access rates, the commission may further
38 reduce intrastate access rates provided that in any 2-year period
the further reductions do not result in an increase of more than
40 50% in the price of local telephone service or in the collection
rate for the state universal service fund.

**121st Maine Legislature
Office of Fiscal and Program Review**

LD 265

**An Act To Promote Affordable Telephone Service for Business and
Residential Customers in Rural Maine**



LR 1311(01)

Fiscal Note for Original Bill

Sponsor: Sen. Hall

Committee: Utilities and Energy

Fiscal Note Required: No

Fiscal Note

This bill has no fiscal impact.