

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 265

S.P. 99

In Senate, January 23, 2003

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

(EMERGENCY)

Reference to the Committee on Utilities and Energy suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator HALL of Lincoln.
Cosponsored by Representative GROSE of Woolwich and
Senators: DAMON of Hancock, GAGNON of Kennebec, MAYO of Sagadahoc,
Representatives: BERRY of Belmont, DUDLEY of Portland, FAIRCLOTH of Bangor,
MARLEY of Portland, PATRICK of Rumford.

2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

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6 Whereas, the Public Utilities Commission is proposing to
adopt changes to its rules that will go into effect well before
the Legislature adjourns and that are not designated as major
8 substantive rules requiring approval by the Legislature before
taking effect; and

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12 Whereas, the proposed rule changes will require that the
State's incumbent local exchange carriers reduce the level of
their in-state access rates and, in most cases, significantly
14 increase the level of their basic local exchange telephone rates;
and

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18 Whereas, as a result of federal and state access-rate
policies, local customers are experiencing significant increases
in local rates without corresponding reduction in toll rates; and

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22 Whereas, the increases in local exchange rates increase the
threat to the State's universal service priorities, particularly
in rural areas of the State; and

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26 Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
28 necessary for the preservation of the public peace, health and
safety; now, therefore,

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32 **Be it enacted by the People of the State of Maine as follows:**

34 **Sec. 1. 35-A MRSA §7101-B, sub-§2,** as enacted by PL 1997, c.
259, §1, is repealed and the following enacted in its place:

36 **2. Access rates.** After any decrease of interstate access
38 rates by the Federal Government, the commission shall consider
40 corresponding reductions in intrastate access rates, taking into
42 account both the disadvantages to customers of intrastate access
44 rates that exceed interstate access rates and the disadvantages
46 to customers of increases in rates for local telephone service
48 that may result from reductions in intrastate access rates.
50 Within any 2-year period, the commission may not require an
access rate reduction that results in an increase of more than
10% in the price of local telephone service or that results in an
increase of more than 10% in the collection rate for the state
universal service fund. The commission may adopt rules to
implement this subsection. Rules adopted pursuant to this
subsection are major substantive rules as defined in Title 5,
chapter 375, subchapter 2-A.

2 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

4
6 **SUMMARY**

8 This bill requires the Public Utilities Commission to
balance the potentially conflicting access rate and toll rate
10 policies and to not implement access rate reductions when the
effect of access rate decreases is to compel an increase in local
12 rates or the Universal Service Fund of more than 10%.