

# SB205 Telecommunications Statutes Simplify & Modernize

Presentation to the Senate Labor & Commerce Committee  
February 27, 2018



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Alaska Telecom Association

# Unanimous Support for SB205

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Adak Eagle Enterprises  
Alaska Communications  
Alaska Telephone Company  
Arctic Slope Telephone  
Association Cooperative  
ASTAC Wireless  
AT&T  
Bettles Telephone  
Bristol Bay Cellular Partnership  
Bristol Bay Telephone  
Cooperative  
Bush-Tell  
Copper Valley Telephone  
Cooperative  
Copper Valley Wireless  
Cordova Telephone  
Cooperative

Cordova Wireless  
GCI  
Interior Telephone  
Mukluk Telephone  
Ketchikan Public Utilities  
Matanuska Telephone  
Association  
North Country Telephone  
Nushagak Cooperative  
OTZ Telephone Cooperative  
OTZ Wireless  
Summit Telephone Company  
TelAlaska Cellular  
United Utilities  
Windy City Wireless  
Yukon Telephone Company

# Transformation

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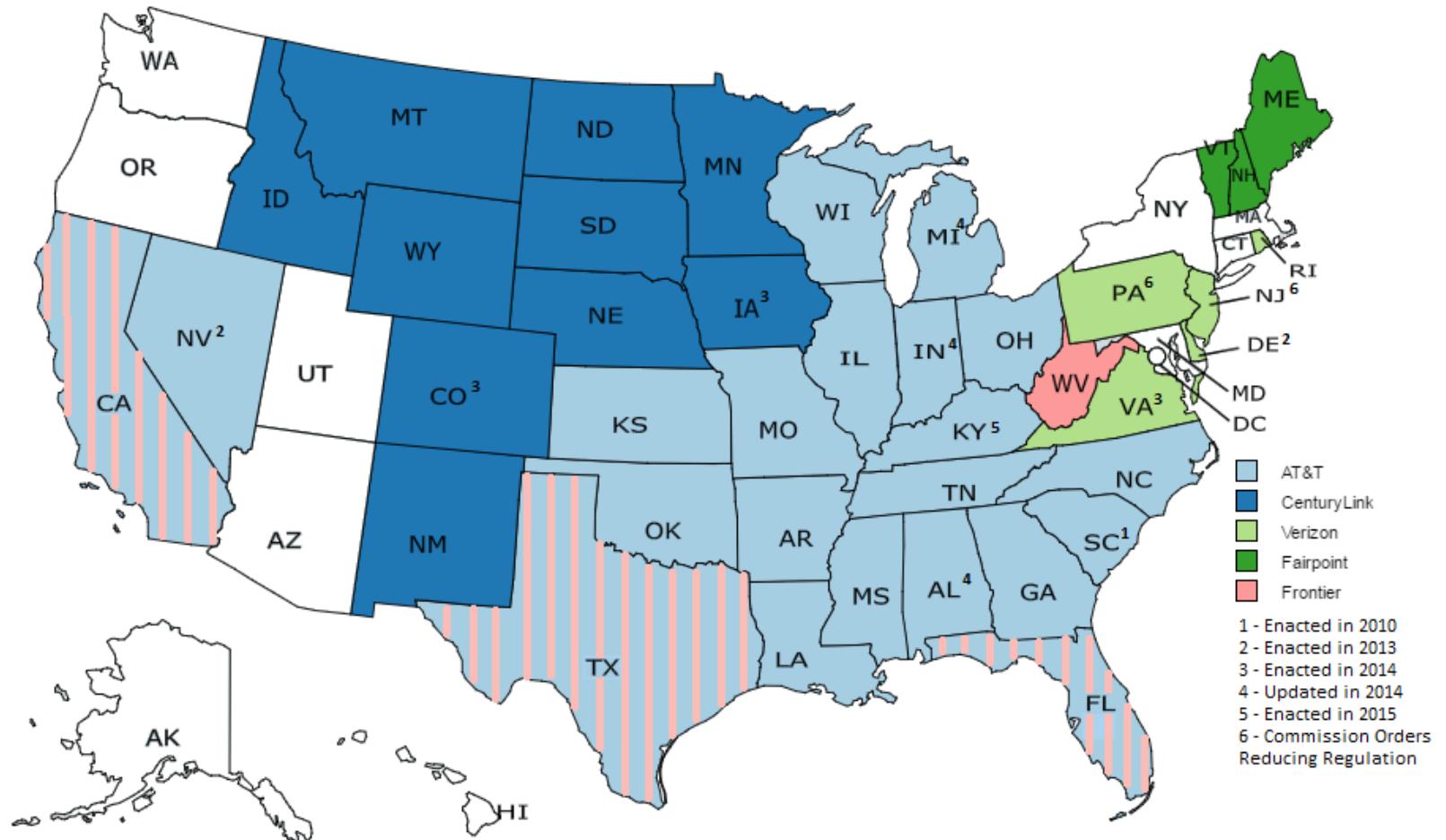
- ▶ Telecommunications have changed dramatically since many of Alaska's telecom statutes were adopted in the 90s.
- ▶ New technologies and consumer preferences focus on wireless and broadband.
- ▶ Landline and long distance service dramatically diminished in the marketplace.

# National Trends

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- ▶ 41 states have reduced or eliminated oversight of retail telecommunications services
- ▶ National Regulatory Research Institute recommends state Commissions focus on:
  - ▶ Collecting consumer complaints
  - ▶ Outage reporting to monitor service quality
  - ▶ Interactions with providers and consumers to identify needs

# Reduced Regulation by State & Carrier 2016



Source: Author's construct, data from Legiscan.

# Obsolete Statutes

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- ▶ Long distance competition statutes at 42.05.800-810 require the RCA to manage competition in the landline long distance market.
- ▶ Requires tariff filings and annual reports.
- ▶ SB205 removes outdated regulation of long distance retail competition.

# Tariff Regulation – It Depends

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- ▶ Cooperatives, with the approval of their members, and municipal telcos manage their own tariffs.
- ▶ All other companies must maintain a tariff at the RCA. Review & approval varies by service area.
- ▶ Limits the introduction of new offerings due to the expense of preparing and supporting tariff filings.
- ▶ SB205 adopts the cooperative model for tariffs

# Tariffs Filings 2017

- ▶ Regulatory Commission of Alaska
- ▶ Fiscal Year 2017 Annual Report

Category	2017	2016	2015	2014	2013	2012	2011	2010
Telecomm (AOS)	0	0	0	0	0	0	0	0
Telecomm (Directory)	0	0	0	0	0	0	0	0
Telecomm (Certificated IXC)	10	5	0	0	0	0	5	0
Telecomm (LEC)	69	48	2	4	1	14	0	0
Telecomm (PPTP)	0	0	0	0	0	0	0	0
Telecomm (Registered IXC)	3	0	0	0	0	0	3	0
Telecomm (TRS)	2	2	0	0	0	0	0	0

## Carrier of Last Resort - Duplicative

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- ▶ Carrier of last resort is the commitment of companies to provide service upon request.
- ▶ Certificate of Public Convenience & Necessity designates an area where service is required and prevents abandonment of service without permission from the RCA.
- ▶ Federal and state rules require provision of service upon reasonable request.

# Consumer Protection

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- ▶ Strong consumer protections exist today
  - ▶ Certificate of Public Convenience and Necessity (CPCN)
  - ▶ Eligible Telecommunications Carrier (ETC)
  - ▶ RCA Consumer Protection & Information Section
  - ▶ Attorney General Consumer Protection Unit
  - ▶ FCC Consumer Complaint Center
- ▶ SB205 maintains these protections.

# Right-touch Regulation

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- ▶ SB205 maintains essential RCA oversight
- ▶ Removes obsolete statutes
- ▶ Adopts cooperative model for tariffs
- ▶ Requires RCA and FCC approval before discontinuance of service
- ▶ Reduces cost and delay of regulation for RCA & providers
- ▶ Eliminates regulatory surcharge on consumer bills and shifts actual costs to providers

# Benefits to Consumers

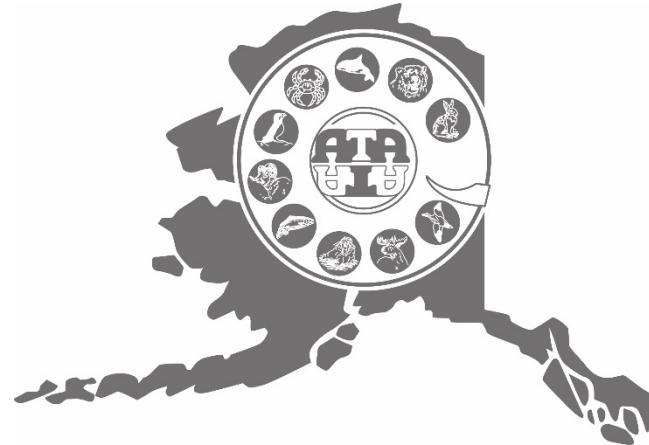
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- ▶ Increases incentive to offer new service bundles
- ▶ Focuses resources on consumer services
- ▶ Reduces consumer bills

# Contact

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