

**CS FOR SENATE BILL NO. 52(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/14/99

Referred: Rules

Sponsor(s): SENATOR PETE KELLY

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to competition in the provision of local exchange telephone  
2 service; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1.** AS 42.05 is amended by adding a new section to read:

5 **Sec. 42.05.870. Competition in local exchange service.** (a) The legislature  
6 finds that

7 (1) modern, affordable, efficient, and universally available local and  
8 long distance telephone service is essential to the people of the state;

9 (2) local exchange telephone service should be provided competitively  
10 wherever possible;

11 (3) technological advances, reduced costs, and increased consumer  
12 choices for local exchange telephone service, resulting from the adoption of an  
13 appropriate competitive market structure, will enhance the state's economic  
14 development;

1 (4) the benefits of competition in local exchange telephone service  
2 should be available to consumers throughout the state;

3 (5) the commission should oversee competition in local exchange  
4 telephone service to ensure that the competition is fair to consumers and competitors;

5 (6) the commission should provide for competition in a timely manner  
6 and should adopt regulations that eliminate impediments to entry for local exchange  
7 carriers fit, willing, and able to provide service.

8 (b) By July 1, 1999, the commission shall adopt

9 (1) regulations ensuring universal service and providing for access  
10 charges that are compatible with full competition in the provision of local exchange  
11 telephone service using all methods allowed by 47 U.S.C. 251 - 276  
12 (Telecommunications Act of 1996); and

13 (2) any further regulations necessary to allow and promote local  
14 exchange competition, using all methods allowed by 47 U.S.C. 251 - 276  
15 (Telecommunications Act of 1996), in the service areas of all local exchange carriers  
16 that served 25,000 or more access lines on January 1, 1999, other than the service  
17 areas of telephone cooperatives.

18 (c) The commission shall approve or deny applications to provide competitive  
19 local exchange telephone service within 90 days after the filing of a complete  
20 application and, except for applications to provide competitive local exchange  
21 telephone service in the service area of a telephone cooperative, shall consider  
22 competitive local exchange telephone service to be a service required for the  
23 convenience and necessity of the public under AS 42.05.241. The commission shall  
24 approve an application on a finding that the applicant is fit, willing, and able to  
25 provide the service. In accordance with 47 U.S.C. 253(f), the commission may require  
26 the applicant to offer service throughout the study area of the existing local exchange  
27 telephone utility. If the commission fails to approve or deny an application, other than  
28 an application to provide competitive local exchange telephone service in the service  
29 area of a telephone cooperative, within 90 days after the commission has received a  
30 complete application, the application is considered approved.

31 (d) A local exchange telephone company, other than a municipally-owned local

1 exchange telephone company, that is exempted in whole or in part from complying  
 2 with all or a portion of this chapter may not be regulated by a municipality under  
 3 AS 29.35.060 or 29.35.070.

4 \* **Sec. 2.** AS 42.05.870(b) is amended to read:

5 (b) By July 1, 1999, the commission shall adopt

6 (1) regulations ensuring universal service and providing for access  
 7 charges that are compatible with full competition in the provision of local exchange  
 8 telephone service using all methods allowed by 47 U.S.C. 251 - 276  
 9 (Telecommunications Act of 1996); and

10 (2) any further regulations necessary to allow and promote local  
 11 exchange competition, using all methods allowed by 47 U.S.C. 251 - 276  
 12 (Telecommunications Act of 1996), in the service areas of all local exchange carriers  
 13 that served 25,000 or more access lines on January 1, 1999 [, OTHER THAN THE  
 14 SERVICE AREAS OF TELEPHONE COOPERATIVES].

15 \* **Sec. 3.** AS 42.05.870(c) is amended to read:

16 (c) The commission shall approve or deny applications to provide competitive  
 17 local exchange telephone service within 90 days after the filing of a complete  
 18 application and [, EXCEPT FOR APPLICATIONS TO PROVIDE COMPETITIVE  
 19 LOCAL EXCHANGE TELEPHONE SERVICE IN THE SERVICE AREA OF A  
 20 TELEPHONE COOPERATIVE,] shall consider competitive local exchange telephone  
 21 service to be a service required for the convenience and necessity of the public under  
 22 AS 42.05.241. The commission shall approve an application on a finding that the  
 23 applicant is fit, willing, and able to provide the service. In accordance with 47 U.S.C.  
 24 253(f), the commission may require the applicant to offer service throughout the study  
 25 area of the existing local exchange telephone utility. If the commission fails to  
 26 approve or deny an application [, OTHER THAN AN APPLICATION TO PROVIDE  
 27 COMPETITIVE LOCAL EXCHANGE TELEPHONE SERVICE IN THE SERVICE  
 28 AREA OF A TELEPHONE COOPERATIVE,] within 90 days after the commission  
 29 has received a complete application, the application is considered approved.

30 \* **Sec. 4.** (a) Section 1 of this Act takes effect immediately under AS 01.10.070(c).

31 (b) Sections 2 and 3 of this Act take effect on the date two years after the day

**1** sec. 1 of this Act takes effect.