

CS FOR HOUSE BILL NO. 111(JUD) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Amended: 5/18/03

Offered: 5/17/03

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to policies in telecommunications regulations; extending the**
2 **termination date of the Regulatory Commission of Alaska; and providing for an**
3 **effective date."**

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

5 * **Section 1.** AS 44.66.010(a)(4) is amended to read:

6 (4) Regulatory Commission of Alaska (AS 42.04.010) -- June 30, 2007
7 [2003];

8 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 REVIEW OF TELECOMMUNICATIONS REGULATION. (a) The Regulatory
11 Commission of Alaska shall thoroughly review its rules and regulations governing
12 telecommunications rates, charges between competing telecommunications companies, and
13 competition in telecommunications. As part of this review, the commission shall hold public
14 hearings and shall issue proposed regulations not later than November 15, 2003.

1 (b) In conducting the review required by (a) of this section, the commission shall be
2 guided by the following principles:

3 (1) the public shall be protected;

4 (2) the rates charged to the public shall be fair;

5 (3) the incumbent carrier may not be placed at an unfair competitive
6 disadvantage;

7 (4) businesses that provide local and long distance telecommunications
8 services shall be treated as fairly as possible;

9 (5) competition among telecommunications companies shall be encouraged;

10 (6) the development of a modern telecommunications infrastructure in the
11 state shall be encouraged; and

12 (7) it is desirable to promote competition and to take steps, if fair to the public,
13 to encourage more, rather than fewer, businesses to enter and remain in the
14 telecommunications business in the state.

15 (c) The review required by (a) of this section does not apply to current open dockets
16 pending review.

17 (d) The legislature does not take a position on the propriety of existing commission
18 rulings or regulations; however, regulations issued under (a) of this section may differ from
19 prior commission rulings and regulations.

20 (e) The proposed regulations required by (a) of this section must include regulations
21 to implement the following policies:

22 (1) there shall be fair payment by a user carrier for use of another carrier's
23 equipment and facilities, including existing and newly constructed equipment and facilities;

24 (2) in determining whether a carrier is the dominant carrier for the purposes of
25 setting consumer rates, it is not relevant that the carrier in a competitive market is the
26 incumbent carrier;

27 (3) all telecommunications carriers may unilaterally reduce consumer rates,
28 subject to state and federal antitrust laws; and

29 (4) a definition of "competitive service areas" shall take into account whether
30 actual competition exists in an area;

31 (5) any method of depreciation used by the commission shall consider the

1 actual useful life of depreciated equipment and facilities;

2 (6) when the commission approves a carrier's application for a certificate to
3 provide competitive local exchange telecommunications service in an incumbent local
4 exchange carrier's service area, in areas where the commission has determined there is
5 competition among carriers, the incumbent local exchange carrier shall be subject to the same
6 retail tariffing standards and regulations as the new carrier, but the incumbent local exchange
7 carrier remains the carrier of last resort in the relevant area until the commission orders
8 otherwise;

9 (7) the use of fill factors shall consider the application of the fill factors in
10 setting unbundled network element rates;

11 (8) in areas where significant competition exists between carriers, competitors
12 shall be allowed to increase rates under the same rules; and

13 (9) the commission may deny any rate increase to protect the public.

14 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).