

**SENATE BILL NO. 83**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - FIRST SESSION

**BY SENATOR BIRCH**

**REPRESENTATIVES Kopp, Tuck**

**Introduced: 3/11/19**

**Referred: Labor and Commerce**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the Regulatory Commission of Alaska; relating to the public utility**  
2 **regulatory cost charge; relating to the regulation of telecommunications; relating to**  
3 **exemptions, charges, and rates applicable to telecommunications utilities; relating to**  
4 **regulation of telephone services; and relating to alternate operator services."**

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

6 \* **Section 1.** AS 29.35.070(a) is amended to read:

7 (a) The assembly acting for the area outside all cities in the borough and the  
8 council acting for the area in a city may regulate, fix, establish, and change the rates  
9 and charges imposed for a utility service provided to the municipality or its inhabitants  
10 by a utility that is not subject to regulation under AS 42.05 unless that utility is  
11 exempted from regulation under AS 42.05.711(a), (d) - (k), (o), (p), [OR] (r), or **(u)**  
12 [IS EXEMPTED UNDER REGULATIONS ADOPTED UNDER AS 42.05.810  
13 FROM COMPLYING WITH ALL OR PART OF AS 42.05.141 - 42.05.712,  
14 42.05.990, OR 42.05.995].

1 \* **Sec. 2.** AS 42.05.141 is amended by adding new subsections to read:

2 (e) The commission may not designate a local exchange carrier or long  
3 distance telephone company as the carrier of last resort. In this subsection, "local  
4 exchange carrier" and "long distance telephone company" have the meanings given in  
5 AS 42.05.890.

6 (f) The commission may designate an eligible telecommunications carrier  
7 consistent with 47 U.S.C. 214(e).

8 \* **Sec. 3.** AS 42.05.254(a) is amended to read:

9 (a) A regulated public utility **or a certificated utility that provides**  
10 **telecommunications services** operating in the state shall pay to the commission an  
11 annual regulatory cost charge in an amount not to exceed the maximum percentage of  
12 adjusted gross revenue that applies to the utility sector of which the utility is a part.  
13 The regulatory cost charges that the commission expects to collect from all regulated  
14 utilities **and certificated utilities providing telecommunications services** may not  
15 exceed the sum of the following percentages of the total adjusted gross revenue of all  
16 regulated public utilities **and certificated utilities providing telecommunications**  
17 **services** derived from operations in the state: (1) not more than .7 percent to fund the  
18 operations of the commission, and (2) not more than .17 percent to fund operations of  
19 the public advocacy function under AS 42.04.070(c) and AS 44.23.020(e) within the  
20 Department of Law. An exempt utility **that does not provide telecommunications**  
21 **services** shall pay the actual cost of services provided to it by the commission.

22 \* **Sec. 4.** AS 42.05.254(h) is amended to read:

23 (h) The commission shall by regulation establish a method to determine  
24 annually the maximum percentage of adjusted gross revenue that will apply to each  
25 regulated public utility sector, **the certificated telecommunications utility sector,**  
26 and [THE MAXIMUM PERCENTAGE OF GROSS REVENUE THAT WILL  
27 APPLY TO] the regulated pipeline carrier sector. Other than the cost of services  
28 provided to exempt utilities **that do not provide telecommunications services,** the  
29 method established shall allocate the commission's costs, and the Department of Law's  
30 certified costs of its public advocacy function under AS 42.04.070(c) and  
31 AS 44.23.020(e), among the regulated public utility sectors, **the certificated**

1        **telecommunications utility sector**, and the regulated pipeline carrier sector based on  
 2        the relative amount of the commission's annual costs and the Department of Law's  
 3        certified costs that is attributable to regulating each sector. For purposes of this  
 4        subsection, the Department of Law shall annually certify to the commission the costs  
 5        of its public advocacy function under AS 42.04.070(c) and AS 44.23.020(e).

6        \* **Sec. 5.** AS 42.05.254(i)(2) is amended to read:

7                                (2) "exempt utility" means a public utility that **does not provide**  
 8        **telecommunications services and** is certificated by the commission under  
 9        AS 42.05.221 - 42.05.281 but, in accordance with AS 42.05.711, is exempt from other  
 10       regulatory requirements of this chapter;

11       \* **Sec. 6.** AS 42.05.361 is amended by adding a new subsection to read:

12                                (d) The commission may require a telecommunications carrier to make tariff  
 13       filings related to telecommunications services provided to inmates in the custody of  
 14       the Department of Corrections. Notwithstanding (a) - (c) of this section, the  
 15       commission may not require a telecommunications carrier to make other tariff filings.

16       \* **Sec. 7.** AS 42.05.381 is amended by adding new subsections to read:

17                                (l) The rates and terms and conditions of service of an incumbent local  
 18       exchange carrier for basic residential local telephone service must be uniform within  
 19       its study area, as determined by the Federal Communications Commission.

20                                (m) The rates and terms and conditions of service of a competitive local  
 21       exchange carrier for basic residential local telephone service must be uniform  
 22       throughout its service area.

23                                (n) The retail rates of a long distance telephone company for message  
 24       telephone service for residential customers must be geographically averaged. If rates  
 25       vary by distance over which calls are placed, the rate for each mileage band must be  
 26       equal to or greater than the rate for the next shorter mileage band.

27                                (o) In this section, "local exchange carrier" and "long distance telephone  
 28       company" have the meanings given in AS 42.05.890.

29       \* **Sec. 8.** AS 42.05.711 is amended by adding new subsections to read:

30                                (u) A utility that provides telecommunications services is exempt from the  
 31       provisions of this chapter, other than AS 42.05.141(e) and (f), 42.05.221 - 42.05.281,

1 42.05.296, 42.05.306, 42.05.381(I) - (n), 42.05.631, 42.05.641, 42.05.661, and  
2 42.05.820 - 42.05.860.

3 (v) Notwithstanding (u) of this section, the commission has the authority to  
4 regulate the rates and terms and conditions of telecommunications services provided to  
5 inmates in the custody of the Department of Corrections.

6 \* **Sec. 9.** AS 42.05.820 is amended to read:

7 **Sec. 42.05.820. No municipal regulation.** A long distance telephone company  
8 **or a local exchange carrier** that is exempted in whole or in part from complying with  
9 all or a portion of this chapter may not be regulated by a municipality under  
10 AS 29.35.060 and 29.35.070.

11 \* **Sec. 10.** AS 42.06.286(e) is amended to read:

12 (e) The commission shall by regulation establish a method to determine  
13 annually the maximum percentage of gross revenue that will apply to each regulated  
14 public utility sector, **the telecommunications utility sector,** and [THE MAXIMUM  
15 PERCENTAGE OF GROSS REVENUE THAT WILL APPLY TO] the regulated  
16 pipeline carrier sector in accordance with AS 42.05.254(h).

17 \* **Sec. 11.** AS 45.50.473(a) is amended to read:

18 (a) A person may not provide an alternate operator service without disclosing  
19 to the consumer before a charge is incurred the cost of the service provided by the  
20 person and the identity of the person providing those services. [THIS SECTION  
21 DOES NOT AFFECT THE POWER OF THE REGULATORY COMMISSION OF  
22 ALASKA TO REGULATE PROVIDERS OF ALTERNATE OPERATOR  
23 SERVICES UNDER AS 42.05 IN A MANNER CONSISTENT WITH THIS  
24 SECTION.]

25 \* **Sec. 12.** AS 45.50.473(d) is amended to read:

26 (d) In this section, "alternate operator service"

27 **(1) means a connection to intrastate or interstate long-distance**  
28 **telecommunications facilities from a nonresidential location in the state including**  
29 **a hotel, motel, hospital, or customer-owned pay telephone, or from a place where**  
30 **business from consumers is aggregated, by a person that does not own any of the**  
31 **telecommunications facilities being connected through the service;**

1                   **(2) does not include an intrastate or interstate long-distance**  
2                   **carrier that contracts for operator services and charges rates for those services**  
3                   **that are no greater than the rates charged by long-distance carriers regulated by**  
4                   **the Regulatory Commission of Alaska or by the Federal Communications**  
5                   **Commission** [HAS THE MEANING GIVEN IN AS 42.05.325(c)].

6                   \* **Sec. 13.** AS 42.05.325 and 42.05.810 are repealed.