



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Senate Bill 469

**Senate
Amendment 2**

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2009 Senate Bill 469 relates to the regulation of telecommunications utilities. Senate Amendment 2 makes extensive revisions to the bill. The following are the main elements of the bill, as amended by Senate Amendment 2:

With regard to the *certification of telecommunications utilities*, the amended bill does the following:

- Allows an incumbent local exchange carrier (ILEC) to retain its existing certification, to recertify as an alternative telecommunications utilities (ATU), or to recertify as an ILEC but to be regulated as an ATU. Recertification terminates all regulations to which the ILEC was previously subject.
- Allows an ATU to recertify as an ATU subject to the revised regulation of ATUs described below. Recertification terminates all regulations to which the ATU was previously subject.
- Repeals limits on entry by a competitive local exchange carrier (CLEC) into the service territory of a small ILEC and specifies that recertification as an ATU or election to be regulated as an ATU regulation by a small ILEC constitutes a limited waiver of the ILEC's rights under parallel federal law.

With regard to the *regulation of telecommunications utilities*, the amended bill does the following:

- Repeals several regulatory schemes available to ILECs (including traditional rate-of-return regulation) and provides, through statutory waiver, amendment, or repeal, that a number of current regulations do not apply to ILECs under the remaining regulatory schemes.
- Specifies that, if the Public Service Commission (PSC) imposes any requirement on an ATU, it must impose the same requirement on all ATUs, at the same level of regulation.

- Specifies that the PSC may not impose any regulatory requirements on an ATU other than those included in a list created by the amended bill.

With regard to *tariffs*, the amended bill repeals or otherwise eliminates the obligation of telecommunications utilities to file tariffs with the PSC, and authorizes telecommunications utilities to file, revise, and withdraw tariffs, at their option.

The amended bill generally removes the current prohibitions on the *cross-subsidization* of a telecommunications utility's unregulated activities with revenues from regulated activities.

The amended bill eliminates the PSC's authority to investigate *consumer complaints* of inadequate service or unjust charges by a telecommunications utility, or to initiate such an investigation on its own motion, and to order remedies.

With regard to the *switched access services*, the amended bill does the following:

- Applies the PSC's authority to review access services and charges and to enforce requirements that such service and charges be adequate and just to some telecommunications utilities and not to others, depending on the utility's size and type of certification.
- Specifies that the intrastate access charges of a large ILEC may not be greater than the ILEC's interstate access charges, and prohibits PSC regulation of such charges beyond enforcement of this requirement.

The amended bill exempts *interconnected voice over Internet protocol (VoIP) services* from all public utility regulations except requirements to charge their customers the police and fire protection fee and to collect revenues for the Universal Service Fund and to fund the telecommunications-related consumer protection functions of the Department of Agriculture, Trade, and Consumer Protection.

With regard to the *essential and advanced services*, the amended bill does the following:

- Replaces current requirements with a requirement that telecommunications utilities provide "essential telecommunications services," as determined by the Federal Communications Commission, to customers.
- Repeals current requirements regarding advanced telecommunications services.

For a fuller description of the amended bill, see the March 22, 2010 (corrected March 23, 2010) Legislative Council staff memorandum to the Senate Committee on Commerce, Utilities, Energy, and Rail, *2009 Senate Bill 469, Relating to Telecommunications Regulations, as Amended by Senate Amendment 2 to Senate Bill 469*.

Legislative History

On March 22, 2010, the Senate Committee on Commerce, Utilities, Energy, and Rail voted to recommend adoption of Senate Amendment 2 to Senate Bill 469 and passage of Senate Bill 469, as amended, on identical votes of Ayes, 6; and Noes, 1.