

1 SB87  
2 126271-1  
3 By Senator Marsh  
4 RFD: Commerce, Transportation, and Utilities  
5 First Read: 01-MAR-11

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8 SYNOPSIS: This bill would specify and add certain  
9 exceptions to the obligation of the carrier of last  
10 resort to provide basic telephone service to the  
11 premises of a permanent residence within the  
12 franchised service territory of an incumbent local  
13 exchange carrier.

14  
15 A BILL  
16 TO BE ENTITLED  
17 AN ACT  
18

19 To amend Section 37-2A-8 of the Code of Alabama  
20 1975, relating to basic telephone service; to further specify  
21 and add exceptions to the obligation of the carrier of last  
22 resort to provide basic telephone service to the premises of a  
23 permanent residence within the franchised service territory of  
24 an incumbent local exchange carrier.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. Section 37-2A-8 of the Code of Alabama  
27 1975, is amended to read as follows:

1           "§37-2A-8.

2           "(a) (1) Notwithstanding any provision of law to the  
3 contrary, an entity that is not an incumbent local exchange  
4 carrier shall not be obligated to tariff or otherwise provide  
5 basic telephone service. An incumbent local exchange carrier  
6 shall provide, upon reasonable request, basic telephone  
7 service to the premises of a permanent residence within its  
8 franchised service territory, if the costs, including, but not  
9 limited to costs of facilities, rights-of-way, and equipment,  
10 of providing basic telephone service to the requesting party  
11 does not exceed eight thousand dollars (\$8,000).

12           "(2) If the cost exceeds eight thousand dollars  
13 (\$8,000), as provided in subdivision (1), an incumbent local  
14 exchange carrier may not deny service on the basis of cost so  
15 long as sufficient funds to provide that service are available  
16 from the Alabama portion of the applicable federal universal  
17 service fund program.

18           "(3) An incumbent local exchange carrier obligated  
19 by this section to serve as the carrier of last resort is  
20 relieved of that obligation and shall not be obligated to  
21 provide basic telephone service to any occupants of real  
22 property if the owner or developer of the real property, or a  
23 person acting on behalf of the owner or developer of real  
24 property, engages in any of the following acts:

25           "a. Permits an alternative communications service  
26 provider to install its facilities or equipment used to  
27 provide communications services based on a condition of

1 exclusion of the incumbent local exchange carrier during the  
2 construction phase of the real property.

3 "b. Accepts or agrees to accept incentives or  
4 rewards from an alternative communications services provider  
5 that are contingent upon the provision of any or all local  
6 communications services by one or more alternative  
7 communications services providers to the exclusion of the  
8 incumbent local exchange carrier.

9 "c. Collects from the occupants or residents of the  
10 real property mandatory charges for the provision of any local  
11 communications services provided by an alternative  
12 communications services provider to the occupants or residents  
13 in any manner, including, but not limited to, collection  
14 through rent, fees, or dues.

15 "d. Prohibits an incumbent local exchange carrier  
16 from providing the full range of its communications services,  
17 including video services, to the premises of potential  
18 customers.

19 "(b) (1) Beginning February 1, 2007, the retail price  
20 for basic telephone service to be offered by incumbent local  
21 exchange carriers shall not exceed the highest price charged  
22 by the incumbent local exchange carrier on January 31, 2007.

23 "(2)a. Beginning January 1, 2008, and every  
24 succeeding January 1 through December 31, 2010, the retail  
25 rates for basic telephone service may not be increased by the  
26 incumbent local exchange carrier to exceed the rates of the  
27 previous year as of January 1, plus any increase in the

1 Consumer Price Index for all urban consumers as reported by  
2 the U.S. Department of Labor, Bureau of Labor Statistics.

3 "b. Beginning August 1, 2009,, the commission shall  
4 not have any jurisdiction, right, power, authority, or duty to  
5 regulate, supervise, control, oversee, or monitor, directly or  
6 indirectly, the costs, rates, charges, terms, or conditions,  
7 for any retail telecommunications services provided to  
8 businesses or government entities, except as provided in  
9 Section 37-2A-11(b) (6).

10 "c. Beginning January 1, 2011, the commission shall  
11 not have any jurisdiction, right, power, authority, or duty to  
12 regulate, supervise, control, oversee, or monitor, directly or  
13 indirectly, the costs, rates, charges, terms, or conditions  
14 for basic telephone service.

15 "(3)a. Each optional telephone feature in a bundled  
16 offering must be available on a stand-alone basis under a  
17 tariff on file with the commission. If a bundled offering is  
18 offered by a local exchange carrier, the carrier shall have a  
19 basic telephone service tariffed offering for residential  
20 customers on file with the commission.

21 "b. Beginning January 1, 2008, and through December  
22 31, 2010, increases in tariffed rates for optional telephone  
23 features may not exceed five percent per optional telephone  
24 feature per year.

25 "c. Through December 31, 2010, a residential bundled  
26 offering that consists solely of basic telephone service and  
27 optional telephone features must be priced at or below the sum

1 of the tariffed price of basic telephone service and the  
2 tariffed price of the associated optional telephone features.

3 "d. Beginning January 1, 2011, the commission shall  
4 not have any jurisdiction, right, power, authority, or duty to  
5 regulate, supervise, control, oversee, or monitor, directly or  
6 indirectly, the costs, rates, charges, terms, or conditions  
7 for optional telephone features."

8 Section 2. This act shall become effective on the  
9 first day of the third month following its passage and  
10 approval by the Governor, or its otherwise becoming law.