

Senate File 275 - Introduced

SENATE FILE _____
BY HECKROTH

(COMPANION TO LSB 2189HH BY
SWAIM)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act specifying general policy provisions applicable to
2 telecommunications regulation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2189SS 83
5 rn/sc/14

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1 1 Section 1. Section 476.95, Code 2009, is amended to read
1 2 as follows:
1 3 476.95 FINDINGS == STATEMENT OF POLICY.
1 4 The general assembly finds all of the following:
1 5 1. Communications services should be available throughout
1 6 the state at just, reasonable, and affordable rates from a
1 7 variety of providers.
1 8 2. In rendering decisions with respect to regulation of
1 9 telecommunications companies, the board shall consider the
1 10 effects of its decisions on the provision of advanced
1 11 communications services, shall balance local economic
1 12 development and competition in telecommunications markets and,
1 13 to the extent reasonable and lawful, shall act to further the
1 14 development of ~~competition~~ adequate services at just,
1 15 reasonable, and affordable rates in those markets.
1 16 3. In order to ~~encourage competition for all~~ promote
1 17 adequate telecommunications services and the continued
1 18 deployment of advanced communications services, the board
1 19 should address issues relating to the movement of prices
1 20 toward cost and the removal of subsidies in the existing price
1 21 structure of the incumbent local exchange carrier shall
1 22 consider compensation issues in light of the provision,
1 23 maintenance, and upgrade costs of advanced communications
1 24 services and the principle of just, reasonable, and affordable
1 25 rates for communications services throughout the state.
1 26 4. Regulatory flexibility is appropriate when competition
1 27 provides customers with competitive choices in the variety,
1 28 quality, and pricing of communications services, and when
1 29 consistent with consumer protection and other relevant public
1 30 interests.
1 31 5. The board ~~should~~ shall respond with speed and
1 32 flexibility to changes in the communications industry.
1 33 6. Economic development can be fostered by the existence
1 34 of advanced ~~communications networks~~ communications services.
1 35 Sec. 2. Section 476.96, Code 2009, is amended by adding
2 1 the following new subsection:
2 2 NEW SUBSECTION. 0A. "Advanced communications services"
2 3 means high-speed, switched broadband telecommunications that
2 4 enable users to originate and receive high quality voice,
2 5 data, graphics, and video technology.
2 6 Sec. 3. Section 476.96, subsection 6, Code 2009, is
2 7 amended to read as follows:
2 8 6. "Nonbasic communications services" means all
2 9 communications services subject to the board's jurisdiction
2 10 which are not deemed either by statute or by rule to be basic
2 11 communications services, including advanced communications
2 12 services and any service offered by the local exchange carrier
2 13 for the first time after July 1, 1995. A service is not
2 14 considered new if it constitutes the bundling, unbundling, or
2 15 repricing of an already existing service. Consistent with

2 16 community expectations and the public interest, the board may
2 17 reclassify by rule as nonbasic those two-way switched
2 18 communications services previously classified by rule as
2 19 basic.

2 20 EXPLANATION

2 21 This bill modifies general policy statements contained in
2 22 Code chapter 476.95 and applicable to provisions relating to
2 23 price regulation of telecommunications services providers.

2 24 The bill provides that the utilities board of the utilities
2 25 division of the department of commerce shall consider the
2 26 effects of its regulatory decisions on the provision of
2 27 advanced telecommunications services, shall balance local
2 28 economic development and competition, and shall act to further
2 29 the development of adequate services at just, reasonable, and
2 30 affordable rates. Further, the bill deletes a provision
2 31 directing the board to address issues relating to the movement
2 32 of prices toward cost and the removal of subsidies in the
2 33 existing price structure of the incumbent local exchange
2 34 carrier in order to encourage competition. This provision is
2 35 replaced with the directive that the board consider
3 1 compensation issues in light of the provision, maintenance,
3 2 and upgrade costs of advanced communications services and the
3 3 principle of just, reasonable, and affordable rates for
3 4 communications services throughout the state in order to
3 5 promote adequate telecommunications services. Additionally,
3 6 the bill substitutes the word "shall" for the word "should"
3 7 with reference to the board responding with speed and
3 8 flexibility to changes in the communications industry, and
3 9 changes a reference to "advanced communications networks" to
3 10 "advanced communications services".

3 11 The bill defines "advanced communications services" to mean
3 12 high-speed, switched broadband telecommunications that enable
3 13 users to originate and receive high quality voice, data,
3 14 graphics, and video technology.

3 15 The bill encompasses "advanced communications services"
3 16 within the definition of "nonbasic communications services"
3 17 applicable to telecommunications regulatory provisions.

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