

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 698
95TH GENERAL ASSEMBLY

Reported from the Committee on Commerce, Consumer Protection, Energy and the Environment, March 16, 2010, with recommendation that the Senate Committee Substitute do pass.

3189S.04C

TERRY L. SPIELER, Secretary.

AN ACT

To amend chapter 392, RSMo, by adding thereto one new section relating to exchange access rates.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 392, RSMo, is amended by adding thereto one new section, to be known as section 392.605, to read as follows:

392.605. 1. The general assembly finds and declares it to be beneficial to Missouri consumers and the competitive market to change historical public policy and bring more transparency to rates for telecommunications services by reducing hidden subsidies within the intrastate switched exchange access compensation system through the reduction of switched exchange access rates paid from one company to another to originate and terminate telephone calls.

2. As used in this section, "composite" shall mean, when referring to intrastate or interstate switched exchange access rates, the sum of all of the traffic sensitive and nontraffic sensitive tariffed rate elements included in originating and terminating intrastate and interstate switched exchange access service, including, but not limited to, carrier common line, but excluding any subscriber line charges approved by the Federal Communications Commission.

3. Originating and terminating intrastate switched exchange access rates shall be reduced by all incumbent local exchange telecommunications companies, except that the provisions of this subsection shall not apply to small incumbent local exchange telecommunications companies individually serving fewer than twenty-five thousand access lines as of January 1, 2010, and the provisions of

21 subsection 6 of section 392.361 and section 392.370 to the contrary
22 notwithstanding, rural alternative local exchange telecommunications
23 companies as defined in this section. Each incumbent local exchange
24 telecommunications company subject to this subsection shall decrease
25 both its composite originating and terminating intrastate switched
26 exchange access rates each year by ten percent of the difference, as
27 determined immediately preceding the first reduction required under
28 this subsection, between its composite intrastate switched exchange
29 access rates and its composite interstate switched exchange access
30 rates, such that by December 31, 2019, the originating and terminating
31 composite intrastate switched exchange access rates shall be equal to
32 the composite originating and terminating interstate switched
33 exchange access rates. The first ten percent reduction shall occur by
34 December 31, 2010, and each subsequent ten percent reduction shall
35 occur by December thirty-first of each subsequent year thereafter. For
36 purposes of this section, the term "rural alternative local exchange
37 telecommunications company" shall be defined to include only those
38 alternative local telecommunications companies that, as of December
39 31, 2009:

40 (1) Possess a certificate of service authority to provide basic
41 local telecommunications services issued by the commission;

42 (2) Have tariffs on file with and approved by the commission for
43 the provision of basic local telecommunications services and exchange
44 access services;

45 (3) Provide basic local telecommunications services and
46 exchange access service to at least sixty percent of their local
47 subscribers over distribution facilities connecting end user customers
48 to the central office which are owned by the alternative local exchange
49 telecommunications company. For purposes of this subsection, the
50 ownership of distribution facilities connecting end user customers to
51 the central office shall not include facilities that are leased, such as
52 unbundled network elements, or resold from any other person or entity;
53 and

54 (4) Have more than ninety percent of their total Missouri basic
55 local telecommunications service customers located in counties of the
56 third class.

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