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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - WIRELESS TELEPHONE  
REGULATORY MODERNIZATION ACT

Introduced By: Senator Roger Picard

Date Introduced: February 13, 2013

Referred To: Senate Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings. The general assembly finds and declares that:

2 (1) Wireless communications and broadband technology are economic forces that  
3 contribute to the growth and stability of the Rhode Island economy; and

4 (2) Policies in Rhode Island have, for many years, established robust competition in the  
5 wireless communications market without unreasonable, industry-specific regulation as the best  
6 means of promoting universal service, economic efficiency, technological innovation, expanded  
7 consumer choice and empowerment, and investment in and deployment of advanced  
8 communications services in the state; and

9 (3) Stating such policies in statute will provide additional certainty and continuity of this  
10 policy and is necessary to attract new investment in wireless, broadband and other advanced  
11 networks, encourage technology deployment and promote the creation of new jobs in Rhode  
12 Island, while at the same time ensuring that consumers of wireless service continue to benefit  
13 from the consumer protection laws that apply to consumers generally; and

14 (4) The great majority of other states have already enshrined similar policies in statute;  
15 and

16 (5) Rhode Island's wireless marketplace is one of the most open and competitive in the  
17 nation, with over ninety-nine percent (99%) of residents having access to three (3) or more  
18 wireless providers; and

1 (6) Countless other industries, trades, and businesses in Rhode Island benefit from this  
2 open and competitive wireless market; and

3 (7) A leading-edge wireless industry with investments in up-to-date technology is a  
4 competitive advantage for Rhode Island businesses and the state's economy; and

5 (8) The interstate, and often international, nature of the wireless communication industry  
6 makes a state-by-state regulatory approach problematic and may limit access and increase costs  
7 for consumers.

8 SECTION 2. Section 39-1-2 of the General Laws in Chapter 39-1 entitled "Public  
9 Utilities Commission" is hereby amended to read as follows:

10 **39-1-2. Definitions.** -- Terms used in this title shall be construed as follows, unless  
11 another meaning is expressed or is clearly apparent from the language or context:

12 (1) "Administrator" means the administrator of the division of public utilities and  
13 carriers;

14 (2) "Airport" and "landing field" mean and include all airports and landing fields other  
15 than those owned by the state;

16 (3) "Chairperson" means the chairperson of the public utilities commission;

17 (4) "Charter carrier" means and includes all carriers for hire or compensation within this  
18 state not included in the definition of common carrier;

19 (5) "Commission" means the public utilities commission;

20 (6) "Commissioner" means a member of the public utilities commission;

21 (7) "Common carrier", except when used in chapters 12, 13, and 14 of this title, means  
22 and includes all carriers for hire or compensation including railroads, street railways, express,  
23 freight and freight line companies, dining car companies, steam boat, motor boat, power boat,  
24 hydrofoil, and ferry companies and all other companies operating any agency or facility for  
25 public use in this conveyance over fixed routes, or between fixed termini within this state or  
26 persons or property by or by a combination of land, air, or water;

27 (8) "Company" means and includes a person, firm, partnership, corporation, quasi-  
28 municipal corporation, association, joint stock association or company, and his, her, its, or their  
29 lessees, trustees, or receivers appointed by any court;

30 (9) "Customer" means a company taking service from an electric distribution company at  
31 a single point of delivery or meter location;

32 (10) "Distribution facility" means plant or equipment used for the distribution of  
33 electricity and which is not a transmission facility;

34 (11) "Division" means the division of public utilities and carriers;

1 (12) "Electric distribution company" means a company engaging in the distribution of  
2 electricity or owning, operating, or controlling distribution facilities and shall be a public utility  
3 pursuant to section 39-1-2(20);

4 (13) "Electric transmission company" means a company engaging in the transmission of  
5 electricity or owning, operating, or controlling transmission facilities. An electric transmission  
6 company shall not be subject to regulation as a public utility except as specifically provided in the  
7 general laws, but shall be regulated by the federal energy regulatory commission and shall  
8 provide transmission service to all nonregulated power producers and customers, whether  
9 affiliated or not, on comparable, nondiscriminatory prices and terms. Electric transmission  
10 companies shall have the power of eminent domain exercisable following a petition to the  
11 commission pursuant to section 39-1-31;

12 (14) "Liquefied natural gas" means a fluid in the liquid state composed predominantly of  
13 methane and which may contain minor quantities of ethane, propane, nitrogen, or other  
14 components normally found in natural gas;

15 (15) "Manufacturing customers" means all customers that have on file with an electric  
16 distribution company a valid certificate of exemption from the Rhode Island sales tax indicating  
17 the customer's status as a manufacturer pursuant to section 44-18-30;

18 (16) "Motor carriers" means any carrier regulated by the administrator pursuant to  
19 Chapters 3, 11, 12, 13 and 14 of this title;

20 (17) "Natural gas" means the combustible gaseous mixture of low-molecular-weight,  
21 paraffin hydrocarbons, generated below the surface of the earth containing mostly methane and  
22 ethane with small amounts of propane, butane, and hydrocarbons, and sometimes nitrogen,  
23 carbon dioxide, hydrogen sulfide, and helium;

24 (18) "Nonprofit housing development corporation" means a nonprofit corporation, which  
25 has been approved as a section 501(c)(3), 26 U.S.C. section 501(c)(3), corporation by the internal  
26 revenue service, and which is organized and operated primarily for the purpose of providing  
27 housing for low and moderate income persons;

28 (19) "Nonregulated power producer" means a company engaging in the business of  
29 producing, manufacturing, generating, buying, aggregating, marketing or brokering electricity for  
30 sale at wholesale or for retail sale to the public; provided however, that companies which  
31 negotiate the purchase of electric generation services on behalf of customers and do not engage in  
32 the purchase and resale of electric generation services shall be excluded from this definition. A  
33 nonregulated power producer shall not be subject to regulation as a public utility except as  
34 specifically provided in the general laws;

1           (20) "Public utility" means and includes every company that is an electric distribution  
2 company and every company operating or doing business in intrastate commerce and in this state  
3 as a railroad, street railway, common carrier, gas, liquefied natural gas, water, telephone,  
4 telegraph, and pipeline company, and every company owning, leasing, maintaining, managing, or  
5 controlling any plant or equipment or any part of any plant or equipment within this state for  
6 manufacturing, producing, transmitting, distributing, delivering, or furnishing natural or  
7 manufactured gas, directly or indirectly to or for the public, or any cars or equipment employed  
8 on or in connection with any railroad or street railway for public or general use within this state,  
9 or any pipes, mains, poles, wires, conduits, fixtures, through, over, across, under, or along any  
10 public highways, parkways or streets, public lands, waters, or parks for the transmission,  
11 transportation, or distribution of gas for sale to the public for light, heat, cooling, or power for  
12 providing audio or visual telephonic or telegraphic communication service within this state or any  
13 pond, lake, reservoir, stream, well, or distributing plant or system employed for the distribution of  
14 water to the consuming public within this state including the water supply board of the city of  
15 Providence; provided, that, except as provided in section 39-16-9 and in chapter 2072 of the  
16 public laws, 1933, as amended, this definition shall not be construed to apply to any public  
17 waterworks or water service owned and furnished by any city, town, water district, fire district, or  
18 any other municipal or quasi-municipal corporation, excepting the water supply board of the city  
19 of Providence, unless any city, town, water district, fire district, municipal, or quasi-municipal  
20 corporation obtains water from a source owned or leased by the water resources board, either  
21 directly or indirectly, or obtains a loan from the board pursuant to the provisions of chapter 15 of  
22 title 46, or sells water, on a wholesale or retail basis, inside and outside the territorial limits of the  
23 city or town, water district, fire district, municipal or quasi-municipal corporation, except,  
24 however, that a public waterworks or water service owned and furnished by any city, town, water  
25 district, fire district, or any other municipal or quasi-municipal corporation which sells water, on  
26 a wholesale or retail basis, inside and outside its territorial limits shall not be construed as a  
27 public utility if it has fewer than one-thousand five hundred (1500) total customer service  
28 connections and provided outside sales do not exceed ten percent (10%) of the total water service  
29 connections or volumetric sales and provided the price charged to outside customers, per unit of  
30 water, is not greater than the price charged to inside customers for the same unit of water, nor to  
31 the Rhode Island public transit authority, or to the production and/or distribution of steam, heat,  
32 or water by Rhode Island port authority and economic development corporation in the town of  
33 North Kingstown; and the term "public utility" shall also mean and include the Narragansett Bay  
34 water quality management district commission; and provided that the ownership or operation of a

1 facility by a company which dispenses alternative fuel or energy sources at retail for use as a  
2 motor vehicle fuel or energy source, and the dispensing of alternative fuel or energy sources at  
3 retail from such a facility, does not make the company a public utility within the meaning of this  
4 title solely because of that ownership, operation, or sale; and provided further that this exemption  
5 shall not apply to presently regulated public utilities which sell natural gas or are dispensers of  
6 other energy sources; and provided further, that the term "public utility" shall not include any  
7 company;

8 (i) Producing or distributing steam or heat from a fossil fuel fired cogeneration plant  
9 located at the university of Rhode Island South Kingstown, Rhode Island ~~and~~;

10 (ii) Producing and/or distributing thermal energy and/or electricity to a state owned  
11 facility from a plant located on an adjacent site regardless of whether steam lines cross a public  
12 highway; and

13 (iii) Providing wireless service.

14 (21) "Purchasing cooperatives" shall mean any association of electricity consumers  
15 which join for the purpose of negotiating the purchase of power from a nonregulated power  
16 producer, provided however, that purchasing cooperatives shall not be required to be legal entities  
17 and are prohibited from being engaged in the re-sale of electric power;

18 (22) "Railroad" means and includes every railroad other than a street railway, by  
19 whatsoever power operated for public use in the conveyance in this state of persons or property  
20 for compensation, with all bridges, ferries, tunnels, switches, spurs, tracks, stations, wharves, and  
21 terminal facilities of every kind, used, operated, controlled, leased, or owned by or in connection  
22 with any railroad;

23 (23) "Retail access" means the use of transmission and distribution facilities owned by  
24 an electric transmission company or an electric distribution company to transport electricity sold  
25 by a nonregulated power producer to retail customers pursuant to section 39-1-27.3;

26 (24) "Street railway" means and includes every railway by whatsoever power operated or  
27 any extension or extensions, branch, or branches thereof, for public use in the conveyance in this  
28 state of persons or property for compensation, being mainly upon, along, above, or below any  
29 street, avenue, road, highway, bridge, or public place in any city or town, and including all  
30 switches, spurs, tracks, rights of trackage, subways, tunnels, stations, terminals and terminal  
31 facilities of every kind, used, operated, controlled, or owned by or in connection with any street  
32 railway;

33 (25) "Transmission facility" means plant or equipment used for the transmission of  
34 electricity as determined by the federal energy regulatory commission pursuant to federal law as

1 of the date of the property transfers pursuant to section 39-1-27(c);

2 (26) Notwithstanding any provision of this section or any provision of the act entitled,  
3 "An Act Relating to the Utility Restructuring Act of 1996" (hereinafter "Utility Restructuring  
4 Act"), upon request by the affected electric utility, the commission may exempt from the Utility  
5 Restructuring Act or any provision(s) thereof, an electric utility which meets the following  
6 requirements: (i) the utility is not selling or distributing electricity outside of the service territory  
7 in effect for that utility on the date of passage of the Utility Restructuring Act; and (ii) the number  
8 of kilowatt hours sold or distributed annually by the utility to the public is less than five percent  
9 (5%) of the total kilowatt hours consumed annually by the state. Provided however that nothing  
10 contained in this section shall prevent the commission from allowing competition in the  
11 generation of electricity in service territories of utilities exempted in whole or in part from the  
12 Utility Restructuring Act pursuant to this section, as long as such allowance of competition is  
13 conditioned upon payment to the exempted electric utility of a nonbypassable transition charge  
14 calculated to recover the elements comparable in nature to the elements in section 39-1-27.4(b)  
15 and (c) taking into consideration any unique circumstances applicable to the exempted electric  
16 utility.

17 (27) "Wireless service" means communication services provided over spectrum licensed  
18 by or subject to the jurisdiction of the federal communications commission.

19 SECTION 3. Title 39 of the General Laws entitled "Public Utilities and Carriers" is  
20 hereby amended by adding thereto the following chapter:

21 CHAPTER 29

22 WIRELESS TELEPHONE REGULATORY MODERNIZATION ACT

23 **39-29-1. Jurisdiction over wireless service.** – Notwithstanding any general or public  
24 law to the contrary, the commission and the division shall have no jurisdiction or authority over  
25 wireless service.

26 **39-29-2. Authority unaffected.** – Nothing in this chapter shall be construed to modify or  
27 affect the jurisdiction or authority of the commission or the division over exchange access rates or  
28 the rights or obligations of any carrier pursuant to 47 U.S.C. section 251 or 47 U.S.C. section 252.  
29 Nor shall this chapter be construed to modify or affect the authority of the commission to  
30 designate eligible telecommunications carriers pursuant to federal law.

31 **39-29-3. Consumer protection.** – Nothing in this chapter shall derogate from or be  
32 construed as a limitation on the common law or statutory authority of the attorney general to  
33 enforce consumer protection or unfair or deceptive trade practice statutes and regulations.

34 **39-29-4. Unaffected fees.** – Nothing in this chapter shall be construed to affect, mandate,

1 [or prohibit the assessment of nondiscriminatory enhanced 911 fees, telecommunications](#)  
2 [education access fund fees, or telecommunications relay service fees.](#)

3 **39-29-5. No effect on tax obligations.** – [Nothing in this chapter shall be construed to](#)  
4 [modify or affect any tax obligations imposed by section 44-13-4.](#)

5 SECTION 4. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - WIRELESS TELEPHONE  
REGULATORY MODERNIZATION ACT

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- 1           This act would provide that neither the public utilities commission nor the division of
- 2 public utilities and carriers have jurisdiction or authority over wireless providers.
- 3           This act would take effect upon passage.

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