SECOND REGULAR SESSION [TRULY AGREED TO AND FINALLY PASSED] SENATE SUBSTITUTE FOR SENATE COMMITTEE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 1750

95TH GENERAL ASSEMBLY

4386S.08T 2010

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:

1. For a period of three years, each incumbent local exchange telecommunications company shall decrease its composite intrastate switched exchange 3 access rates annually by six percent of the difference, as determined immediately preceding the first reduction required under this subsection, between its composite interstate 4 5 switched exchange access rates and its composite intrastate switched exchange access rates, 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 subsection 6 of section 9 392.361 and section 392.370 to the contrary notwithstanding, rural alternative local 10 exchange telecommunications companies as defined in this section. The first six percent reduction shall occur by March 1, 2011, and the two subsequent six percent reductions 11 shall occur by March first of each subsequent year thereafter. Between January fifteenth 12 13 and January thirtieth of each year following a rate reduction required under this section, 14 any company whose intrastate rates have been impacted by the requirements of this section

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

shall submit a report to the chairperson of the house standing committee selected by the speaker of the house of representatives and the chairperson of the senate standing committee selected by the president pro tem of the senate which report shall describe the company's activities with regard to quality of consumer service, build-out of telecommunications infrastructure, and any other non-proprietary matters requested by the chairpersons of the committees as well as the financial impact of the provisions of this section on the company.

- 2. For purposes of this section, the term "rural alternative local exchange telecommunications company" shall be defined to include only those alternative local exchange telecommunications companies that, as of December 31, 2009:
- (1) Possess a certificate of service authority to provide basic local telecommunications services issued by the commission;
- (2) Have tariffs on file with and approved by the commission for the provision of basic local telecommunications services and exchange access services;
- (3) Provide basic local telecommunications services and exchange access service to at least sixty percent of their local subscribers over distribution facilities connecting end user customers to the central office which are owned by the alternative local exchange telecommunications company. For purposes of this subsection, the ownership of distribution facilities connecting end user customers to the central office shall not include facilities that are leased, such as unbundled network elements, or resold from any other person or entity; and
- (4) Have more than ninety percent of their total Missouri basic local telecommunications service customers located in counties of the third classification.
- 3. The exemption under this section for rural alternative local exchange telecommunications companies shall only apply to those exchanges where the rural alternative local exchange telecommunications companies serve existing lines as of December 31, 2009.

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Speaker of the House	
President Pro Tem of the Senate	
Governor	