

HCS HB 1750 -- TELECOMMUNICATIONS EXCHANGE ACCESS RATES

SPONSOR: Emery (Jones, 89)

COMMITTEE ACTION: Voted "do pass" by the Committee on Utilities by a vote of 12 to 0.

This substitute requires certain incumbent local exchange telecommunications companies to reduce, by December 31, 2010, and annually thereafter, both its composite originating and terminating intrastate switched exchange access rates by 5% of the difference between its current composite intrastate and the interstate switched exchange access rates. By December 31, 2019, the originating and terminating composite intrastate switched exchange access rates must be 50% of the difference between the original rates and the current rates.

Certain small incumbent local exchange telecommunications companies serving fewer than 25,000 access lines as of January 1, 2010, and rural alternative local exchange telecommunications companies that meet the specified criteria will be exempt from the provisions of the substitute.

FISCAL NOTE: No impact on state funds in FY 2011, FY 2012, and FY 2013.

PROPOSERS: Supporters say that the bill will result in greater cost savings to a majority of Missouri citizens. Intrastate telephone rates in Missouri are some of the highest in the country. If intrastate rates were reduced to interstate rate levels, there would be a \$200 million savings. Firms should not be forced to subsidize their competitors by paying large intrastate access fees that greatly exceed the maximum permissible interstate charges.

Testifying for the bill were Representative Jones (89); AT&T; Missouri Cable Telecommunications Association; Sprint Nextel; Associated Industries of Missouri; Socket Communications, Incorporated; U. S. Cellular; Verizon Wireless; and St. Louis RCGA.

OPPOSERS: Those who oppose the bill say that it deals with only one side of the problem. Some companies are forced to bear additional costs for the carrier of last resort services by the Missouri Public Service Commission. There should be a universal service fund to correct this problem.

Testifying against the bill were Centurylink; and Michael Balhoff, Balhoff/Williams.