

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0872.01 Duane Gall

HOUSE BILL 10-1281

HOUSE SPONSORSHIP

Casso,

SENATE SPONSORSHIP

Spence,

House Committees

Transportation & Energy
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE DEREGULATION OF TELECOMMUNICATIONS SERVICE**
102 **IN AREAS WHERE SUFFICIENT MARKET COMPETITION EXISTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Under existing law, the Colorado public utilities commission (PUC) may relax the regulation of basic telecommunications services upon a finding that, due to increased competition, market forces will keep prices reasonable and service available to customers. The bill specifies that the availability of services through wireless, cable, and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

voice-over-internet-protocol (VoIP) providers constitutes competition to basic telecommunications services and applicable market forces. Also, if an incumbent local exchange provider has lost 33% of its retail switched access lines since December 31, 2001, the bill requires the PUC to determine that market forces are sufficient to justify more flexible regulation of the provision of basic service in the incumbent local exchange provider's local service area.

The bill also requires that, if basic service is reclassified to allow more flexible regulation, any remaining regulatory requirements will be competitively neutral.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 40-15-102, Colorado Revised Statutes, is amended
3 BY THE ADDITION OF A NEW SUBSECTION to read:

4 **40-15-102. Definitions.** As used in this article, unless the context
5 otherwise requires:

6 (10.5) "INTERCONNECTED VOICE-OVER-INTERNET-PROTOCOL
7 (VOIP) SERVICE" MEANS A SERVICE THAT:

- 8 (a) ENABLES REAL-TIME, TWO-WAY VOICE COMMUNICATIONS;
- 9 (b) REQUIRES A BROADBAND CONNECTION FROM THE USER'S
10 LOCATION;
- 11 (c) REQUIRES INTERNET PROTOCOL-COMPATIBLE CUSTOMER
12 PREMISES EQUIPMENT (CPE); AND
- 13 (d) PERMITS USERS GENERALLY TO RECEIVE CALLS THAT
14 ORIGINATE ON THE PUBLIC SWITCHED TELEPHONE NETWORK AND TO
15 TERMINATE CALLS TO THE PUBLIC SWITCHED TELEPHONE NETWORK.

16 **SECTION 2. Repeal.** 40-15-201 (2) (a), (2) (f), (2) (g), Colorado
17 Revised Statutes, are repealed as follows:

18 **40-15-201. Regulation by commission.** (2) The following
19 products, services, and providers are declared to be subject to regulation
20 pursuant to this part 2 and subject to potential reclassification under

1 section 40-15-207:

2 (a) ~~Basic local exchange service;~~

3 (f) ~~New products and services included in the definition of basic~~
4 ~~local exchange service;~~

5 (g) ~~Dual tone multifrequency signaling;~~

6 **SECTION 3.** 40-15-301 (2), Colorado Revised Statutes, is
7 amended BY THE ADDITION OF THE FOLLOWING NEW
8 PARAGRAPHS to read:

9 **40-15-301. Regulation by the commission.** (2) The following
10 telecommunications products, services, and providers are declared to be
11 initially subject to regulation pursuant to this part 3 and subject to
12 potential deregulation under section 40-15-305:

13 (h) ~~BASIC LOCAL EXCHANGE SERVICE; AND~~

14 (i) ~~NEW PRODUCTS AND SERVICES INCLUDED IN THE DEFINITION OF~~
15 ~~BASIC LOCAL EXCHANGE SERVICE.~~

16 **SECTION 4.** 40-15-401 (1), Colorado Revised Statutes, is
17 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

18 **40-15-401. Services, products, and providers exempt from**
19 **regulation.** (1) The following products, services, and providers are
20 exempt from regulation under this article or under the "Public Utilities
21 Law" of the state of Colorado:

22 (q) ~~INTERCONNECTED VOICE-OVER-INTERNET-PROTOCOL (VOIP)~~
23 ~~SERVICE.~~

24 **SECTION 5.** 40-15-502 (2), Colorado Revised Statutes, is
25 amended to read:

26 **40-15-502. Expressions of state policy.** (2) **Basic service.**

27 (a) Basic service is the availability of high quality, minimum elements of

1 telecommunications services, as defined by the commission, at just,
2 reasonable, and affordable rates to all people of the state of Colorado.
3 The commission shall conduct a proceeding when appropriate, but no
4 later than July 1, 1999, and no less frequently than every three years to
5 consider the revision of the definition of basic service, with the goal that
6 every citizen of this state shall have access to a wider range of services at
7 rates that are reasonably comparable as between urban and rural areas.

8 (b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE,
9 THE COMMISSION MAY REQUIRE A PROVIDER TO CHARGE UNIFORM RATES
10 FOR BASIC LOCAL EXCHANGE SERVICES THROUGHOUT A PROVIDER'S
11 SERVICE TERRITORY.

12 **SECTION 6. Act subject to petition - effective date.** This act
13 shall take effect at 12:01 a.m. on the day following the expiration of the
14 ninety-day period after final adjournment of the general assembly (August
15 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a
16 referendum petition is filed pursuant to section 1 (3) of article V of the
17 state constitution against this act or an item, section, or part of this act
18 within such period, then the act, item, section, or part shall not take effect
19 unless approved by the people at the general election to be held in
20 November 2010 and shall take effect on the date of the official
21 declaration of the vote thereon by the governor.