

HB 1303 -- Telecommunications Price Flexibility

Sponsor: Rector

This bill classifies the services of a large incumbent local exchange telecommunications company as competitive if the company provides central office based broadband service within the exchange and at least three telecommunications companies are providing telecommunications service within the exchange. A company whose services are classified as competitive may increase or decrease its rates for those competitive services as it determines appropriate. This type of company will be regulated under Section 392.245, RSMo (Price Cap Regulation).

If the company increases its rates for residential basic local telecommunications service in that exchange during the first two years after receiving competitive classification, it must also reduce its maximum allowable rates for exchange access service on a revenue neutral basis.

"Central office based broadband service" is defined as the placement of a digital subscriber line access multiplexer or similar equipment in a central office that permits transmission to or from the Internet in excess of 144 kilobytes per second over all copper wires to customers located within approximately 14,000 cable feet of the central office.

Current law says that a telecommunications company cannot change its rate unless it has given the Missouri Public Service Commission 30 days' notice. The bill reduces the time to 20 days. The bill also reduces other time frames relating to rate changes from 30 to 20 days.