Offered January 14, 2009 Prefiled January 13, 2009

A BILL to amend and reenact § 56-235.5:1 of the Code of Virginia, relating to local exchange telephone service competition.

SENATE BILL NO. 1190

Patron—Puckett

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 56-235.5:1 of the Code of Virginia is amended and reenacted as follows:

§ 56-235.5:1. Local exchange telephone service competition policy.

The Commission, in resolving issues and cases concerning local exchange telephone service under the federal Telecommunications Act of 1996 (P.L. 104-104), this title, or both, shall, consistent with federal and state laws, consider it in the public interest to, as appropriate, (i) treat all providers of local exchange telephone services in an equitable fashion and without undue discrimination and, to the greatest extent possible, apply the same rules to all providers of local exchange telephone services; (ii) promote competitive product offerings, investments, and innovations from all providers of local exchange telephone services in all areas of the Commonwealth; and (iii) reduce or eliminate any requirement to price retail and wholesale products and services at levels that do not permit providers of local exchange telephone services to recover their costs of those products and services; and (iv) sustain levels of intrastate access rates that ensure the provision of affordable and reliable local exchange telephone service in rural or high costs areas of the Commonwealth. The Commission, prior to reducing intrastate access rates in any such issue or case, shall determine how the provider would fully recover the loss of revenues from such reduction, and such a reduction shall be considered to be in the public interest if it results in the accrual of a net benefit to consumers of local exchange telephone service.

2. That the State Corporation Commission shall not make any decision reducing intrastate access charges until (i) the Federal Communications Commission has issued a final unappealable order in proceeding FCC 08-262 or (ii) July 31, 2011, whichever occurs first.

3. That the State Corporation Commission shall make a written determination whether a universal service fund shall be established to ensure the provision of affordable and reliable local exchange telephone services provided by incumbent local carriers serving the rural areas of the Commonwealth and shall submit a report thereon, including any recommendations for legislation, on or before November 30, 2010, to the House Committee on Commerce and Labor and the Senate Committee on Commerce and Labor.