Overview

This bill restricts regulation of high speed data service, interactive computer service, and the Internet by the Public Utilities Commission (PUC) and the Department of Public Service. It also restricts a municipality's ability to regulate those same types of services offered over cable communications systems. The bill does not affect the authority of the PUC or the DPS to regulate traditional telephone service, nor does it affect the ability of municipalities to regulate traditional cable service. The bill includes a new provision governing promotions by telephone companies operating under an Alternative Form of Regulation plan.

Section 313 Definitions. Adds definitions to Chapter 237. Defines "digital data transmission service" to mean certain digital, two-way interactive, packet-switched transmission service. The definition specifically excludes "voice-grade services" or telephone service provided over the public switched network. Also defines "interactive computer service" and "Internet."

4 Regulatory authority. Prohibits the DPS and the PUC from regulating the Internet, interactive computer services, and digital data services. Grandfathers in obligations of a telephone company under an investment plan or digital broadband service settlement approved by the PUC by April 30, 1999. Provides that this section does not affect the authority of the PUC to regulate any other telecommunications service (including telephone service) or authority of the PUC or DPS granted under the right-of-way statutes. Also, provides that this section does not affect obligations and duties under certain sections of the federal Telecommunications Act and state law. Clarifies that certain unfair trade practices statutes apply to services exempt from regulation by this section. Modifies PUC general authority section by deleting reference to railroad companies.

5 Promotional activities. Excludes a telephone company operating under an Alternative Form of Regulation (AFOR) or otherwise not subject to rate of return regulation from the existing promotional activities law. The existing law limits promotions to 90 days at a time and has other
restrictions. Authorizes a company operating under an AFOR plan or otherwise not subject to rate of return regulation to promote the use of its services in any reasonable manner unless the PUC, the DPS, or another person files a written objection to the promotion within ten days after notice if filed with PUC. Provides that the law governing promotional activities does not apply to promotional offerings or packages that include services which are not regulated under Chapter 237. Prohibits a telephone company from subsidizing its unregulated services with its regulated services.

-969 Definitions. Revises the definition of municipality and includes new definitions for the Internet, interactive computer service, and high speed data services in Chapter 238. The definitions of Internet and interactive computer service are the same as those included in Chapter 237 by sections 2 and 3 above.

10 Municipal regulation. Requires municipalities to refrain from regulating the Internet, interactive computer services, and high-speed data services offered over cable communications systems. Grandfathers in franchise ordinances agreed to prior to March 31, 1999 that impose requirements specifically relating to the Internet, interactive computer services, or high speed data services, authorizes local units of government to include in franchise fees revenue derived from these services unless there is a binding decision by the Federal Communications Commission or a federal court that these services are not cable services under federal law.

11 Sunset. Provides that sections 4 and 10, which restrict regulation of the Internet, interactive computer services, and high speed data services covered by the bill, sunset on June 30, 2001.