

## Georgia State University Law Review

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Volume 12  
Issue 1 *October 1995*

Article 4

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10-1-1995

# PUBLIC UTILITIES AND PUBLIC TRANSPORTATION Telephone and Telegraph Service: Create Telecommunications and Competition Development Act of 1995

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### Recommended Citation

Cecil G. McLendon Jr., *PUBLIC UTILITIES AND PUBLIC TRANSPORTATION Telephone and Telegraph Service: Create Telecommunications and Competition Development Act of 1995*, 12 GA. ST. U. L. REV. (1995).

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## PUBLIC UTILITIES AND PUBLIC TRANSPORTATION

### *Telephone and Telegraph Service: Create Telecommunications and Competition Development Act of 1995*

CODE SECTIONS:	O.C.G.A. §§ 46-5-5, -160 to -174 (new)
BILL NUMBER:	SB 137
ACT NUMBER:	405
GEORGIA LAWS:	1995 Ga. Laws 886
SUMMARY:	The Act establishes a regulatory framework under which competition will be phased into Georgia's local telephone service market. In addition, the Act provides for a modification in Georgia's area code designations <sup>1</sup> and provides penalties for obtaining and disseminating a caller's unlisted number through a telephone caller identification service.
EFFECTIVE DATES:	April 17, 1995, O.C.G.A. § 46-5-5; <sup>2</sup> July 1, 1995, §§ 46-5-160 to -174

#### *History*

Recent advances in information technology have placed information service providers on the brink of unprecedented change.<sup>3</sup> With the integration of video, telephone, and computer technologies, many companies, now considered separate industries, will be in direct competition vying to provide information services to a technologically sophisticated market.<sup>4</sup> As technologies advance and market integration nears, both state and federal legislatures are seeking to modify outdated

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1. O.C.G.A. § 46-5-5 (Supp. 1995). This section of the Act is a regulatory modification that changes area code designations. It will not be discussed in this *Peach Sheet*<sup>™</sup>.

2. O.C.G.A. § 46-5-5 and the requirement for Public Service Commission hearings became effective upon approval by the Governor.

3. See Cindie K. McMahon, Comment, *Preparing for Teleco-Cable Cross-Ownership: Are Existing and Proposed Regulatory Safeguards Sufficient to Deter Anti-Competitive Conduct?*, 30 CAL. W. L. REV. 275, 275 (1994).

4. See *id.*

regulatory laws creating protected markets for services such as local phone service and cable television.<sup>5</sup> The prevailing belief of the Clinton administration is that strong regulation of information industries should be abandoned and a more open market should be established in order to spur the growth of new technology and private sector investment.<sup>6</sup> However, the implementation of a more open market raises major concerns, including how regulated monopolies, such as regional bell operating companies (RBOC), should be phased into this integrated market in order to avoid unfair trade practices<sup>7</sup> and how consumers should be protected from potentially higher rates and the loss of services.<sup>8</sup> The debate has been heated on both the federal and the state level, but many state legislatures are making progress toward establishing guidelines for the change.<sup>9</sup> In Georgia, the Telecommunications and Competition Development Act of 1995 provides a first step into this new information era by establishing a regulatory framework for implementing competition in the local telephone market.<sup>10</sup>

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5. See Tim Jones, *Second Try to Ease Up on Phone, Cable Rules*, CHI. TRIB., Mar. 24, 1995, Business at 1; John Kennedy, *Communications Bill Could Erase Rate Cuts*, SUN SENTINEL, Mar. 18, 1995, at B9.

6. See McMahon, *supra* note 3, at 275-76.

7. McMahon, *supra* note 3, at 285-89.

8. Herbert E. Marks, *Telecommunications: Impact of the 104th Congress on Telecommunications*, COMPUTER LAW., Apr. 1995, at 3-4.

9. See, e.g. Walter Parker, *US West, Others Face Competition: Bill Could Ease Rate Rules*, ST. PAUL PIONEER PRESS, Feb. 22, 1995, at C1; Clint Swett, *Calls Go Out to Open Up Local Telephone Service*, SACRAMENTO BEE, Jan. 31, 1995, at D1; De'ann Weimer, *From Stone Age To New Age: The Fight for Florida's Communications Future Starts With Your Phone Line*, PALM BEACH POST, Feb. 26, 1995, at E1.

10. Related issues not covered by the Act include RBOC's competition in (1) long distance markets which were prohibited by consent decree in *United States v. AT&T*, 552 F. Supp 131, (D.D.C. 1982), *aff'd sub nom*, *Maryland v. United States*, 460 U.S. 1001 (1983), and in (2) cable services which were prohibited by the Cable Communications Policy Act of 1984, 47 U.S.C. § 533(b) (1988). See Winston P. Lloyd, Comment, *What's the Frequency Uncle Sam?: Will the Government Hold Up the Information Superhighway in the Name of Competition?*, 30 WAKE FOREST L. REV. 233, 242-60 (1995).

*SB 137*

According to Senator Sonny Perdue, the Act's main purposes are to open Georgia's local telephone market to competition, to allow for increased consumer choice in the local telephone market, and to promote investment and improve telephone service.<sup>11</sup> Representative Roy H. "Sonny" Watson, Jr. concurred, stating that the purpose of the Act is to "provide a competitive environment in local phone service and lower the cost of local phone service to the consumer."<sup>12</sup>

*Definitions*

Code section 46-5-162 provides definitions for the Act.<sup>13</sup> The bill, as introduced, defined "telecommunications company" as an entity "offering telecommunications services for hire or compensation."<sup>14</sup> The Senate amended this definition to an entity "offering telecommunication services to the public for hire."<sup>15</sup> Additionally, the amendment changed the original definition of "telecommunications services" by dropping the requirement that the services must be for the "transmission and utilization of two-way interactive communications and associated usage," and substituting "transmission of two-way interactive switched communications."<sup>16</sup> According to Senator Perdue, the purpose of both changes was to avoid inadvertently bringing large companies with self-contained communications systems within the scope of these definitions.<sup>17</sup> However, the requirement that the service be "switched" was deleted by the House substitute and ultimately not adopted.<sup>18</sup> By dropping the

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11. Telephone Interview with Sen. Sonny Perdue, Senate District No. 18 (May 22, 1995) [hereinafter Perdue Interview]. Sen. Perdue was a co-sponsor of SB 137. *Id.*

12. Telephone Interview with Rep. Roy H. "Sonny" Watson, Jr., House District No. 139 (Apr. 21, 1995) [hereinafter Watson Interview]. Rep. Watson is the Chairman of the House Industry Committee. *Id.*

13. O.C.G.A. § 46-5-162 (Supp. 1995).

14. SB 137, as introduced, 1995 Ga. Gen. Assem.

15. *Compare* SB 137, as introduced, 1995 Ga. Gen. Assem. *with* SB 137, (SFA), 1995 Ga. Gen. Assem.

16. *Compare* SB 137, as introduced, 1995 Ga. Gen. Assem. *with* SB 137 (SFA), 1995 Ga. Gen. Assem.

17. Perdue Interview, *supra* note 11.

18. *Compare* SB 137 (SFA), 1995 Ga. Gen. Assem. *with* SB 137 (HCS),

“switched” requirement, according to Representative Watson, the House intended the definition of “telecommunications services” to include commercial providers operating on a self-contained, unswitched exchange.<sup>19</sup>

### *Local Exchange Competition*

Code section 46-5-163 authorizes local phone service competition. Subsection (a), first appearing in the adopted version of the bill,<sup>20</sup> provides that “[a] telecommunications company including a telecommunications services reseller shall not provide telecommunications services without a certificate of authority” issued by the Public Service Commission (Commission).<sup>21</sup> According to both Senator Perdue and Representative Watson, this subsection was meant to clarify the requirement that each separate entity providing telecommunications services must have a certificate.<sup>22</sup> Thus, under the Act, no subsidiaries can provide telecommunications services based on a related entity’s certificate.<sup>23</sup>

In subsection (b), the Act authorizes the Commission “to issue multiple certificates of authority for local exchange services.”<sup>24</sup> In the initial Senate bill, the standard for issuance of a certificate was “a showing of financial and technical capability of the local exchange company.”<sup>25</sup> The Senate changed the standard, which was ultimately adopted, to require “a showing to the commission that an applicant possesses satisfactory financial and technical capability.”<sup>26</sup> According to Senator Perdue, this change was meant merely to ensure the consistency of terms in the Act and was not the product of a substantive change in the General Assembly’s intent.<sup>27</sup> This subsection also provides that any preexisting certificate of authority “shall be considered a

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1995 Ga. Gen. Assem.; see also O.C.G.A. § 46-5-162 (Supp. 1995).

19. Watson Interview, *supra* note 12.

20. O.C.G.A. § 46-5-163(a) (Supp. 1995).

21. *Id.*

22. Perdue Interview, *supra* note 11; Watson Interview, *supra* note 12.

23. Perdue Interview, *supra* note 11; Watson Interview, *supra* note 12.

24. O.C.G.A. § 46-5-163(b) (Supp. 1995).

25. SB 137, as introduced, 1995 Ga. Gen. Assem.

26. O.C.G.A. § 46-5-163(b) (Supp. 1995).

27. Perdue Interview, *supra* note 11.

certificate of authority under this article.”<sup>28</sup> The purpose of this language is to ensure that companies operating at the time of the Act’s implementation will not have to apply for new certificates of authority.<sup>29</sup>

In the Senate subcommittee, the bill was amended to provide that “[a]ll local exchange companies certificated by the commission shall be subject to the same rules and regulations applied by the commission to other local exchange companies.”<sup>30</sup> This language was ultimately adopted as subsection (f).<sup>31</sup> This provision was intended to ensure that old providers and new companies would be treated equitably.<sup>32</sup> Subsection (f) also includes a provision that authorizes the Commission to promulgate special rules for “local exchange companies certificated after July 1, 1995.”<sup>33</sup> This provision grants the Commission the flexibility to modify the rules in favor of new, start-up companies just entering the market, thus fostering competition.<sup>34</sup>

#### *Interconnection and Resale*

Code section 46-5-164 provides rules concerning interconnection and resale of phone services.<sup>35</sup> Representative Watson stated that this section was intended to clarify that “existing providers have to offer their local exchange services for resale on the open market,” thus avoiding wasted resources through the duplication of the telecommunications infrastructure.<sup>36</sup> Senator Perdue pointed out that this provision would also help to “jumpstart competition,” because it would open up the market to companies without requiring a tremendous upfront capital expenditure.<sup>37</sup>

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28. O.C.G.A. § 46-5-163(b) (Supp. 1995).

29. Perdue Interview, *supra* note 11; Watson Interview, *supra* note 12.

30. SB 137 (SCS), 1995 Ga. Gen. Assem.

31. O.C.G.A. § 46-5-163(f) (Supp. 1995).

32. Perdue Interview, *supra* note 11.

33. O.C.G.A. § 46-5-163(f) (Supp. 1995).

34. Perdue Interview, *supra* note 11; Watson Interview, *supra* note 12.

35. O.C.G.A. § 46-5-164 (Supp. 1995).

36. Watson Interview, *supra* note 12.

37. Perdue Interview, *supra* note 11.

Subsection (a) requires that local exchange companies permit "reasonable" interconnection.<sup>38</sup> In the original version of the bill, such interconnection was required with other "certificated providers,"<sup>39</sup> but was changed to "certificated local exchange companies" in the Act.<sup>40</sup> This change was merely a definitional change not meant to substantively affect the content of the Act.<sup>41</sup>

Subsection (d) creates technical requirements for the provision of interconnection services.<sup>42</sup> The initial version of the bill required that the services be provided "on an unbundled basis to the extent required" by the Federal Communications Commission (FCC).<sup>43</sup> In the Act, this section provides "for intrastate services on an unbundled basis similar to that required by the FCC for services under the FCC's jurisdiction."<sup>44</sup> Again, Senator Perdue stated that this change was merely a definitional change not meant to substantively affect the content of the Act.<sup>45</sup>

Subsection (e) allows local exchange companies to buy and resell services of other local exchange companies.<sup>46</sup> The initial version of the bill provided that "certificated providers shall have the right to resell local services purchased from certificated carriers."<sup>47</sup> Senator Perdue noted that this was a mechanical, not a substantive, change in the Act.<sup>48</sup> The Senate substitute bill provided in subsection (e) that if the services being resold were supported by the Universal Access Fund,<sup>49</sup> then the resale had to be "limited to users and uses conforming to the definition of basic local exchange services."<sup>50</sup> According to Senator Perdue, this language was meant to avoid the possibility that a reseller could purchase residential service and subsequently resell this

38. O.C.G.A. § 46-5-164(a) (Supp. 1995).

39. SB 137, as introduced, 1995 Ga. Gen. Assem.

40. O.C.G.A. § 46-5-164(a) (Supp. 1995).

41. Perdue Interview, *supra* note 11.

42. O.C.G.A. § 46-5-164(d) (Supp. 1995).

43. SB 137, as introduced, 1995 Ga. Gen. Assem.

44. O.C.G.A. § 46-5-164(d) (Supp. 1995).

45. Perdue Interview, *supra* note 11.

46. O.C.G.A. § 46-5-164(e) (Supp. 1995).

47. SB 137, as introduced, 1995 Ga. Gen. Assem.

48. Perdue Interview, *supra* note 11.

49. The Universal Access Fund allows for the subsidization of rural phone service. See *infra* notes 91-104 and accompanying text.

50. SB 137 (SCS), 1995 Ga. Gen. Assem.

service as commercial service at a higher rate.<sup>51</sup> In the Act, this language was modified to give much broader control to the Commission.<sup>52</sup> The Act states that “[t]he commission is authorized to allow local exchange companies to resell the services purchased from other local exchange companies pursuant to rules determining when and under what circumstances such resale shall be allowed.”<sup>53</sup> Representative Watson stated that this modification was meant to grant the Commission power to create regulations because it is “not feasible to lay out these detailed rules in a bill like this, and additionally, by making it a matter of regulation, it would be more flexible and responsive to the changing technologies.”<sup>54</sup> Senator Perdue noted that this provision made the resale of service more permissive by allowing the Commission relatively broad supervisory powers.<sup>55</sup>

In addition to giving broader control to the Commission, the Act amended subsection (e) further by allowing resellers to petition for determination by the Commission of reasonable rates in the purchase or resale of local exchange services.<sup>56</sup> The Act states:

Any local exchange company or telecommunications company desiring to purchase or to resell services purchased from another local exchange company may petition the commission for the authorization to purchase or to resell such services. In cases where the purchase or resale of services purchased is authorized by the commission, the commission shall determine the reasonable rates, terms, or conditions for the purchase or resale of such local exchange services such that no local exchange company or telecommunications company gains an unfair market position.<sup>57</sup>

This provision addresses the problem created by provider subsidization of local phone service with interconnection fees generated on long distance service, which can, and often does, result in local phone service being provided at rates that are

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51. Perdue Interview, *supra* note 11.

52. O.C.G.A. § 46-5-164(e) (Supp. 1995); Watson Interview, *supra* note 12.

53. O.C.G.A. § 46-5-164(e) (Supp. 1995).

54. Watson Interview, *supra* note 12.

55. Perdue Interview, *supra* note 11.

56. O.C.G.A. § 46-5-164(e) (Supp. 1995).

57. *Id.*



below cost.<sup>58</sup> Consequently, if the local exchange company sells its services at actual cost, a reseller buying such services cannot effectively compete in that market with the selling local exchange company.<sup>59</sup> By allowing the companies to petition for a determination of reasonable rates by the Commission,<sup>60</sup> this provision is intended to ensure that local exchange companies cannot price resellers out of the local market.<sup>61</sup>

The House substitute, however, proposed a further provision in subsection (e) which required:

No local exchange company or telecommunications company, except those telecommunications companies authorized to purchase local exchange services from a local exchange company for resale prior to July 1, 1995, may provide local exchange services which services are purchased from another local exchange company if those services are jointly marketed with any interLATA<sup>62</sup> service until that date certain when all local exchange companies and telecommunications companies are permitted by federal, state, and local laws, regulations, and rules to jointly market interLATA services and local exchange services. The term 'jointly market' shall include any advertisement or marketing effort in which two or more products or services are provided or offered to a consumer, such efforts including, without limitation, sales referrals, resale arrangements, and sales agency arrangements.<sup>63</sup>

This provision was known as the bundling paragraph.<sup>64</sup> Bundling is the marketing of more than one service as a service package.<sup>65</sup> For instance, a long distance company could purchase local service and market both local and long distance services together.<sup>66</sup> This language would have forbidden the bundling of services until the whole market, including the RBOCs, could

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58. Watson Interview, *supra* note 12.

59. Watson Interview, *supra* note 12.

60. O.C.G.A. § 46-5-164(e) (Supp. 1995).

61. Watson Interview, *supra* note 12.

62. InterLATA service is roughly synonymous with long distance service. Marks, *supra* note 8, at 2.

63. SB 137 (HCS), 1995 Ga. Gen. Assem.

64. Watson Interview, *supra* note 12.

65. Watson Interview, *supra* note 12.

66. Watson Interview, *supra* note 12.

participate.<sup>67</sup> The bundling paragraph, however, was not adopted.<sup>68</sup>

Subsection (f) of the Act, which was originally introduced in the House,<sup>69</sup> allows purchases of services from a Tier 2 company “provided such reselling does not result in the loss of intrastate or interstate revenues to the selling company for the individual service being resold.”<sup>70</sup> However, this subsection exempts Tier 2 local exchange companies “that have switched access rates that are lower than or at parity with the same local exchange company’s interstate switched access rates.”<sup>71</sup> According to Representative Watson, this language was meant to “protect the integrity of the small local exchange companies.”<sup>72</sup> Senator Perdue noted that the purpose of this section is to provide a buffer for the market in adjusting to the new dynamics regarding potentially reduced long distance access fees and the consequent reduction in the ability to subsidize local phone service.<sup>73</sup> Thus, according to both Senator Perdue and Representative Watson, this provision ensures the strength of the market throughout the period of transition.<sup>74</sup>

#### *Alternative Regulation Election*

Code section 46-5-165<sup>75</sup> provides that local exchange companies may choose to be regulated under the system of alternative regulation described in Code section 46-5-166.<sup>76</sup> The Act provides that, on the electing date for alternative regulation, “all existing rates, terms, and conditions for the services provided

67. Watson Interview, *supra* note 12.

68. Compare SB 137 (HCS), 1995 Ga. Gen. Assem. with O.C.G.A. § 46-5-164(e) (Supp. 1995).

69. SB 137 (HCS), 1995 Ga. Gen. Assem.

70. O.C.G.A. § 46-5-164(f) (Supp. 1995). A Tier 2 company is a company “with less than 2 million access lines within Georgia holding a certificate of public convenience and necessity issued by the commission.” *Id.* § 46-5-162(10)(B). A Tier 1 company is a company “with 2 million or more access lines within Georgia holding a certificate of public convenience and necessity issued by the commission.” *Id.* § 46-5-162(10)(A).

71. *Id.* § 46-5-164(f).

72. Watson Interview, *supra* note 12.

73. Perdue Interview, *supra* note 11.

74. Perdue Interview, *supra* note 11; Watson Interview, *supra* note 12.

75. O.C.G.A. § 46-5-165 (Supp. 1995).

76. *Id.* § 46-5-166.

by the electing company contained in the then existing tariffs and contracts are deemed just and reasonable.”<sup>77</sup> According to both Senator Perdue and Representative Watson, this section is intended to avoid the possibility that the Act would give the Commission the power to force the telecommunication companies to justify their already existing rates.<sup>78</sup>

Code section 46-5-166 provides the substance of alternative regulation.<sup>79</sup> Subsection (b) provides a cap for rates if a local exchange company opts for alternative regulation.<sup>80</sup> In the original version of the bill, the rates were capped at the prices in effect on the date the company became subject to alternative regulation.<sup>81</sup> However, the Act provides that “such maximum rates are subject to review by the commission pursuant to subsection (f) of this Code section under rules promulgated by the commission.”<sup>82</sup> This modification was intended to provide more protection to start-up or small companies by allowing the Commission some flexibility in the enforcement of the rate caps.<sup>83</sup>

Subsections (f)(1) and (f)(2) address the need to establish limits on access fees that the local exchange companies will be permitted to charge for switched access to the local exchange.<sup>84</sup> The initial bill stated, “[r]ates for interconnection services for access by competing local exchange companies shall be at parity with rates charged for similar interstate access to the same local exchange company.”<sup>85</sup> The Senate modified this section by providing that Tier 1 companies’ “rates for switched access . . . shall be no higher than the rates charged for interstate access by the same local exchange company.”<sup>86</sup> Additionally, Tier 2 companies’ “rates for switched access . . . shall, not later than July 1, 1998, be no higher than the rates charged for similar interstate access by the same local exchange company.”<sup>87</sup>

77. *Id.* § 46-5-165(d).

78. Perdue Interview, *supra* note 11; Watson Interview, *supra* note 12.

79. O.C.G.A. § 46-5-166 (Supp. 1995).

80. *Id.* § 46-5-166(b).

81. SB 137, as introduced, 1995 Ga. Gen. Assem.

82. O.C.G.A. § 46-5-166(b) (Supp. 1995).

83. Perdue Interview, *supra* note 11.

84. O.C.G.A. § 46-5-166(f)(1), (2) (Supp. 1995).

85. SB 137, as introduced, 1995 Ga. Gen. Assem.

86. SB 137 (SCS), 1995 Ga. Gen. Assem.

87. *Id.*

These subsections also incorporate a “good faith” standard for negotiating rates for switched access and grant any party the right to petition for a determination by the Commission to “set reasonable rates, terms, or conditions for switched access,” if an agreement cannot be reached based on good faith negotiations.<sup>88</sup> These modifications were meant to provide a check on the power of Tier 1 companies and to avoid the potential of resources being wasted on the rebuilding of the infrastructure.<sup>89</sup>

### *Universal Access Fund*

Code section 46-5-167 provides for the establishment of a Universal Access Fund (Fund).<sup>90</sup> The purpose of the Fund is to ensure that phone service remains accessible to all persons in Georgia.<sup>91</sup> Through the Fund, rural areas, which are more expensive to operate, can be subsidized based on an insurance principle of disbursing costs.<sup>92</sup>

Subsection (b) requires all telecommunications companies providing service to end users to contribute to the Fund.<sup>93</sup> As introduced, the bill would have required all providers in Georgia to contribute proportionately to “their gross revenues from sale or lease of telecommunications services,” taking into account the effects of operating and cash flow.<sup>94</sup> A Senate amendment sponsored by Senator Perdue, among others, modified this language providing: “[t]he commission shall require all telecommunications companies providing telecommunications services within Georgia to contribute quarterly to the [F]und in a proportionate amount to their gross revenues from sale of such telecommunications services as determined by rules to be promulgated by the commission.”<sup>95</sup> Additionally, the Act includes the words “to end users” between “sale” and “of such telecommunications services.”<sup>96</sup> According to Senator Perdue and Representative Watson, this change was meant to ensure

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88. O.C.G.A. § 46-5-166(f)(1) to (2) (Supp. 1995).

89. Perdue Interview, *supra* note 11.

90. O.C.G.A. § 46-5-167 (Supp. 1995).

91. Perdue Interview, *supra* note 11.

92. Perdue Interview, *supra* note 11.

93. O.C.G.A. § 46-5-167(b) (Supp. 1995).

94. SB 137, as introduced, 1995 Ga. Gen. Assem.

95. SB 137 (SFA), 1995 Ga. Gen. Assem.

96. O.C.G.A. § 46-5-167(b) (Supp. 1995).

that only a sale to the public would be considered a sale in which a contribution would be required for the Fund.<sup>97</sup> Sales of services between companies for the purpose of reselling would not be within the scope of this provision.<sup>98</sup>

In subsection (c), the Act authorizes the Commission to require other telecommunications companies to contribute to the Fund.<sup>99</sup> In the original version of the bill, a company that could be required to contribute was described as "a company other than a local exchange company."<sup>100</sup> In the Act, this language was changed to "any telecommunications company."<sup>101</sup> According to Senator Perdue and Representative Watson, this change was meant to broaden the language of the Act.<sup>102</sup> As Representative Watson noted, this provision was intended to ensure that even when a company is not "called a local exchange company, if they are doing the same thing that local exchange companies do, then they will be within the scope of the Act."<sup>103</sup>

#### *Public Service Commission Jurisdiction*

Code section 46-5-168 provides for the Commission's jurisdiction.<sup>104</sup> In the original version of the bill, the Commission's jurisdiction was to be "strictly construed to include only such authority as is necessary to implement" the article.<sup>105</sup> The Act deleted the requirement that jurisdiction be "strictly construed."<sup>106</sup> This modification was intended to grant the Commission broader powers.<sup>107</sup>

Additionally, subsection (b)(9) was added to provide the Commission with authority to "[e]stablish reasonable rules and methodologies for performing cost allocations among the services

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97. Perdue Interview, *supra* note 11; Watson Interview, *supra* note 12.

98. Perdue Interview, *supra* note 11; Watson Interview, *supra* note 12.

99. O.C.G.A. § 46-5-167(c) (Supp. 1995).

100. SB 137, as introduced, 1995 Ga. Gen. Assem.

101. O.C.G.A. § 46-5-167(c) (Supp. 1995).

102. Perdue Interview, *supra* note 11; Watson Interview, *supra* note 12.

103. Watson Interview, *supra* note 12.

104. O.C.G.A. § 46-5-168 (Supp. 1995).

105. SB 137, as introduced, 1995 Ga. Gen. Assem.

106. O.C.G.A. § 46-5-168(a) (Supp. 1995).

107. Perdue Interview, *supra* note 11.

provided by a telecommunications company.”<sup>108</sup> This provision was also intended to broaden the Commission’s power.<sup>109</sup>

Finally, subsection (f) provides that “the commission shall have the authority to petition, intervene, or otherwise commence proceedings before the appropriate federal agencies and courts having specific jurisdiction over the regulation of telecommunications seeking to enhance the competitive market for telecommunications services within the state.”<sup>110</sup> Senator Perdue noted that this addition was intended to “encourage the Commission to use Georgia as a true laboratory regarding the telephone industry” by allowing for the Commission’s input into the structure of Georgia’s telephone market.<sup>111</sup>

### *Limitations on Electing Companies*

Code section 46-5-169 creates limitations on certain electing companies.<sup>112</sup> Subsection (5) of the Act provides rules against cross-subsidization.<sup>113</sup> This section initially laid out a detailed framework of prohibited acts stating that “[a] company electing alternative regulation . . . [s]hall not cross-subsidize alternatively regulated services with revenue created by regulated services, or cross-subsidize regulated services with revenue created by alternatively regulated services, or cross-subsidize nonregulated services with revenue created by regulated or alternatively regulated services.”<sup>114</sup> In the Act, this section provides that such companies “[s]hall not cross-subsidize nonregulated or alternatively regulated services with revenue created by regulated services.”<sup>115</sup> This modification was technical in nature, providing “more concise and clear language.”<sup>116</sup>

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108. O.C.G.A. § 46-5-168(b)(9) (Supp. 1995). Provision (9) was added in the Senate Committee. SB 137 (SCS), 1995 Ga. Gen. Assem.

109. Perdue Interview, *supra* note 11.

110. O.C.G.A. § 46-5-168(f) (Supp. 1995).

111. Perdue Interview, *supra* note 11. Sen. Perdue noted that this provision could conceivably allow the Commission to bring a challenge in its own name to the consent decree forbidding RBOC’s participation in the long distance phone market. Perdue Interview, *supra* note 11.

112. O.C.G.A. § 46-5-169 (Supp. 1995).

113. *Id.* § 46-5-169(5).

114. SB 137, as introduced, 1995 Ga. Gen. Assem.

115. O.C.G.A. § 46-5-169(5) (Supp. 1995).

116. Perdue Interview, *supra* note 11.

Additionally, the original version of subsection (5) required that, “[i]n order to prevent such cross-subsidization, the company shall perform cost allocations for each service according to methodology that shall be established by the commission.”<sup>117</sup> This language, however, was eliminated in the Act.<sup>118</sup> According to Senator Perdue, the elimination of this section was meant to “give local companies relief from oversight by the Commission in the approval of depreciation schedules.”<sup>119</sup>

### *Unlisted Phone Numbers*

In Code section 46-5-173, the Act provides civil penalties for disclosing unlisted phone numbers for commercial purposes.<sup>120</sup> This section was intended to provide consumers in the state more privacy when using telephone services.<sup>121</sup> The original version of subsections (a)(1) and (2) of the bill did not require that the disclosure or use be intentional.<sup>122</sup> The Act, however, limits penalties to only intentional disclosures or use.<sup>123</sup> Senator Perdue noted that this inclusion was meant to limit the scope of the section.<sup>124</sup>

*Cecil G. McLendon, Jr.*

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117. SB 137, as introduced, 1995 Ga. Gen. Assem.

118. O.C.G.A. § 46-5-169(5) (Supp. 1995).

119. Perdue Interview, *supra* note 11.

120. O.C.G.A. § 46-5-173 (Supp. 1995).

121. Perdue Interview, *supra* note 11.

122. SB 137, as introduced, 1995 Ga. Gen. Assem.

123. O.C.G.A. § 46-5-173 (Supp. 1995).

124. Perdue Interview, *supra* note 11.