## AN ACT

RELATING TO TELECOMMUNICATIONS; AMENDING SECTION 63-9A-8.2 NMSA 1978 (BEING LAWS 2000, CHAPTER 100, SECTION 4 AND ALSO LAWS 2000, CHAPTER 102, SECTION 4) TO CLARIFY THE APPLICABILITY OF THE PROVISIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 63-9A-8.2 NMSA 1978 (being Laws 2000, Chapter 100, Section 4 and also Laws 2000, Chapter 102, Section 4) is amended to read:

"63-9A-8.2. I DENTIFYING SUBSIDIES--RULES--PRICE CAPS.-

A. No later than December 31, 2000, the commission shall review existing rates for public telecommunications services offered by incumbent local exchange carriers with more than fifty thousand access lines and identify all subsidies that are included in the rates. The commission shall issue rules requiring that the identified subsidies appear on customer bills and establish a schedule not later than April 1, 2001 whereby implicit subsidies be eliminated through implementation of the state rural universal service fund or through revenue-neutral rate rebalancing or any other method consistent with the intent of the New Mexico Telecommunications Act.

> B. No later than January 1, 2001, the commission HB 658 Page 1

shall adopt rules that:

(1) establish consumer protection and quality of service standards;

 (2) ensure adequate investment in the telecommunications infrastructure in both urban and rural areas of the state;

(3) promote availability and deployment of high-speed data services in both urban and rural areas of the state;

(4) ensure the accessibility ofinterconnection by competitive local exchange carriers inboth urban and rural areas of the state; and

(5) establish an expedited regulatory process for considering matters related to telecommunications services that are pending before the commission.

C. No later than April 1, 2001, but in no case prior to the adoption of the rules required in Subsection B of this section, the commission shall eliminate rate of return regulation of incumbent telecommunications carriers with more than fifty thousand access lines and implement an alternative form of regulation that includes reasonable price caps for basic residence and business local exchange services.

D. Rules adopted pursuant to this section shall not be applied to incumbent rural telecommunications carriers HB 658 Page 2 as that term is defined in Subsection I of Section 63-9H-3
NMSA 1978."