

1 SENATE JOINT MEMORIAL 46

2 **49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010**

3 INTRODUCED BY

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10 A JOINT MEMORIAL

11 REQUESTING THE PUBLIC REGULATION COMMISSION TO CREATE A TASK
12 FORCE TO STUDY THE EFFECTS OF DEREGULATION OF LANDLINE
13 TELECOMMUNICATIONS IN NEW MEXICO.

14
15 WHEREAS, Senate Bill 37, introduced during the second
16 session of the forty-ninth legislature, provides for the
17 deregulation of landline telecommunications in New Mexico by
18 requiring the public regulation commission to "eliminate rules,
19 regulations and other requirements applicable to the provision
20 of such service, including the specific fixing of rates,
21 tariffs or fares of such service"; and

22 WHEREAS, deregulation would be implemented statewide if
23 effective competition is determined for fifty percent of an
24 incumbent company's lines in designated areas; and

25 WHEREAS, if an incumbent company has lost fifty percent of

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1 its access lines in urban areas since 2001, pursuant to Senate
2 Bill 37, the company could be released from regulation not only
3 in urban areas but also in rural areas where competition may
4 not exist; and

5 WHEREAS, many New Mexicans, especially in rural New
6 Mexico, still depend on landlines as their sole source of
7 telecommunications; and

8 WHEREAS, should deregulation be implemented on a statewide
9 basis, these New Mexicans could be deprived of essential
10 telecommunications services such as emergency 911; and

11 WHEREAS, many of these New Mexicans are senior citizens
12 living on a fixed income or low-income families who could not
13 afford paying additional fees on their phone bills to finance
14 an incumbent company's investment on infrastructure or service
15 extension; and

16 WHEREAS, by eliminating rules and regulations on rates,
17 Senate Bill 37 could also create an unfair business environment
18 in areas where competition does exist by allowing larger
19 carriers to offer unreasonably lower rates than their
20 competitors; and

21 WHEREAS, the fiscal impact to the state's general fund is
22 unknown due to the potential elimination of fees such as
23 utility and carrier inspection fees or other sources of income
24 that may result from the elimination of rates, tariffs and
25 fares; and

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1 WHEREAS, the impact of the proposed legislation on other
2 statutes and public regulation commission rules and orders has
3 not been thoroughly determined and is the subject of a future
4 open meeting discussion at the public regulation commission;
5 and

6 WHEREAS, the impact on future public regulation commission
7 rules and procedures for landline telecommunications carriers
8 is not clear; and

9 WHEREAS, despite all of these concerns, the legislature
10 also understands that new forms of telecommunications have also
11 created unregulated competition to the landline
12 telecommunications industry in certain areas of the state;

13 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
14 STATE OF NEW MEXICO that the public regulation commission be
15 requested to form a task force, including representatives from
16 the wireless and wireline telecommunications industry, consumer
17 advocacy groups, the public regulation commission, the attorney
18 general's office and members of the legislature, to study the
19 effects of deregulation of landline telecommunications in New
20 Mexico and to draft a bill addressing their concerns that can
21 be introduced in the 2011 legislative session; and

22 BE IT FURTHER RESOLVED that the public regulation
23 commission report the findings and recommendations of the task
24 force to the appropriate interim committee of the legislature
25 by December 1, 2010; and

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BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the public regulation commissioners.

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