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# SENATE BILL No. 481

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 8-1-29.5.

**Synopsis:** Broadband Internet service. Requires the Indiana utility regulatory commission (IURC) to report annually to the regulatory flexibility committee on the availability and quality of broadband Internet service in Indiana. Requires the committee to study various issues concerning the availability and quality of broadband Internet service in Indiana and to report annually to the legislative council on its findings and recommendations. Provides that the committee may recommend that the IURC adopt rules concerning the provision of digital subscriber line (DSL) broadband service by local exchange carriers or their affiliates. Allows the IURC to adopt rules to implement any of the committee's recommendations and to implement the deployment of broadband Internet service in Indiana.

**Effective:** July 1, 2003.

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January 21, 2003, read first time and referred to Committee on Utility and Regulatory Affairs.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

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## SENATE BILL No. 481



A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 8-1-29.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2003]:

4 **Chapter 29.5. Broadband Internet Service**  
5 **Sec. 1. As used in this chapter, "broadband Internet service"**  
6 **means a connection to the Internet at speeds greater than two**  
7 **hundred (200) kilobits per second downstream. The term includes**  
8 **DSL service, cable modem service, satellite one-way or two-way**  
9 **service, and terrestrial wireless service.**

10 **Sec. 2. As used in this chapter, "committee" means the**  
11 **regulatory flexibility committee established by IC 8-1-2.6-4.**

12 **Sec. 3. As used in this chapter, "DSL service" refers to**  
13 **broadband Internet service provided over digital subscriber lines**  
14 **that are sold or resold by local exchange carriers or their affiliates.**

15 **Sec. 4. (a) The regulatory flexibility committee established by**  
16 **IC 8-1-2.6-4 to monitor changes in the telephone industry shall also**  
17 **serve to monitor changes and competition in the provision of**



1 broadband Internet service in Indiana.

2 (b) The commission shall, before August 15 of each year,  
3 prepare for presentation to the regulatory flexibility committee an  
4 analysis of the effects of regulation, competition, pricing,  
5 technology development and deployment, and other market forces  
6 or changes on the availability and quality of broadband Internet  
7 service in Indiana. The analysis prepared under this subsection  
8 may be made in conjunction with the commission's annual reports  
9 to the committee under IC 8-1-2.5-9 and IC 8-1-2.6-4.

10 (c) In addition to reviewing the commission report prepared  
11 under subsection (b), the committee shall also issue a report and  
12 recommendations to the legislative council before November 1 of  
13 each year. The report and recommendations issued under this  
14 subsection must be based on a review of the following issues:

15 (1) The effects of competition or changes in the broadband  
16 Internet industry and the effect of the competition or changes  
17 on the rates for service in Indiana.

18 (2) The status of the availability and modernization of  
19 broadband Internet facilities in Indiana and the incentives  
20 required to enhance this infrastructure. In its  
21 recommendations under this subdivision, the committee may  
22 recommend that the commission adopt rules requiring a local  
23 exchange carrier, or an affiliate of a local exchange carrier,  
24 that provides or seeks to provide broadband Internet service  
25 in Indiana to do any of the following:

26 (A) Provide DSL service in a certain percentage of, or in  
27 specified areas within, the local exchange carrier's service  
28 area.

29 (B) Make a certain percentage or number of its lines  
30 available to other local exchange carriers or their affiliates  
31 for the provision of DSL service.

32 (C) Increase the number of the local exchange carrier's or  
33 affiliate's wire centers or switching offices equipped to  
34 provide DSL service in Indiana. In adopting rules under  
35 this clause, the commission may do any of the following:

36 (i) Designate as underserved those geographic areas in  
37 Indiana that the commission determines lack access or  
38 have only limited access to DSL service and require that  
39 wire centers or switching centers be deployed in the  
40 underserved areas.

41 (ii) Allow local exchange carriers or their affiliates to  
42 impose a universal broadband Internet surcharge on

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1           their periodic billings to customers in order to fund the  
2           deployment of wire centers or switching offices in  
3           underserved areas.

4           Any rules adopted by the commission under this subdivision  
5           must be consistent with federal law and with the Federal  
6           Communications Commission's rules and regulations on the  
7           provision of broadband Internet service.

8           (3) The effects of the availability and status of Indiana's  
9           broadband Internet infrastructure on economic development  
10          in Indiana.

11          (4) The method of regulating broadband Internet service  
12          providers in Indiana at the time of the report made under this  
13          subsection and the method's effectiveness.

14          (5) The socioeconomic effects of the pricing and affordability  
15          of broadband Internet service in Indiana, including any  
16          disparities in the use of the Internet among Indiana residents  
17          that are attributable to socioeconomic factors.

18          (6) The effects of any relevant:

19               (A) legislation enacted by the United States Congress; or

20               (B) rules and regulations adopted by the Federal  
21               Communications Commission;

22          since the date of the committee's last report issued under this  
23          subsection.

24          (7) The availability of funding under 7 U.S.C. 1926(a)(20)(E)  
25          or other federal funding for programs in Indiana to provide  
26          grants or other funds to telecommunications carriers, cable  
27          companies, or other providers to establish facilities and  
28          services that will result in the long term availability of  
29          broadband Internet service to rural communities without  
30          broadband Internet service.

31          (8) All other broadband Internet service issues the committee  
32          considers appropriate.

33          (d) The regulatory flexibility committee shall meet on the call of  
34          the co-chairs to study the broadband Internet service issues  
35          described in subsection (c). The committee may consult any  
36          independent experts or consultants the committee considers  
37          appropriate to assist the committee in its review and study.

38          (e) The legislative services agency shall provide staff support to  
39          the committee.

40          (f) Each member of the committee is entitled to receive the same  
41          per diem, mileage, and travel allowances paid to individuals who  
42          serve as legislative members of interim study committees

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1 established by the legislative council.  
2       **Sec. 5. The commission may adopt rules under IC 4-22-2 to**  
3 **implement:**  
4       **(1) any recommendations made by the committee under this**  
5       **chapter; or**  
6       **(2) the deployment of broadband Internet service in Indiana.**

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