

**SUMMARY OF THE MARKET REGULATION ACT OF 2009  
(SB 1954/HB 1698)**

**ILECs With More Than 1,000,000 Access Lines**

Upon filing notice, an ILEC is entitled to market regulation in all exchanges except those in rate groups 1 or 2, UNLESS:

Upon petition, which cannot be less than one year from effective date of this act, the provider shows that each exchange has at least two non-affiliated telecommunications providers that offer service to customers in each zone rate area of each exchange. A decision must be rendered within 90 days.

Nevertheless, whether such a petition is filed or granted, market regulation shall automatically become available in all exchanges as of January 1, 2015.

1. Provider must file with TRA, notice of intent to operate pursuant to Market Regulation. (Effective upon filing)
2. Provider is exempt from TRA jurisdiction including state-based regulation of retail pricing or retail operations **Except When the TRA is:**
  - a. Exercising Authority relating to obligations under the 1996 Federal Telecommunications Act or Federal Communications Commission (FCC) Orders and Rules.
  - b. Assessing & collecting inspection fees.
  - c. Exercising jurisdiction over cable and video franchises.
  - d. Exercising jurisdiction with respect to underground facilities damage prevention.
  - e. Exercising jurisdiction with respect to Life-Line and Link-up programs.
  - f. Exercising jurisdiction over the Tennessee Relay Service Center or the Telecommunications Devices Access Program (TDAP).
  - g. Exercising jurisdiction with respect to small and minority owned business participation plans.
  - h. Responding to specific customer complaints regarding residential telephone service.
  - i. Exercising jurisdiction with respect to Universal Service Funding.
  - j. Exercising jurisdiction with respect to intrastate switched access service.
  - k. Acting with respect to enforcement or modification of any wholesale Self Effectuating Enforcement Mechanism (SEEM) Plan in place as of January 1, 2009.
  - l. Exercising jurisdiction with respect to certification requirements.

- m. Exercising jurisdiction with respect to extensions of facilities pursuant Tenn. Code Ann. § 65-5-114(2) or requiring extensions of facilities in accordance with the terms of the A5 and B5 tariffs of AT&T as such tariffs existed on January 1, 2009.
  - n. Exercising jurisdiction pursuant to Tenn. Code Ann. § 65-4-125; however, the Authority shall exercise its jurisdiction under subsections (a) or (b) of that statute only in connection with a complaint.
3. TRA will continue to resolve disputes (within 180 days) between certificated carriers pursuant to federal law, unless the FCC has exclusive jurisdiction.
  4. Tariffs will be required for intrastate switched access and Life-line and Link-up Programs. Tariffs, including terms, conditions and rates will be required for exchanges that have not been approved for market regulation.

**SUMMARY OF THE MARKET REGULATION ACT OF 2009  
(SB 1954/HB 1698)**

**CLECs**

1. Provider must file with TRA, notice of intent to operate pursuant to Market Regulation. (Effective upon filing)
2. Provider is exempt from TRA jurisdiction including state-based regulation of retail pricing or retail operations **Except When the TRA is:**
  - a. Exercising Authority relating to obligations under the 1996 Federal Telecommunications Act or Federal Communications Commission (FCC) Orders and Rules.
  - b. Assessing & collecting inspection fees.
  - c. Exercising jurisdiction over cable and video franchises.
  - d. Exercising jurisdiction with respect to underground facilities damage prevention.
  - e. Exercising jurisdiction with respect to Life-Line and Link-up programs.
  - f. Exercising jurisdiction over the Tennessee Relay Service Center or the Telecommunications Devices Access Program (TDAP).
  - g. Exercising jurisdiction with respect to small and minority owned business participation plans.
  - h. Responding to specific customer complaints regarding residential telephone service.
  - i. Exercising jurisdiction with respect to Universal Service Funding.
  - j. Exercising jurisdiction with respect to intrastate switched access service.
  - k. Acting with respect to enforcement or modification of any wholesale Self Effectuating Enforcement Mechanism (SEEM) Plan in place as of January 1, 2009.
  - l. Exercising jurisdiction with respect to certification requirements.
  - m. Exercising jurisdiction with respect to extensions of facilities pursuant Tenn. Code Ann. § 65-5-114(2) or requiring extensions of facilities in accordance with the terms of the A5 and B5 tariffs of AT&T as such tariffs existed on January 1, 2009.
  - n. Exercising jurisdiction pursuant to Tenn. Code Ann. § 65-4-125; however, the Authority shall exercise its jurisdiction under subsections (a) or (b) of that statute only in connection with a complaint.
3. TRA will continue to resolve disputes (within 180 days) between certificated carriers pursuant to federal law, unless the FCC has exclusive jurisdiction.
4. Tariffs will be required for intrastate switched access and Life-line and Link-up Programs.

**SUMMARY OF THE MARKET REGULATION ACT OF 2009  
(SB 1954/HB 1698)**

**ILECs With Less Than 1,000,000 Access Lines**

Incumbents must first be approved for price regulation pursuant to Tenn. Code Ann. § 65-5-109, subsections (a) through (k) prior to filing notice of market regulation. After filing notice for market regulation, incumbents are not entitled to market regulation in exchanges of less than 3,000 lines UNLESS:

Upon petition, which cannot be less than one year from effective date of this act, the provider shows that each exchange has at least two non-affiliated telecommunications providers that offer service to customers in each zone rate area of each exchange. A decision must be rendered within 90 days.

Nevertheless, whether such a petition is filed or granted, market regulation shall automatically become available in all exchanges as of January 1, 2015.

1. Provider must file with TRA, notice of intent to operate pursuant to Market Regulation. (Effective upon filing)
2. Provider is exempt from TRA jurisdiction including state-based regulation of retail pricing or retail operations **Except When the TRA is:**
  - a. Exercising Authority relating to obligations under the 1996 Federal Telecommunications Act or Federal Communications Commission (FCC) Orders and Rules.
  - b. Assessing & collecting inspection fees.
  - c. Exercising jurisdiction over cable and video franchises.
  - d. Exercising jurisdiction with respect to underground facilities damage prevention.
  - e. Exercising jurisdiction with respect to Life-Line and Link-up programs.
  - f. Exercising jurisdiction over the Tennessee Relay Service Center or the Telecommunications Devices Access Program (TDAP).
  - g. Exercising jurisdiction with respect to small and minority owned business participation plans.
  - h. Responding to specific customer complaints regarding residential telephone service.
  - i. Exercising jurisdiction with respect to Universal Service Funding.
  - j. Exercising jurisdiction with respect to intrastate switched access service.
  - k. Acting with respect to enforcement or modification of any wholesale Self Effectuating Enforcement Mechanism (SEEM) Plan in place as of January 1, 2009.
  - l. Exercising jurisdiction with respect to certification requirements.

- m. Exercising jurisdiction with respect to extensions of facilities pursuant Tenn. Code Ann. § 65-5-114(2) or requiring extensions of facilities in accordance with the terms of the A5 and B5 tariffs of AT&T as such tariffs existed on January 1, 2009.
  - n. Exercising jurisdiction pursuant to Tenn. Code Ann. § 65-4-125; however, the Authority shall exercise its jurisdiction under subsections (a) or (b) of that statute only in connection with a complaint.
3. The election of a rural incumbent to operate pursuant to market regulation would constitute an acknowledgement that a bona fide request for interconnection or services is not unduly economically burdensome; is technically feasible; will not present a risk of significant adverse economic impact on users of telecom services, generally; is consistent with 47 U.S.C. Section 254, and is consistent with the public interest, convenience, and necessity. (This provision would only apply for the purposes of the federal exemption for rural telephone companies to certain requirements regarding incumbent local exchange carriers and does not apply to any telephone cooperative).
  4. TRA will continue to resolve disputes (within 180 days) between certificated carriers pursuant to federal law, unless the FCC has exclusive jurisdiction.
  5. Tariffs will be required for intrastate switched access and Life-line and Link-up Programs. Tariffs, including terms, conditions and rates will be required for exchanges that have not been approved for market regulation.

**SUMMARY OF THE MARKET REGULATION ACT OF 2009  
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**Interexchange Carrier (IXCs) and Resellers of Local and/or  
Long Distance Service**

1. Provider must file with TRA, notice of intent to operate pursuant to Market Regulation. (Effective upon filing)
2. Provider is exempt from TRA jurisdiction including state-based regulation of retail pricing or retail operations **Except When the TRA is:**
  - a. Exercising Authority relating to Federal 1996 Telecommunications Act obligations or Federal Communication Commission Order and Rules.
  - b. Assessing & collecting inspection fees.
  - c. Exercising jurisdiction over video franchises.
  - d. Exercising jurisdiction with respect to underground facilities damage prevention.
  - e. Exercising jurisdiction with respect to Life-Line and Link-up programs.
  - f. Exercising jurisdiction over the Tennessee Relay Service Center or the Tennessee Devices Access Program (TDAP).
  - g. Exercising jurisdiction with respect to small and minority owned business participation plans.
  - h. Responding to specific customer complaints regarding residential telephone service.
  - i. Exercising jurisdiction with respect to Universal Service Funding.
  - j. Exercising jurisdiction with respect to intrastate switched access service.
  - k. Acting with respect to enforcement or modification of any wholesale Self Effectuating Enforcement Mechanism (SEEM) Plan in place as of January 1, 2009.
  - l. Exercising jurisdiction with respect to the requirement of certificates.
  - m. Exercising jurisdiction with respect to extensions of facilities pursuant Tenn. Code Ann. § 65-5-114(2).
  - n. Exercising jurisdiction pursuant to Tenn. Code Ann. § 65-4-125; however, the Authority shall exercise its jurisdiction under subsections (a) or (b) only in connection with a complaint.
3. TRA will continue to resolve disputes (within 180 days) between certificated carriers pursuant to federal law, unless the FCC has exclusive jurisdiction.
4. Tariffs will be required for intrastate access and Life-line and Link-up Programs.