

Department of Legislative Services  
Maryland General Assembly  
2015 Session

FISCAL AND POLICY NOTE

House Bill 453  
Economic Matters

(Delegate Tarlau, *et al.*)

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Public Utilities - Telephone Service - Battery for Backup Power

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This bill requires a telephone company to provide an active battery for a “battery backup unit” to a customer free of charge. When a battery in a battery backup unit is no longer active, a telephone company must provide a replacement battery to a customer free of charge.

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Fiscal Summary

**State Effect:** The Public Service Commission (PSC) can implement the bill with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Bill Summary:** “Battery backup unit” means a battery-operated unit that (1) provides backup power for basic telephone service and (2) operates on an optical-fiber communications network.

**Current Law:** To the full extent that the Constitution and laws of the United States allow, PSC has jurisdiction over each public service company that engages in or operates a utility business in the State, including telephone companies. PSC has the powers specifically conferred by law and the implied and incidental powers needed or proper to carry out its function. The powers of PSC must be construed liberally.

“Telephone company” means a public service company that (1) owns telephone lines to receive, transmit, or communicate telephone or teletype communications or (2) leases, licenses, or sells telephone or teletype communications. A telephone company does not include a cellular telephone company. “Telephone lines” means the material, equipment, and property used for or in connection with telephone service.

PSC does not have jurisdiction over the regulation of Internet service providers, nor does it have jurisdiction over voice over Internet Protocol (VoIP) service. “VoIP” service means any service that (1) enables real-time two-way voice communications that originate from or terminate to the subscriber end user’s location requiring Internet protocol or any successor to Internet protocol and (2) requires a broadband connection from the user’s location. It includes any such service that permits users generally to receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network. However, PSC’s lack of jurisdiction may not be construed, among other things, to (1) exempt VoIP service from generally applicable State and federal laws relating to public safety, consumer protection, and unfair and deceptive trade practices or (2) remove PSC’s jurisdiction over circuit switched local exchange access.

**Background:** The Verizon Optical Network Terminal (ONT) is a device installed by Verizon during a FiOS installation that converts fiber-optic light signals to copper/electric signals. ONT must be plugged into a power source; however, it also includes a battery backup unit feature, which may be used by a customer by maintaining an active battery in the backup unit. According to the Verizon website, with an active battery, the backup unit will provide backup power for basic FiOS voice services, including emergency 911 dialing, for up to eight hours in the event of a commercial power failure. The customer is responsible for purchasing and/or replacing the battery in the backup unit, which must be done periodically.

Verizon provides free replacement batteries only if (1) the battery was provided by Verizon and it is still under the one-year warranty period or (2) the customer is enrolled in the Verizon Expert Care Device Protection Plan.

Batteries for the backup unit may be purchased from Verizon for \$39.99, or from a third-party retail provider, typically for less than the Verizon price.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Public Service Commission, Verizon.com, Department of Legislative Services

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