

Court Voids Ordinance Imposing Five Percent Fee on Telecommunications Carriers

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The Federal District Court for the District of Puerto Rico granted a motion for summary judgment filed by WRF on behalf of Puerto Rico Telephone Company against the Municipality of Guayanilla. The decision voided an ordinance enacted by the Municipality that sought to impose a five percent fee on the gross revenue of telecommunications carriers. The court found that the ordinance constituted a barrier to entry under Section 253(a) of the Communications Act, and further found that the Municipality had not carried its burden of showing that the ordinance fell within a safe harbor provided by Section 253(c) of the Act. The court further found that in light of the infirmities under federal law, the ordinance would also appear to violate Puerto Rico Law 213.

The case establishes an important precedent for all telecommunications carriers limiting municipal charges for use of public rights-of-way. The case is *Puerto Rico Telephone Co., Inc. v. Municipality of Guayanilla*, Docket No. 02-2165(SEC).

View the decision.

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