

FISCAL ESTIMATE

DOA-2048 N(R10/96)

- ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
AB 879

Amendment No. if Applicable
 99-4599/2

Subject

Provisions for Determining Access Rates for Certain Telecommunications Service Providers and Implementation of a "911" Grant Program

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs - May be possible to Absorb Within Agency's Budget Yes No
 Decrease Costs

Local: No local government costs

- | | | |
|--|--|--|
| 1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory
4. <input type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:
<input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> Others _____
<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
|--|--|--|

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.155(1)(g)

Assumptions Used in Arriving at Fiscal Estimate

This bill addresses two items. First, it would place a cap on intrastate access rates that Ameritech and GTE may charge interconnecting long distance carriers to originate or terminate toll traffic over their facilities. Under this legislation, Ameritech and GTE could petition to raise their access rates above the statutory cap. The second item in this bill, would create a one-time fund to provide grants to eligible local government facilities involved in the "911" program. The program would be administered by the Department of Revenue after the Public Service Commission billed the two companies above and deposited the proceeds to the appropriate appropriation.

The section on Access Rates proposes to statutorily lower the rate Ameritech and GTE charge long distance carriers for access. Under this legislation, the rate for access would be reduced to the comparable rate for termination and transport of a local exchanged call between local exchange carriers. The procedure for setting the rate for termination and transport of a local exchange call between a Competative Local Exchange Carrier (CLEC) and an Incumbent Local Exchange Carrier (ILEC) is currently the subject of a rulemaking proceeding before the Federal Communications Commission. This legislation would require a separate contested case hearing at the PSC to determine the statutory rate and to consider Ameritech and GTE petitions for a higher access rate. This legislation would require additional staff resources to exercise continuing supervisory jurisdiction over Ameritech and GTE intrastate access rates. Accordingly, the Commission estimates that the equivalent of 2.0 new Public Utility Rate Analyst-Principal positions would be necessary to do the work required.

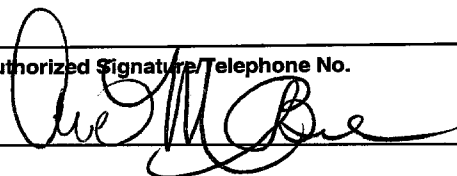
In addition, the bill would require the Commission to bill Ameritech and GTE. The assessment would be based on the number of access lines of the two companies times the difference in their access rates in effect on the effective date of the bill and their access rates in effect one year following the effective date of the bill. The cost of this billing effort would be absorbed by existing staff.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

PSC/Gordon Grant 267-9086

Authorized Signature/Telephone No.



Date

03/21/00

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R10/96)

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

LRB or Bill No./Adm. Rule No.
AB 879

Amendment No.
99-4599/2

Subject

Provisions for Determining Access Rates for Certain Telecommunication Service Providers and Implementing a "911" Grant Program.


I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

\$12,800

II. Annualized Costs:	Annualized Fiscal impact on State funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$ 111,000	\$ -
(FTE Position Changes)	(2.0 FTE)	(- FTE)
State Operations - Other Costs	8,400	-
Local Assistance		-
Aids to Individuals or Organizations		-
TOTAL State Costs by Category	\$ 119,400	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$	\$ -
FED		-
PRO/PRS		-
SEG/SEG-S		-
State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$	\$ -
GPR Earned		-
FED		-
PRO/PRS	119,400	-
SEG/SEG-S		-
TOTAL State Revenues	\$ 119,400	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 119,400	\$ 0
NET CHANGE IN REVENUES	\$ 119,400	\$

Agency/Prepared by: (Name & Phone No.) PSC/Gordon Grant 267-9086	Authorized Signature/Telephone No. 	Date 03/21/00
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