

1999 Session

Original Updated
 Corrected Supplemental

LRB or Bill No./Adm. Rule No.
 1999 LRB Number-4491/1
 1999 SB 0385
 Amendment No. if Applicable

FISCAL ESTIMATE

DOA 2048 (R 11/90)

Subject

Prohibiting cities, villages, towns, counties, school districts, technical college districts and cooperative educational service agencies from providing certain telecommunications services and Internet access services and from making certain transfers of telecommunications transmission facilities.

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. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental
 Units Affected:
 Towns Villages
 Cities
 Counties
 Others _____
 School Districts
 WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

See Attachment A

Long-Range Fiscal Implications

In the current situation of rapidly changing technology, it is not possible to estimate the long range fiscal implications for the technical college districts of this proposal. If, however, the bill is interpreted as prohibiting current practices and requiring technical college districts to buy these services from third parties, the cost of providing the same level of services is most likely to increase operational costs of the technical college districts.

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02/21/00

Attachment A
Fiscal Estimate
1999 LRB Number-4210/1

This bill is intended to limit competition from various local units of government in the provision of telecommunications and Internet services to the public. The bill would prevent specified local units of government, including technical college districts, from:

1. Providing telecommunications services as a telecommunications utility, as an alternative telecommunications utility, or as a telecommunications carrier;
2. Transferring a transmission facility to another person if the facility is used to furnish a telecommunications service directly or indirectly to the public;
3. Providing an Internet access service directly or indirectly to the public.

The bill relies on existing statutory definitions of key terms such as *telecommunications utility*, *alternative telecommunications utility*, and *telecommunications carrier*. The bill defines *Internet access service* to mean "...service that enables a user to obtain access to content, information, electronic mail or any other service offered over the Internet."

The mission of the state's technical college districts is to provide vocational, technical, and adult educational programming. The effective use of instructional and administrative technology to carry out this mission is critical to the technical college districts as they attempt to carry out their statutory mission. To the best of our knowledge, no technical college district is currently operating as a telecommunications utility, alternative telecommunications utility, or telecommunications carrier. Personnel at the state agency are not sufficiently familiar with the nuances of the state's telecommunications regulations, however, to assert that technical college districts might not operate in such a way as to participate in activities that might be construed as operating as a telecommunications utility, alternative telecommunications utility, or telecommunications carrier.

With respect to the offering of Internet services, the state agency believes that the definition of Internet access service offered by the bill is not clear. Technical college districts are not in the marketplace serving as Internet service providers as are corporate providers such as AOL or MicroSoft Network. As part of their mission to provide vocational, technical, and adult educational programming, however, technical college districts offer services that enable users to obtain access to content, information, electronic mail or any other service offered over the Internet. These users are typically technical students, prospective students, school personnel (including teachers, administrators, counselors), parents, and employers including those in the public and the private sectors.

The bill does not define who is included in the term "*the public*" in the prohibition "providing an Internet access service directly or indirectly to the public." One interpretation of *the public* would be persons who are not registered students or involved in a contractual relationship with a technical college district. This interpretation would mean that technical colleges would be prohibited from providing access to information about their services to the public through public terminals if those terminals were operated by the district and not a third party. Similarly, by its very nature, the Internet is a collection of distributed servers, each of which provides to some extent access to content, information, electronic mail or any other service offered over the other distributed servers that make up the Internet. Some of these servers are located at technical colleges. To the extent that access to these servers is made available directly or indirectly to the public, it would appear that technical college districts would be prohibited by this bill from operating these servers.

To the extent that technical colleges are already providing Internet access services, prohibition of this activity by this bill would impose a cost upon the technical college districts. It is not clear what this cost would be. The state agency is unable to determine either the extent of the services currently provided or exactly what access to services would be prohibited.