

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

FISCAL ESTIMATE

DOA-2048 N(R10/96)

Subject

Provisions for Determining Access Rates for Certain Telecommunication Service Providers

Fiscal Effect

State: No State Fiscal Effect

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

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

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

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

20.155(1)(g)

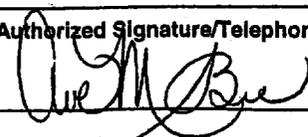
Assumptions Used in Arriving at Fiscal Estimate

LRB 2452/1 addresses two separate issues. First, it would create a process for setting the rate for basic local exchange service that Ameritech and GTE charge pay telephone service providers to interconnect with the public switched network. Second, 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.

To make the findings and decision required under the first proposal, the Commission would be required to conduct two contested case hearings, one to set the pay telephone basic local exchange rate for Ameritech and a second to set the same rate for GTE. The PSC anticipates that these hearings would be extensive in order to address the following two issues: 1) the replacement of price cap regulation with rate regulation for pay telephone service providers, and, 2) the development of a cost standard that would apply to pay telephone service. This cost standard does not exist at present and would have to be developed as part of these proceedings. However, once completed, the Commission could maintain this rate regulation with minimal staff resources. The estimated time required by staff to complete these proceedings is 2,000 hours. This estimate is based on data gathered from staff time records for work on similar proceedings. The cost of these proceedings for pay telephone service providers would be completed using existing staff resources.

The second part of LRB 2452/1 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 exchange call between local exchange carriers. The procedure for setting the rate for termination and transport of a local exchange call between a Competitive Local Exchange Carrier (CLEC) and Incumbant 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 § 196.219(2m)(d).

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.) PSC/Gordon Grant 267-9086	Authorized Signature/Telephone No. 	Date 03/17/99
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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.
LRB-2452/1 SB 91

Amendment No.

Subject

Provisions for Determining Access Rates for Certain Telecommunication Service Providers

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		-
SEG/SEG-S		-
TOTAL State Revenues	\$	\$ -

NET ANNUALIZED FISCAL IMPACT

STATE

LOCAL

NET CHANGE IN COSTS \$ 119,400 \$ 0

NET CHANGE IN REVENUES \$ \$

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