

Fiscal Estimate Narratives

PSC 2/27/02

LRB Number	01-4912/1	Introduction Number	SB-451	Estimate Type	Original
Subject					
Senate task force on telecommunications issues					

Assumptions Used in Arriving at Fiscal Estimate

SB 451 applies only to large price-regulated telecommunication utilities; it changes the regulation imposed on such utilities and creates certain standards for service--both retail and wholesale. Several provisions in the bill will impact the workload of the PSC.

Rule Making

PSC must promulgate rules to establish a definition of effective competition. The bill requires emergency rules and the submittal of rules within seven (7) months. (Bill Section 38).

The PSC must promulgate rules establishing minimum accounting on reporting requirements for small telecommunications utilities (s.196.204(3)(b).)

The bill requires the submittal of rules within four (4) months. (Bill section 38).

Enforcement and Assessments

The bill gives the PSC the authority to take enforcement actions against the utility, to require payments, and to assess forfeitures (s.196.37).

Waivers

A large price-regulated telecommunications utility may petition the PSC to waive standards required by the bill.

Orders

No later than nine (9) months after the effective date of the bill the PSC must issue an order to establish a compliance plan related to non-discriminatory access to the utility's services and network elements. The plan must include procedures for measuring compliance. (s.196.1995(5)).

Investigations

The PSC is required to investigate whether to allow a price-regulated telecommunications utility to increase rates for small business.

Reports

The PSC must investigate the status of competition within the state over the five years following the bill and report to the legislature. The report must include legislative recommendations that may include structural separation.

Summary

All these new requirements on the PSC will be resource intensive. Given the experience of the Commission to date on matters related to wholesale service quality, extensive disputes between the competitors and large price-regulated telecommunications utility can be anticipated. In addition, the rule making dockets will require extensive discussion and will be time consuming. The orders required in certain circumstances are after an opportunity for hearing and such hearing requests seem likely. It is probable that there would be frequent requests from a large price-regulated utility for waivers of monthly forfeitures and compensation payments. There is an extensive reporting mandate on large price-regulated utilities, however, those reports must be

administered and monitored by the PSC.

All these activities will require additional staff resources. It appears these requirements may be absorbed into the Commission's workload, although some vacancies may need to be filled and positions shifted to the Telecommunications Division and Office of General Counsel to address the increased mandates.

Long-Range Fiscal Implications

Long range implications depend on the extent of additional work as a result of the provisions of the bill and the number of staff re-assigned to insure compliance of the company to the provisions of the law.