

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3751-01
Bill No.: HB 1084
Subject: Public Service Commission; Telecommunications
Type: Original
Date: January 21, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development - Public Service Commission (PSC)** state this proposal allows customer specific pricing for certain services. The bill also allows companies to offer special promotions or discounted rates, not only to new and/or former customers, but also existing customers. Companies may need to submit tariff filings to allow the additional customer specific pricing and will have to submit tariffs to allow the promotions and discounted rates. PSC will review the tariffs outlining these provisions. PSC is not requesting additional resources due to this proposal.

Officials of the **Department of Economic Development - Office of the Public Counsel (OPC)** state although this bill has some impact on OPC, OPC should be able to absorb the changes; however, if the requirements of this bill are combined with additional requirements or changes OPC may incur a fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2005	FY 2006	FY 2007
	(10 Mo.)		
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2005
(10 Mo.)

FY 2006

FY 2007

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal could potentially have an economic impact on small businesses since they would be theoretically able to negotiate individual pricing for their services. Depending on the competition available to the business customer, the fiscal impact could be positive in the areas with competitors or negative in the areas of few or no competitors. This legislation could also impact information service providers (ISPs) since their services are largely provided over the types of facilities referenced in the legislation. Telecommunications companies offering information services in competition with the ISPs could price the facilities in a way to thwart competition.

DESCRIPTION

This proposal authorizes customer-specific pricing for DS-1 retail services, which are defined as any tariffed retail service offered to business customers which is provided via facilities capable of operating at speeds of 1.544 megabytes per second or higher, including ISDN, PRI, and DSI trunk services.

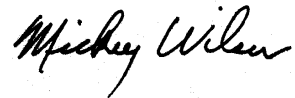
The bill also states that when a business service offered by an incumbent local exchange telecommunications company has been classified as competitive, customer-specific pricing for that business service must be equally available to incumbent and alternative local exchange telecommunications companies.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 3751-01
Bill No. HB 1084
Page 4 of 4
January 21, 2004

SOURCES OF INFORMATION

Department of Economic Development
Public Service Commission
Office of the Public Counsel

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 21, 2004