Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2048 (R07/2000)

# Fiscal Estimate - 2001 Session

Original Update	ed Corrected	į t	Supplemental	
LRB Number <b>01-4912/1</b>	Introduction	Number \$	SB-451	
Subject				
Senate task force on telecommunications is	ssues			
Fiscal Effect				
State:  No State Fiscal Effect Indeterminate Increase Existing Appropriations Decrease Existing Appropriations Create New Appropriations  Local:	Decrease Existing Revenues		- May be possible to gency's budget No s	
Permissive Mandatory  2. Decrease Costs  4. Permissive Mandatory	5.T Increase Revenue Permissive Mandatory Decrease Revenue Permissive Mandatory	ypes of Local Claims Affected Towns Counties School Districts	Government Village Cities Others WTCS Districts	
Fund Sources Affected  GPR FED PRO PRS	Affect SEGS 20.15	<b>ted Ch. 20 Ap</b> r 5 (1) (g)	propriations	
Agency/Prepared By	Authorized Signature		Date	
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# 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 forteitures (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-disciminarory 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 Commision 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.