

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: SB 160  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB160-DCCED-RCA-02-09-18  
Title: BROADBAND INTERNET:  
NEUTRALITY/REGULATION  
Sponsor: BEGICH  
Requester: (S) Labor and Commerce

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Regulatory Commission of Alaska  
Allocation: Regulatory Commission of Alaska  
OMB Component Number: 2417

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>***</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

## Fund Source (Operating Only)

None							
<b>Total</b>	<b>***</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None	***		***	***	***	***	***
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2019) cost:** 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/23

## Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: Stephen McAlpine, Chairman  
Division: Regulatory Commission of Alaska  
Approved By: Catherine Reardon, Director  
Agency: Division of Administrative Services, DCCED

Phone: (907)276-6222  
Date: 02/09/2018  
Date: 02/09/18

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. SB 160

### Analysis

Senate Bill 160 would add a new section (AS 42.05.147) to the enabling statutes of the Regulatory Commission of Alaska (RCA). That provision would require a utility that provides broadband services in the state to publicly disclose accurate information regarding the network management practices, performance, and commercial terms of the utility's "broadband Internet access service" (a new term defined by the bill). Further, proposed AS 42.05.147 would prohibit certain conduct by a utility that provides broadband services in the state subject to reasonable network management.

The classes of prohibited conduct can broadly be described as blocking, throttling, paid and affiliate prioritization, and interference with network use by an "edge provider" (a new term defined by the bill). However, whether specific behavior is prohibited conduct would entail a technical analysis of network operations. The RCA may waive the provision related to paid or affiliate prioritization on a showing of benefit to the public interest and no negative impact on "the open nature of Internet in the state."

Section 2 of Senate Bill 160 would make violation of proposed AS 42.05.147 an unlawful act and practice actionable under AS 45.50.471 (Unfair Trade Practices and Consumer Protection). The Attorney General is authorized to investigate and seek action to restrain prohibited acts under AS 45.50.

It is anticipated that regulations directed by Senate Bill 160 would be adopted within the time allowed by AS 42.05.175(e), within 730 days after a rule-making proceeding is opened.

The fiscal impact of this legislation cannot be accurately determined at this time. It is anticipated that additional staff would be necessary, but the RCA has not had the opportunity to meet and deliberate on precisely how the statutes would be implemented or how the costs would be funded.