

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version:	CSSB 205(L&C)
Fiscal Note Number:	1
(S) Publish Date:	4/4/2018

Identifier: SB205-DCCED-RCA-02-23-18  
 Title: TELECOMMUNICATIONS  
 REGULATION/EXEMPTIONS  
 Sponsor: MEYER  
 Requester: (S) Labor & 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	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>	<b>FY 2019</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</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>

**Fund Source (Operating Only)**

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>

**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 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/23

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

Not applicable, initial version.

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Division:	Regulatory Commission of Alaska	Date:	02/23/2018
Approved By:	Catherine Reardon, Director	Date:	02/23/18
Agency:	Division of Administrative Services, DCCED		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

## Analysis

SB 205 will eliminate most Regulatory Commission of Alaska (RCA) functions pertaining to telecommunications service, including its ability to assess whether or not a discrete telecommunications market is competitive and set local rates for telecommunication services in non-competitive markets.

The RCA would still be required to certificate wireline telecommunications carriers and adjudicate the relinquishment or transfer of those certificates. It is not clear whether the bill would impact the RCA's oversight of inmate calling services or telecommunication relay services provided to consumers with disabilities.

The RCA would also continue to act as state liaison with the Federal Communications Commission (FCC), the federal body with regulatory responsibility for telecommunications and information services. The RCA will still be required to review relevant federal filings related to the provision of telecommunications services within the state by Eligible Telecommunications Carriers (ETCs) that it has previously designated or may designate in the future. The RCA will also be required to provide annual certifications to the FCC that each designated ETC is using federal universal service funding for intended purposes. Additionally, the RCA may be required to address service problems related to state and federal Lifeline (a subsidy program providing telecommunications services for low-income consumers) and address 911 (emergency service) issues that may arise.

SB 205 does not repeal AS 42.05.840, the statute allowing the RCA to establish a universal service fund to be used to ensure the provision of long distance service at reasonable rates throughout Alaska and to otherwise preserve universal service. The RCA will continue to have oversight responsibility for the Alaska Universal Service Fund (the RCA currently has a docket open to consider modifications to the Alaska Universal Service Fund).

Among the retained statutes governing telecommunications service is AS 42.04.100, requiring the RCA to establish a Communications Carrier Section to develop, administer, and recommend policies and programs related to communications in the state involving wire, cable, radio, and space satellites.

The RCA expects to implement the provisions of this legislation with existing resources. The Regulatory Cost Charge (RCC) adopted by the RCA through regulation funds the agency's annual operating budget. SB 205 eliminates the application of the RCC to telecommunication services that currently generate approximately 20 percent of RCC revenue. Consequently, the RCC may be raised for other regulated utility sectors (e.g., electric, natural gas, water/wastewater, pipeline, refuse.)