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## FISCAL IMPACT REPORT

SPONSOR: Martinez DATE TYPED: 02/06/01 HB 262  
 SHORT TITLE: Certificate of Public Convenience Provisions SB \_\_\_\_\_  
 ANALYST: Valenzuela

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
NFI					

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files  
 Public Regulation Commission

### SUMMARY

#### Synopsis of Bill

House Bill 262 amends the New Mexico Telecommunications Act by striking two subsections of the Act that grant telecommunications companies, with fewer than 100,000 access lines, market exclusivity within its certified service area [Section 63-9A-6 1978 NMSA]. The effect of the deletion is to create parity between the state and federal telecommunications law [49 U.S.C. § 253(a)].

#### Significant Issues

According to the Public Regulation Commission (PRC), there are approximately 15 companies, who operate within New Mexico with fewer than 100,000 access lines. The PRC reports that it has reached agreement with industry representatives that these two subsections are preempted by the federal law and should be deleted from the state statutes.

The premise of the federal Telecommunications Act of 1996 was the desire of Congress to allow competition for local telecommunications services uniformly in all of the states. In fact, a key proviso of the federal Act was that it takes away from each state the ability to approve competition in local telecommunications service. The federal Act actually redefines the responsibility of the state public utility commissions only to approving rates for local calling and resale and interconnection of regional bell operating companies (RBOCs) services to competitors.

### FISCAL IMPLICATIONS

## **House Bill 262 -- Page 2**

House Bill 262 does not contain an appropriation and would not have a fiscal impact on the PRC. The bill is unlikely to have a fiscal impact on other state agencies.

### **ADMINISTRATIVE IMPLICATIONS**

Enactment of House Bill 262 could decrease the time needed to process hearings. The PRC hearing examiners have been reluctant to recognize the federal preemption of these subsections because doing so would require them to act against state statute. Consequently, cases has been delayed, needlessly.

MFV/ar