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## FISCAL IMPACT REPORT

SPONSOR: Lujan DATE TYPED: 02/13/01 HB 658  
 SHORT TITLE: Rural Telecommunications Carriers 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

### SUMMARY

#### Synopsis of Bill

House Bill 358 amends the New Mexico Telecommunications Act to exempt incumbent rural telecommunications carriers, as defined in the Rural Telecommunications Act of New Mexico [Section 63-9H-3], from the statutory mandates, i.e., rules adopted by the Public Regulation Commission (PRC), of subsection (B) of 63-9A-8.2. This subsection outlines the statutory constructs of PRC rules as

1. Establish consumer protection and quality of service standards;
2. Ensure adequate investment in the telecommunications infrastructure in both urban and rural areas of the state;
3. Promote availability and deployment of high-speed data services in both urban and rural areas of the state;
4. Ensure the accessibility of interconnection by competitive local exchange carriers in both urban and rural areas of the state; and
5. Establish an expedited regulatory process for considering matters related to telecommunications services that are pending before the commission.

The Rural Telecommunications Act of New Mexico defines “incumbent rural telecommunications carriers” accordingly:

A local exchange carrier that serves **fewer than fifty thousand access lines** within the state and was designated as an eligible telecommunications carrier by the state corporation commission on or before November 1, 1997, including any successor in interest thereto.

Significant Issues

This statute seems to apply only to incumbent local exchange carriers (ILECs) with more than 50,000 access lines. Consequently, it seems, on its face, the effect of the bill is to make explicitly clear that rural telecommunications carriers are not required comply with PRC rules promulgated pursuant to this statute.

However, the PRC recently promulgated rules that it conveyed should be applicable to rural telecommunications carriers as well as ILECs. A statement from the PRC is provided below:

**FISCAL IMPLICATIONS**

House Bill 658 does not carry an appropriation. Enactment of the bill would have a fiscal impact on the PRC because it would have to revise its rules. However, the PRC is adequately funded to handle this workload within its operating budget.

MFV/ar