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## F I S C A L I M P A C T R E P O R T

SPONSOR: Taylor, JG DATE TYPED: 03/04/01 HB HJM 37/aSFL#1  
SHORT TITLE: Telecommunications Industry Task Force SB  
ANALYST: Burch

### APPROPRIATION

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

(Parenthesis ( ) Indicate Expenditure Decreases)

\*\*See Fiscal Implications Section of this report.

### SOURCES OF INFORMATION

LFC Files  
Attorney General  
Public Regulation Commission

### SUMMARY

#### Synopsis of SFL#1 Amendment

The Senate Floor No. 1 amendment adds representatives of the cable communications industry to the membership of the task force.

#### Synopsis of Original Bill

House Joint Memorial 37 requests the Legislative Council to appoint two House members and two Senate members to a task force of the telecommunications industry and municipal representatives. An appropriate interim committee is to be designated by the Legislative Council to receive a report from the task force of its findings and recommendations prior to January 15, 2002. Finally, the Joint Memorial is requesting that new entrants to the telecommunications industry be held to the requirements of current telecommunications providers.

#### Significant Issues

Apparently, members of the telecommunications industry and municipalities have agreed to form a task force to study telecommunications franchise issues and to develop a statewide model for agreements between municipalities and telecommunications providers. The Joint Memorial also states that it may be desirable to bind new entrants to the telecommunications industry to the same

requirements that exist in current agreements between telecommunications providers and the municipalities.

The Attorney General reports that the “federal Telecommunications Act of 1996 requires that there be competitive neutrality in imposing franchising arrangements on telecommunications providers. This has been a source of contention and federal court litigation. A model agreement may result in some uniformity and competitive neutrality for telecommunications franchise agreements.”

### **FISCAL IMPLICATIONS**

The legislative members appointed to the task force would be entitled to per diem and mileage when attending meetings of the task force. Presumably, these costs would be paid from the appropriation made in Subsection B of Section 3 of House Bill 1 (Feed Bill) for legislative interim expenses already signed by the governor.

### **POSSIBLE QUESTIONS**

1. Who will be responsible for staffing the task force? If the Legislative Council Service (LCS) staff is, then there would be an administrative impact to the work of LCS.

DKB/njw:ar