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FISCAL IMPACT REPORT

SPONSOR Griego ORIGINAL DATE 02/13/14
LAST UPDATED _____ HB _____

SHORT TITLE Review NM Telecomm Statutes SM 92

ANALYST Clark

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Minimal	Minimal				

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 152 and HB 242

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Regulation Commission (PRC)

SUMMARY

Synopsis of Bill

Senate Memorial 92 requests the appropriate interim legislative committee hear testimony and receive recommendations from the Public Regulation Commission (PRC), the attorney general, and representatives of the telecommunications industry after their cooperative efforts to review and consider modernization and simplification of New Mexico telecommunications statutes.

FISCAL IMPLICATIONS

The agencies involved will incur minor travel costs associated with travel to the interim committee meeting and any advance meetings to form the requested recommendations.

SIGNIFICANT ISSUES

PRC provides the following background information.

The New Mexico Telecommunications Act (Section 63-9A NMSA 1978) controls the majority of regulation for large (greater than 375 thousand access lines -- CenturyLink) and mid-size incumbent local exchange carriers (between 50 thousand and 375 thousand access lines -- Windstream), including rate setting, quality of service, and consumer protection standards.

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The Rural Telecommunications Act (Section 63-9H NMSA 1978) controls regulation for rural incumbent local exchange carriers (16 local exchange carriers, most of which are telephone cooperatives). Current statutory framework allows for limited residential rate setting but not quality of service or consumer protection rules.

Modernization and simplification of these statutes could have a significant impact on how the regulation of rates, quality of service, and consumer protection is implemented in New Mexico.

ADMINISTRATIVE IMPLICATIONS

This memorial would have a minor administrative impact on the agencies involved.

RELATIONSHIP

SB 152 and HB 242 modify telecommunications statutes. PRC reports that if either of these bills is enacted, it could nullify the need to study these statutes and recommend changes. Passage of this memorial, in lieu of SB 152 and HB 242, would allow for a broad group of stakeholders (PRC, the attorney general, and telecommunications providers) to engage in a shared, open process to formulate a comprehensive recommendation to the Legislature for proposed changes and simplification of telecommunications statutes.

JC/svb