

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 6, 2011**

**TO:** Honorable Byron Cook, Chair, House Committee on State Affairs

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2620** by Hancock (Relating to communications services and markets.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Utilities Code to prohibit a state agency from imposing any rule or regulation on Voice over Internet Protocol services or other Internet Protocol Services. The bill would prohibit the Public Utility Commission (PUC) from requiring a telecommunications utility that is not a public utility to comply with a requirement or standard that is more burdensome than what is imposed on a public utility. The bill would eliminate tariff filing requirements for certain telecommunications providers. The bill also prohibits the PUC from ordering a telecommunications provider to provide mandatory or optional extended area service to additional metropolitan areas or calling areas, and prohibits the PUC from ordering an expansion of toll free local calling areas. The bill would establish that a market that is deregulated as of September 1, 2011 is required to remain deregulated. The bill would authorize and incumbent local exchange provider to petition the PUC to deregulate a market that the PUC previously determined should remain regulated.

The bill requires that the PUC's rules for the administration of the Universal Service Fund must include procedures to ensure reasonable transparency and accountability in the administration of the fund. The bill establishes that incumbent local exchange companies are prohibited from receiving support from the Universal Service Fund for deregulated markets except in limited circumstances. The bill requires the PUC to initiate proceedings to review and evaluate the Universal Service Fund for necessary changes. The bill would require the PUC to adopt rules to implement the provisions of the bill.

Based on the analysis of the PUC, it is assumed duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 473 Public Utility Commission of Texas

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