

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

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

**April 27, 2011**

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

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

**IN RE: SB986** by Carona (Relating to deregulation of certain telecommunications markets and companies.), **As Engrossed**

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

The bill would amend various provisions of the Utility Code relating to deregulation of certain telecommunications markets and companies. The bill would amend the Utilities Code to 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 a requirement or standard that the PUC imposes on a public utility. The bill would provide that any market that is deregulated must remain deregulated and that the PUC may not reregulate a market or company that has been deregulated except in specific circumstances. The bill would allow an incumbent local exchange company to petition the PUC to deregulate a market that the PUC had previously determined should remain regulated. The bill also amends the qualifications for a market to be deregulated. The bill would eliminate various filing requirements for certain telecommunications providers. The bill amends and clarifies various provisions relating to transitioning companies.

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.

Based on the analysis of the Public Utility Commission 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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