

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

Senate Bill 449 (Senator Frosh)
 Finance

Wireless Telephone Services - Definitions, Exemptions, and Consumer Protection

This bill requires the Public Service Commission (PSC) to adopt regulations and conduct investigations relating to wireless telephone companies and wireless telephone services and authorizes the Office of People’s Counsel (OPC) to act in the interests of residential users of wireless telephone services.

Fiscal Summary

State Effect: FY 2003 general fund expenditures by PSC and OPC would increase by \$87,000. Out-years are adjusted for annualization and inflation. State revenues will not be affected. General fund expenditures of these agencies are reimbursed by assessments on public service companies.

(in dollars)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	87,100	107,800	112,600	117,600	123,000
Net Effect	(\$87,100)	(\$107,800)	(\$112,600)	(\$117,600)	(\$123,000)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: The bill defines “wireless telephone company” and “wireless telephone service,” and specifies that PSC must adopt regulations to protect residential customers who purchase wireless telephone service. The regulations must:

- specify quality of service standards and requirements;
- require wireless telephone companies to disclose price and service terms, in a specified format, for all residential service plans and offers;
- allow for cancellation of a contract within 30 days for specified reasons;
- allow a customer to retain the assigned telephone number if the customer switches to a different wireless telephone company; and
- require a wireless telephone company to offer enhanced 911 service comparable to that offered by landline telephone companies.

PSC is authorized to investigate residential users’ complaints and violations of PSC regulations related to wireless telephone companies and service.

To protect the interests of residential and noncommercial users, OPC is authorized to investigate complaints, appear before PSC and courts with the rights of counsel for a party to the proceeding, request PSC to initiate proceedings, access PSC records, and exercise specified powers in carrying out its duties.

Current Law: A “cellular telephone company” is specifically excluded from the definition of “telephone company” under the definitions relating to public service companies. As such, cellular or wireless companies are not subject to PSC oversight or OPC authority, but are regulated in part under the authority of the Federal Communications Commission.

State Expenditures: Fiscal 2003 expenditures would increase by \$87,057 for one full-time regulatory economist at PSC, a half-time attorney at OPC, and a one-third-time office secretary at OPC to implement and administer the bill’s requirements. The 2003 expenditure estimate includes \$77,138 in salaries and fringe benefits, \$7,245 in one-time costs for equipment and furniture, and \$2,674 for operating expenses. Out-years are adjusted for annualization and inflation.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Public Service Commission, Office of People's Counsel,
Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2002
lc/cer

Analysis by: Mitchell J. McCalmon

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510