

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1430 (Delegate S. Howard)
Economic Matters

Telecommunications Access of Maryland Program - Communications Companies
- Registration Requirement

This bill requires the Department of Information Technology (DoIT), in consultation with the Governor's Advisory Board for Telecommunications Relay (also in DoIT), to establish a registration requirement for communications companies to ensure that subscribers pay the Universal Service Trust Fund (USTF) surcharge required under current law.

Fiscal Summary

State Effect: DoIT can handle the bill's requirements with existing budgeted resources. Given that the Public Service Commission (PSC) must annually set the USTF surcharge to cover the expenditures of the programs funded by USTF, revenues and expenditures for USTF are not materially affected; however, to the extent that the bill's registration requirement increases the number of communications companies that comply with current law, the surcharge assessed to subscribers may decrease.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law/Background: USTF pays for the Maryland Relay Service and additional services and equipment for persons with disabilities. The Comptroller collects fees for this purpose through a surcharge, determined by PSC, on individuals' phone bills. Chapters 571 and 572 of 2012 expanded the services to which the fee applies to include cellular, wireless, and Voice over Internet-Protocol services while reducing the maximum

monthly account fee from 45 cents to 18 cents. PSC must annually set the surcharge for the following fiscal year at an amount that is no higher than necessary to generate sufficient revenues to fund the costs of the programs for the following fiscal year, given the current fund balance. There are approximately 4.2 million customer accounts currently paying the monthly surcharge.

In fiscal 2015, USTF revenues were \$5.4 million and expenditures were \$3.2 million, with a monthly fee of 11 cents per customer. Citing an available USTF balance of \$12.5 million, DoIT applied to PSC in December 2015 to reduce the USTF surcharge to 5.5 cents per month through fiscal 2016. PSC had not made a decision on the application as of March 7, 2016.

The Governor's Advisory Board for Telecommunications Relay provides the Maryland Relay Service with feedback and insight on the issues that affect its users, including quality and trends in relay services, technology, and community outreach.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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