

STATEMENT OF PURPOSE

RS24314

The purpose of the proposed legislation is to expand the definition and purpose of the existing universal service fund which has existed since 1988. The existing fund provides financial assistance for the purpose of providing funding for basic telecommunication services in high cost areas. This legislation will extend universal service funding to high cost areas for broadband and internet communication services in addition to the funding now provided to some companies for basic telephone services. Revenue for the fund will be provided by a surcharge on the end users of communication services, which surcharge cannot exceed twenty cents per month. The fund will continue to be administered by the Idaho Public Utilities Commission.

FISCAL NOTE

There is no negative fiscal impact on state or local general funds. The Public Utilities Commission administers the current fund, which is funded by a surcharge on the end users of telecommunication services. The Commission will continue to administer the fund. This legislation caps the permissible surcharge at twenty cents per month to provide the necessary revenue but extends the surcharge to the end users of other communication services, such as broadband and internet service.

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