

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

IN THE MATTER OF A RULEMAKING OF)
THE OKLAHOMA CORPORATION)
COMMISSION TO ADOPT OAC 165:81 TO)
ESTABLISH A STATEWIDE TOLL FREE)
CALLING PLAN)

CAUSE NO. RM 201000002

FILED

JAN 27 2010

RULE IMPACT STATEMENT

COURT CLERK'S OFFICE — OKC
CORPORATION COMMISSION
OF OKLAHOMA

Pursuant to the Administrative Procedures Act, Section 303(D) of Title 75 of the Oklahoma Statutes, the following Rule Impact Statement is hereby submitted, subject to modification as the agency receives comment and additional information.

I. BRIEF DESCRIPTION OF THE PURPOSE OF THE PROPOSED RULES.

The purpose of the proposed rules is to establish a statewide toll free calling plan. According to the Public Utility Division Staff of the Oklahoma Corporation, the proposed rules are necessary to ensure the continued availability of intrastate telecommunications services within the State of Oklahoma. Intrastate telecommunications services are sent, received and transmitted over the Public Switched Telephone Network (PSTN), a collection of interconnected privately-owned telephone networks. The continued operation of the PSTN is necessary for the provision, transport and delivery of all intrastate telecommunications services; including circuit-switched, wireless and Internet Protocol telecommunications services.

II. DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL MOST LIKELY BE AFFECTED BY THE PROPOSED RULES, INCLUDING CLASSES THAT WILL BEAR THE COST OF THE PROPOSED RULES, AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES.

All telephone customers in Oklahoma and all telecommunication providers in Oklahoma. There is a proposal to place an additive to all land-line customers' bill in order to create a fund that telecommunication providers can go to in order to recover lost revenues.

III. A DESCRIPTION OF THE CLASSES OF PERSONS WHO WILL BENEFIT FROM THE PROPOSED RULES.

There are some telephone customers and some businesses. The customers that will most benefit from the plan are those customers that live within an existing Wide Area Calling Plan (WACP) or an Extend Area Service (EAS) and make toll calls within the State but outside of the WACP or the EAS. Also, a customer that lives outside the WACP or EAS and makes any toll calls to anyone within the State.

IV. A DESCRIPTION OF THE PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULES UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS, INCLUDING A LISTING OF ALL FEE CHANGES AND, WHENEVER POSSIBLE, A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE.

There will be a potential economic impact to some of the telephone companies that qualify as a small business. These companies may be collecting smaller revenues however; there is a provision for them to submit a request for the recovery of lost revenues.

Businesses in the mostly rural areas have the potential of seeing lower operating costs related to their phone bills and an increase in their business because customers will be able to call them from anywhere in the state and not incur per minute usage charges.

V. THE PROBABLE COSTS AND BENEFITS TO THE AGENCY AND TO ANY OTHER AGENCY OF THE IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, THE SOURCE OF REVENUE TO BE USED FOR IMPLEMENTATION AND ENFORCEMENT OF THE PROPOSED RULES, AND ANY ANTICIPATED EFFECT ON STATE REVENUES, INCLUDING A PROJECTED NET LOSS OR GAIN IN SUCH REVENUES IF IT CAN BE PROJECTED BY THE AGENCY.

The proposed rules are expected to place no additional costs upon the Commission, or affect State revenues, as they will be implemented and enforced by the Commission through its existing resources and personnel. No other agencies will be expected to enforce the proposed rules and therefore should experience no revenue loss.

VI. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES WILL HAVE AN ECONOMIC IMPACT ON ANY POLITICAL SUBDIVISIONS OR REQUIRE THEIR IMPLEMENTING OR ENFORCING THE RULES.

Political subdivisions will not need to implement or enforce the rules. However, political subdivisions may see a change or decrease, in their intrastate toll phone expenses.

VII. A DETERMINATION OF WHETHER IMPLEMENTATION OF THE PROPOSED RULES MAY HAVE AN ADVERSE ECONOMIC EFFECT ON SMALL BUSINESS AS PROVIDED BY THE OKLAHOMA SMALL BUSINESS REGULATORY FLEXIBILITY ACT.

There will be minimum, if any, adverse effect on small businesses. There are approximately 319 telephone carriers that conduct business in the State of Oklahoma. Some of these companies are small businesses and some of them are not small businesses

as defined by 17 O.S. § 502. The proposed rules will establish an Oklahoma Statewide Toll Free Calling Fund Advisory Board for the purpose of reviewing submissions made by carriers who wish to recover lost revenues as a result of the proposed rules. Other small businesses will benefit from the possible increase in businesses due to customers being able to call with incurring per minute usage charges.

VIII. A STATEMENT OF THE MEASURES THE AGENCY HAS TAKEN TO MINIMIZE COMPLIANCE COSTS AND A DETERMINATION OF WHETHER THERE ARE LESS COSTLY OR NONREGULATORY METHODS OR LESS INTRUSIVE METHODS FOR ACHIEVING THE PURPOSE OF THE PROPOSED RULES.

There are no less costly, non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules.

IX. A DETERMINATION OF THE EFFECT OF THE PROPOSED RULES ON THE PUBLIC HEALTH AND SAFETY AND THE ENVIRONMENT AND, IF THE PROPOSED RULES ARE DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH AND SAFETY AND THE ENVIRONMENT, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULES WILL REDUCE THE RISK.

Intrastate telecommunication services are critical to the health, safety and welfare of the citizenry of the State of Oklahoma. The continued availability of intrastate telecommunications services is jeopardized by the challenging economic conditions of the State and the Nation. Intrastate telecommunications services are also necessary for the security and protection of the public. A modern, reliable, and sustainable intrastate telecommunications system is essential to Oklahoma families and businesses.

X. A DETERMINATION OF ANY DETRIMENTAL EFFECT ON THE PUBLIC HEALTH, SAFETY AND ENVIRONMENT IF THE PROPOSED RULES ARE NOT IMPLEMENTED.

The public would be denied any positive impact the environment and public health and safety might enjoy from the proposed rules, as set forth herein above in Paragraph IX, if the proposed rules are not implemented.

XI. DATE

Prepared: February 27, 2010
Modified: n/a