

**BEFORE THE CORPORATION COMMISSION OF OKLAHOMA**

IN THE MATTER OF A PERMANENT  
RULEMAKING OF THE OKLAHOMA  
CORPORATION COMMISSION  
AMENDING OAC 165:59, OKLAHOMA  
UNIVERSAL SERVICE AND OKLAHOMA  
LIFELINE RULES

CAUSE NO. RM 201700006

**FILED**  
FEB 06 2017

COURT CLERK'S OFFICE - OKC  
CORPORATION COMMISSION  
OF OKLAHOMA

**RULE IMPACT STATEMENT**

Pursuant to 75 O.S. § 303(D) of the Oklahoma Administrative Procedures Act, the Public Utility Division ("PUD") of the Oklahoma Corporation Commission ("Commission") submits the following Rule Impact Statement for its proposed rules regarding Title 165, Chapter 59 of the Oklahoma Administrative Code ("OAC").

**I. Brief description of the purpose of the proposed rules:**

The purpose of the proposed rules is to address changes to 17 O.S. §§ 139.101- 139.109, and the adoption of 17 O.S. 139.109.1, all of which affect the administration of the Oklahoma Universal Service Fund ("OUSF"). The proposed changes include but are not limited to: modifying independent auditing procedures, the addition of a preapproval process, modifying the process for requests for funding and requests for reconsideration, clarifying the requirements to seek alternative federal funding, clarifying eligibility for funding equipment, modifying the services that are deemed to be Special Universal Services, adding minimum filing requirements for primary universal service requests, adding a competitive bidding process, adding definitions, and removing definitions listed in the statute; all as the result of HB 2616 being adopted by the Legislature and signed by the Governor, which became effective May 9, 2016.

**II. Description of classes of persons most likely to 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 private or public entities:**

Those most likely to be affected by the proposed rules are telecommunications carriers filing a Request for Oklahoma Universal Service Fund funding, public schools, public libraries,

and eligible healthcare entities. PUD expects an increase in the cost of administering the OUSF as a result of these proposed rules. No information regarding any cost impact has been received from any private or public entity.

**III. Classes of persons who will benefit from the proposed rules:**

Those benefiting from the proposed rules are: Eligible local exchange telecommunication providers and eligible providers filing Requests for OUSF funding, public schools, public libraries, eligible healthcare entities, the Commission, and the PUD.

**IV. 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 justification for each fee change:**

PUD expects an increase in cost associated with administering the OUSF, processing preapproval applications, and processing requests for OUSF funding due to the deadlines for processing applications and the new preapproval process. Additional personnel may be needed by PUD to implement the review processes added by these rules, but the source of those funds will be either the OUSF or the PUD fee assessment; not general revenues of the State of Oklahoma. The proposed rules contain no fee changes.

**V. Probable cost 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:**

HB 2616 implements a preapproval process that will benefit OUSF Beneficiaries, but will require more personnel resources than have been needed in the past by PUD to administer the OUSF. Additional personnel may be needed by PUD to implement these rules, but the source of those funds will be either the OUSF or the PUD fee assessment; not general revenues of the State of Oklahoma. There is no anticipated effect on state revenue.

**VI. Determination of whether implementation of the proposed rules will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rules:**

Implementation and enforcement of the proposed rules will not have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rules.

**VII. 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:**

It is the Commission Public Utility Division staff's opinion that the proposed rules will not have an adverse economic effect on small business.

**VIII. Explanation of the measures the agency has taken to minimize compliance cost and a determination of whether there are less costly or non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules:**

The proposed rules do not increase compliance cost, and there are no non-regulatory methods or less intrusive methods for achieving the purpose of the proposed rules. PUD has begun conducting free workshops for public schools, public libraries and eligible healthcare entities, to assist them in improving their bidding process and evaluating their bid options.

**IX. Determination of the effect of the proposed rules on the public health, safety and environment and, if the proposed rules are designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rules will reduce the risk:**

It is anticipated that the proposed rules will not have an adverse effect on the public health, safety and environment. The rules are designed to implement legislation that will reduce the risk of financial exposure when a public school, public library or eligible healthcare entity

selects a provider of Internet access or telemedicine access services and then requests funding from the OUSF.

**X. Determination of any detrimental effect on the public health, safety and environment if the proposed rules are not implemented:**

It is anticipated that there will be no detrimental effect on the public health, safety and environment if the proposed rules are not implemented.

**XI. Date of preparation of Rule Impact Statement:**

This Rule Impact Statement was prepared on the 3<sup>rd</sup> day of February, 2017.

Prepared by:



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