

**Economic Impact Statement**

LSA Document #10-478

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****(1) Estimate of Number of Small Businesses That Will Be Subject to this Rule**

Based on Indiana Utility Regulatory Commission ("IURC" or "Commission") records, it is estimated that there are 40 small businesses in the telecommunications industry that would be affected by this rule. The 40 companies are small rural local exchange carriers and small telecommunications carriers that have sought designation as Eligible Telecommunications Carriers (ETCs) by the Commission. Only ETCs are required to implement the Indiana Lifeline Assistance Program (ILAP). The number of small businesses that will be subject to this rule may increase gradually over time as other small telecommunications carriers apply for, and are approved for, ETC designation by the IURC. However, it is unknown (and there is no way to know) how many small businesses may in the future become subject to ETC obligations. Therefore, the Commission cannot determine (or reasonably estimate) at this time the number of small businesses that will be subject to this rule.

**(2) Estimate of Average Annual Reporting, Record Keeping, and Other Administrative Costs**

No requirement or cost is imposed on small businesses by this rule that is not expressly required by the statute authorizing the adoption of this rule. This rule does not impose any reporting costs on the affected small businesses. Costs for administration and for required consumer education and outreach are reimbursable under this rule from the ILAP fund.

**(3) Estimate of the Total Economic Impact of this Rule on Small Businesses**

Based on information from the telecommunications industry, it is estimated that the total economic impact on small businesses would be nominal. As mentioned above, reasonable costs for administration of ILAP and for the consumer education and outreach required by this rule are reimbursable from the ILAP fund. Industry has indicated that it is not aware of any remaining cost, but that any such cost would be nominal.

Contributions to the ILAP fund are spread across all telecommunications customers in Indiana, so that any one customer's contribution is estimated to be pennies annually, at an estimated rate of one cent per month per end use line. The administrative expenses of ILAP for telecommunication service providers have been capped at 2 percent or less per year.

In addition, increasing the number of households that are able to afford basic telecommunications service will be a benefit to small businesses, providing the businesses, their customers, and their employees a greater ability to communicate to the extent that the small businesses' customers or employees are eligible to participate in ILAP.

**(4) Statement Justifying Any Requirement or Cost Imposed**

The requirements and costs imposed on regulated entities under this rule are expressly required by the statute authorizing the IURC to adopt this rule. See [IC 8-1-36](#). However, administrative costs and consumer education and outreach costs, which are reasonable, are reimbursable from the ILAP fund.

**(5) Regulatory Flexibility Analysis**

The purpose of this rule is the establishment of the ILAP. The ILAP will provide discounts on the basic portion of a customer's telecommunications service if the customer meets one or more eligibility requirements, allowing that customer to obtain and retain telecommunications service, and particularly access to 911 and other emergency and public health and safety services. No less intrusive or less costly alternative would achieve the purpose of this proposed rule. There are no less stringent compliance requirements and no less stringent schedules or deadlines that would achieve the purpose of these rules. This rule imposes no reporting requirements, except upon the ILAP administrator, whose costs would be reimbursable. No further consolidation or simplification of the compliance requirements is possible that would achieve the purpose of this rule. No design, operational, or performance standards are imposed under this rule.

*Posted: 03/23/2011 by Legislative Services Agency*

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