

2007-2009 BUDGET ADJUSTMENT BILL – TELECOM PROVISIONS

PUBLIC LIBRARY SYSTEM AID FROM THE UNIVERSAL SERVICE FUND:

Governor: Delete \$11,297,400 GPR and provide \$11,297,400 SEG from the universal service fund (USF) in 2008-09 for public library system aid. Public library system aid under 2007 Act 20 totals \$16,138,000 (\$2,097,400 GPR and \$14,040,600 SEG) in 2007-08 and \$16,783,500 (\$11,297,400 GPR and \$5,486,100 SEG) in 2008-09. The USF receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers. The effect of the Governor's recommendation would be to replace all general fund supported library aids with funds from the USF in 2008-09. The amounts that the Public Service Commission (PSC) would assess telecommunications providers related to the USF would increase by \$11,297,400 (from a total of \$32,038,400 to \$43,335,800) in 2008-09 under this recommendation.

Senate: Include the Governor's provision. In addition, require the PSC to determine the difference between the total contributions to the USF for library aid and \$5,486,100 (this calculation equals \$11,297,400 in 2008-09) and prohibit telecommunications utilities from recovering any assessment resulting from that calculation from their customers or by adjusting their local exchange rates.

Assembly: No provision.

WSTA Position: *Opposed*