

## **BILL ANALYSIS**

Senate Research Center  
85R11779 JXC-F

S.B. 1003  
By: Hancock  
Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas Lifeline program began in 1991 and is administered by the Public Utility Commission of Texas (PUC). Texas Lifeline provides a discount to qualified low-income individuals to help pay the monthly cost of basic dial tone telephone service. A customer is qualified if they receive benefits from certain programs (e.g., CHIP) or have income at or below 150 percent of the federal poverty guidelines. There is also a federal Lifeline program.

Currently, the Texas Lifeline subsidy program (as part of the Texas Universal Service Fund) is financed by a charge on all taxable telecommunications receipts of Texas telecommunications providers. The telecommunications industry in Texas has changed dramatically since the Lifeline program's inception. Following passage of S.B. 5 in 2005 and S.B. 980 in 2011 the state allows local exchange companies, under specific conditions and requirements, to become a deregulated company. This means that such companies face competition in all of their Texas markets to the satisfaction of the PUC.

S.B. 1003 removes the mandate that such deregulated companies offer state Lifeline service on basic (landline) telephone service.

As proposed, S.B. 1003 amends current law relating to the participation of deregulated telecommunications companies in the lifeline program.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 65.102(b), Utilities Code, to remove Section 55.015 (Lifeline Service) from the list of provisions that, subject to Subsection (c) (relating to the continuing applicability of certain provisions), apply to a deregulated company and are authorized to be enforced by the Public Utility Commission of Texas (PUC) using the remedies provided by Subchapter B (Enforcement and Penalties), Chapter 15 (Judicial Review, Enforcement, and Penalties), and Subsection (d) (relating to authorizing PUC to hear certain complaints).

SECTION 2. Effective date: September 1, 2017.