

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 2667
By: Smithee et al. (Perry)
Water, Agriculture & Rural Affairs
5/18/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Legislature created the Texas Universal Service Fund (TUSF) to support several telecommunication support programs, including the Relay Texas and Specialized Telecommunications Assistance Programs, the Tel-Assistance, Lifeline and Link Up programs, the Small Local Exchange Carriers Universal Service Fund, and the Texas High-Cost Universal Service Plan. These programs are housed and managed within the Public Utility Commission of Texas (PUC) and funded through a fee charged on most telephone bills.

Recent decisions by the PUC have placed many rural customers at risk of losing basic telephone service or paying a significant increase for basic service, which overlooks the basic policy goal of universal service established by the legislature.

In order to address these concerns, H.B. 2667 makes reforms to the TUSF program to help ensure it functions as the legislature originally intended.

(Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 2667 amends current law relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal service fund.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 4 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 56.001, Utilities Code, by adding Subdivision (3) to define "high cost rural area" for Chapter 56 (Telecommunications Assistance and Universal Service Fund).

SECTION 2. Amends Section 56.022, Utilities Code, as follows:

Sec. 56.022. UNIFORM CHARGE. (a) Provides that the universal service fund is funded by a statewide uniform charge payable by each telecommunications provider and each provider of Voice over Internet Protocol service, rather than by each telecommunications provider, that has access to the customer base.

(b) Makes a conforming change to this subsection.

(c) Prohibits the Public Utility Commission of Texas (PUC), in establishing the charge and the services to which the charge will apply, from, among other actions, assessing the charge in a manner that is not technology-neutral or that grants an unreasonable preference based on technology. Makes conforming and nonsubstantive changes.

SECTION 3. Amends Sections 56.024(a) and (b), Utilities Code, to make conforming changes.

SECTION 4. Requires the PUC, not later than December 31, 2021, to initiate the rulemaking to adopt the rules required by Section 56.001 (Definitions), Utilities Code, as amended by this Act.

SECTION 5. Effective date: upon passage or September 1, 2021.