

AN ACT

relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal service fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 56.001, Utilities Code, is amended by adding Subdivision (3) to read as follows:

(3) "High cost rural area" means:

(A) an area:

(i) receiving support under Section 56.021(1) on December 31, 2020; and

(ii) served by a telecommunications provider that is subject to rate regulation under Chapter 53; and

(B) any other exchange:

(i) receiving support under the Texas High Cost Universal Service Plan (16 T.A.C. Section 26.403) or the Small and Rural Incumbent Local Exchange Company Universal Service Plan (16 T.A.C. Section 26.404); and

(ii) not excluded by commission rule based on the number of telecommunications providers serving the exchange, the population density in the exchange, and the number of customers served per route mile of plant in service used to provide basic local telecommunications service.

SECTION 2. Section 56.022, Utilities Code, is amended to read as follows:

1           Sec. 56.022. UNIFORM CHARGE. (a) The universal service  
2 fund is funded by a statewide uniform charge payable by each  
3 telecommunications provider and each provider of Voice over  
4 Internet Protocol service that has access to the customer base.

5           (b) A telecommunications provider or provider of Voice over  
6 Internet Protocol service shall pay the charge in accordance with  
7 procedures approved by the commission.

8           (c) The uniform charge is on services and at rates the  
9 commission determines. In establishing the charge and the services  
10 to which the charge will apply, the commission may not:

11           (1) grant an unreasonable preference or advantage to a  
12 telecommunications provider or a provider of Voice over Internet  
13 Protocol service;

14           (2) assess the charge on pay telephone service; ~~or~~

15           (3) subject a telecommunications provider or a  
16 provider of Voice over Internet Protocol service to unreasonable  
17 prejudice or disadvantage; or

18           (4) assess the charge in a manner that is not  
19 technology-neutral or that grants an unreasonable preference based  
20 on technology.

21           SECTION 3. Sections 56.024(a) and (b), Utilities Code, are  
22 amended to read as follows:

23           (a) The commission may require a telecommunications  
24 provider or a provider of Voice over Internet Protocol service to  
25 provide a report or information necessary to assess contributions  
26 and disbursements to the universal service fund.

27           (b) A report or information the commission requires a

1 telecommunications provider or a provider of Voice over Internet  
2 Protocol service to provide under Subsection (a) is confidential  
3 and not subject to disclosure under Chapter 552, Government Code.

4 SECTION 4. Not later than December 31, 2021, the Public  
5 Utility Commission of Texas shall initiate the rulemaking to adopt  
6 the rules required by Section 56.001, Utilities Code, as amended by  
7 this Act.

8 SECTION 5. This Act takes effect immediately if it receives  
9 a vote of two-thirds of all the members elected to each house, as  
10 provided by Section 39, Article III, Texas Constitution. If this  
11 Act does not receive the vote necessary for immediate effect, this  
12 Act takes effect September 1, 2021.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2667 was passed by the House on May 4, 2021, by the following vote: Yeas 127, Nays 21, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2667 on May 28, 2021, by the following vote: Yeas 129, Nays 18, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2667 was passed by the Senate, with amendments, on May 25, 2021, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor