

By: Turner

H.B. No. 898

A BILL TO BE ENTITLED

AN ACT

relating to universal service fund support provided to telecommunications providers.

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

SECTION 1. Subchapter B, Chapter 56, Utilities Code, is amended by adding Sections 56.027, 56.029, and 56.030 to read as follows:

Sec. 56.027. MAXIMUM SUBSIDY. A disbursement from the universal service fund made to a telecommunications provider may not exceed the amount, measured per customer of the telecommunications provider, of the disbursement per customer made to the lowest cost telecommunications provider in the same wire center.

Sec. 56.029. USE OF FUND DISBURSEMENTS FOR SUPPORTED SERVICES. A telecommunications provider that receives money from the universal service fund shall invest that money in the telecommunications network that provides the supported services. The money may not be applied to salaries, wages, or other non-network expenses of the provider.

Sec. 56.030. RECOVERY OF LOST FUND SUPPORT. The commission by rule shall establish a procedure by which a rural telecommunications provider may offset through a rate increase any reduction in support from the universal service fund.

SECTION 2. Section 56.026(c), Utilities Code, is repealed.

1 SECTION 3. This Act takes effect September 1, 2005.