

BILL ANALYSIS

H.B. 2295
By: Frullo
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law sets out nine purposes for which the universal service fund is established. The first is to assist telecommunications providers in providing basic local telecommunications service at reasonable rates in high-cost rural areas. This purpose is currently being accomplished through two distinct plans: the Texas High Cost Universal Service Plan and the Small and Rural Incumbent Local Exchange Company Universal Service Plan. While the two plans differ from one another, they are not currently separated in the statute establishing the fund, though the two plans are each referred to in other sections of current law.

Interested parties contend that the two plans should be separated by statute rather than rule because of the distinctions between the plans and those who receive support under the different plans. H.B. 2295 intends to separate in statute the Texas High Cost Universal Service Plan and the Small and Rural Incumbent Local Exchange Company Universal Service Plan to help align statutory language with the way the fund is currently being administered.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2295 amends the Utilities Code, in provisions of law requiring the Public Utility Commission of Texas to adopt and enforce rules requiring local exchange companies to establish a universal service fund to assist telecommunications providers in providing basic local telecommunications service at reasonable rates in high cost rural areas, to require that such service be provided under two plans: the Texas High Cost Universal Service Plan and the Small and Rural Incumbent Local Exchange Company Universal Service Plan.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.