

BILL ANALYSIS

Senate Research Center
82R1135 RWG-D

S.B. 712
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law sets forth nine programs that are to be supported by the Texas Universal Service Fund (TUSF). The first is to assist telecommunications providers in providing basic local telecommunications service at reasonable rates in high cost rural areas. This purpose is being accomplished through two very distinct and different plans created by rule – the Texas High Cost Universal Service Plan (THCUSP) and the Small and Rural Incumbent Local Exchange Company Universal Service Plan (SRLECUSP).

While THCUSP and SRLECUSP are as distinct from one another as other programs supported under TUSF, they are not currently separated in the fund's enacting statute enacting the fund. Current law acknowledges the different plans by referring to both THCUSP and SRLECUSP in Section 56.031 (Adjustments), Utilities Code, which was enacted in 2005.

S.B. 712 serves to statutorily separate THCUSP and SRLECUSP. Due to the distinctions between the plans and those who receive support under different plans, this is a separation that should be made by statute rather than by rule. While Section 56.031, Utilities Code, addresses adjustments to distributions under the two different plans, the two are not currently separate in code.

As proposed, S.B. 712 amends current law relating to the administration of the universal service fund.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Public Utility Commission of Texas is modified in SECTION 1 (Section 56.021, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 56.021, Utilities Code, as follows:

Sec. 56.021. UNIVERSAL FUND ESTABLISHED. Requires the Public Utility Commission of Texas (PUC) to adopt and enforce rules requiring local exchange companies to establish a universal service fund to perform certain duties, including to assist telecommunications providers in providing basic local telecommunications service at reasonable rates in high cost rural areas under two plans:

(A) the Texas High Cost Universal Service Plan (16 T.A.C. Section 26.403); and

(B) the Small and Rural Incumbent Local Exchange Company Universal Service Plan (16 T.A.C. Section 26.404).

SECTION 2. Effective date: upon passage or September 1, 2011.