

By: Smithee

H.B. No. 2603

Substitute the following for H.B. No. 2603:

By: Cook

C.S.H.B. No. 2603

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the distribution of universal service funds to certain
3 small and rural local exchange companies.

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

5 SECTION 1. Section 56.031, Utilities Code, is amended to
6 read as follows:

7 Sec. 56.031. ADJUSTMENTS: TEXAS HIGH COST UNIVERSAL
8 SERVICE PLAN. The commission may revise the monthly per line
9 support amounts to be made available from the Texas High Cost
10 Universal Service Plan [~~and from the Small and Rural Incumbent~~
11 ~~Local Exchange Company Universal Service Plan at any time after~~
12 ~~September 1, 2007,~~] after notice and an opportunity for
13 hearing. In determining appropriate monthly per line support
14 amounts, the commission shall consider the adequacy of basic rates
15 to support universal service.

16 SECTION 2. Subchapter B, Chapter 56, Utilities Code, is
17 amended by adding Section 56.032 to read as follows:

18 Sec. 56.032. ADJUSTMENTS: SMALL AND RURAL INCUMBENT LOCAL
19 EXCHANGE COMPANY UNIVERSAL SERVICE PLAN. (a) For purposes of this
20 section, "consumer price index" means the Consumer Price Index for
21 All Urban Consumers, as published by the federal Bureau of Labor
22 Statistics of the United States Department of Labor.

23 (b) Except as provided by Subsections (c), (d), and (e), the
24 commission may revise the monthly support amounts to be made

1 available from the Small and Rural Incumbent Local Exchange Company
2 Universal Service Plan by revising the monthly per line support
3 amounts, after notice and an opportunity for hearing. In
4 determining appropriate monthly per line support amounts, the
5 commission shall consider the adequacy of basic rates to support
6 universal service.

7 (c) On the written request of a small or rural incumbent
8 local exchange company that receives monthly per line support
9 amounts, the commission shall disburse funds to the company in
10 fixed monthly amounts based on the company's annualized amount of
11 recovery for the calendar year ending on December 31, 2010. A
12 company may submit only one request under this subsection and must
13 submit the request on or before December 31, 2011.

14 (d) On the written request of a small or rural incumbent
15 local exchange company that is not an electing company under
16 Chapter 58 or 59, the commission annually shall set the company's
17 monthly support amounts for the following 12 months by dividing by
18 12 the annualized support amount calculated under this subsection.
19 The commission shall calculate the annualized amount:

20 (1) for the initial 12-month period for which a
21 company makes an election under this subsection, by:

22 (A) determining the annualized support amount
23 calculated for the requestor in the final order issued by the
24 commission in Docket No. 18516; and

25 (B) adjusting the support amount determined
26 under Paragraph (A) at the beginning of each calendar year by a
27 factor equal to the most recent consumer price index published at

1 that time, beginning with the 1999 calendar year and ending in the
2 year the company makes an election under this subsection; and

3 (2) for the 12-month period following the initial
4 period for which a company made an election under this subsection
5 and for subsequent 12-month periods, by adjusting the most recent
6 annualized support amount calculated by the commission by a factor
7 equal to the percentage change in the consumer price index for the
8 most recent 12-month period.

9 (e) The commission shall administratively review requests
10 filed under Subsections (c) and (d). Except for good cause, the
11 commission shall approve the request not later than the 60th day
12 after the date the commission determines the company is eligible
13 and has met all the procedural requirements under this subchapter.

14 SECTION 3. This Act takes effect September 1, 2011.