

By: Geren

H.B. No. 2805

A BILL TO BE ENTITLED

AN ACT

relating to the administration of the universal service fund.

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

SECTION 1. Section 56.021, Utilities Code, is amended as follows:

(1) assist telecommunications providers in providing basic local telecommunications service at reasonable rates in high cost rural areas as defined by Section 56.040 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. Subchapter B, Chapter 56, Utilities Code, is amended by adding Section 56.040 to read as follows:

Sec. 56.040. ELIGIBILITY FOR SUPPORT IN HIGH COST RURAL AREAS. (a) For purposes of this subchapter "high cost rural area" means an exchange the entirety of which is outside of any metropolitan statistical area as defined by the United States Office of Management and Budget.

(b) For each incumbent local exchange company that has greater than 7,000 access lines in this state:

(1) except as provided in Section 56.040(c), beginning on January 1, 2017, an incumbent local change company shall not receive funds under the Texas High Cost Universal Service Plan to

1 support service in exchanges that are not high cost rural areas;

2 (2) except as provided in Section 56.040(c), beginning  
3 on January 1, 2018, an incumbent local exchange company shall not  
4 receive funds under Small and Rural Incumbent Local Exchange  
5 Company Universal Service Plan to support service in exchanges that  
6 are not high cost rural areas; and

7 (3) for each incumbent local exchange company that  
8 receives funds under the Small and Rural Incumbent Local Exchange  
9 Company Universal Service Plan, the commission may determine a  
10 schedule of yearly support reductions to take effect between  
11 September 1, 2013 and January 1, 2018.

12 (c) Notwithstanding the provisions of section 56.040(b), an  
13 incumbent local exchange company that is subject to Section  
14 56.040(b) may initiate a proceeding to petition the commission to  
15 designate an exchange as eligible for support under plans  
16 established pursuant to Section 56.021(1) for any exchange that  
17 received support as of September 1, 2013 and is not a high cost  
18 rural area. In order for an exchange that is not a high cost rural  
19 area to be eligible for funds under plans established pursuant to  
20 Section 56.021(1), the incumbent local exchange company must  
21 demonstrate that there exists a need for continuing support.

22 SECTION 3. This Act takes effect September 1, 2013.