

By: King of Hemphill

H.B. No. 2835

A BILL TO BE ENTITLED

AN ACT

relating to charges to fund and monthly support received from the universal service fund; changing an assessment.

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

SECTION 1. Effective January 1, 2014, Section 56.022, Utilities Code, is amended to read as follows:

Sec. 56.022. UNIFORM CHARGE. (a) In this section:

(1) "Lifeline service" has the meaning assigned by Section 55.015(e).

(2) "Voice over Internet Protocol service" has the meaning assigned by Section 51.002.

(3) "Working telephone number" does not include a telephone number used for network administration or for another purpose that is not related to providing end-user voice communication service.

(b) The universal service fund is funded by a statewide uniform charge assessed against ~~[payable by]~~ each telecommunications provider and each Voice over Internet Protocol service provider that has access to the customer base. Each ~~[(b) A telecommunications]~~ provider against whom the charge is assessed shall pay the charge in accordance with procedures approved by the commission.

(c) The uniform charge is assessed on each working telephone number, and each equivalent of a working telephone number, that has

1 access to the public switched telephone network in an amount
2 [~~services and at rates~~] the commission determines. In determining
3 the amount of [~~establishing~~] the charge [~~and the services to which~~
4 ~~the charge will apply~~], the commission may not:

5 (1) grant an unreasonable preference or advantage to a
6 [~~telecommunications~~] provider against whom the charge may be
7 assessed;

8 (2) assess the charge on lifeline [~~pay telephone~~]
9 service; or

10 (3) subject a [~~telecommunications~~] provider against
11 whom the charge may be assessed to unreasonable prejudice or
12 disadvantage.

13 SECTION 2. Section 56.031, Utilities Code, as effective
14 September 1, 2013, is amended to read as follows:

15 Sec. 56.031. TEXAS HIGH COSTS UNIVERSAL SERVICE PLAN
16 ADJUSTMENTS. (a) In this section:

17 (1) "Consumer price index" has the meaning assigned by
18 Section 56.032.

19 (2) "Forward-looking common costs" means economic
20 costs efficiently incurred in providing a group of services that
21 cannot be attributed directly to an individual service.

22 (3) "Forward-looking economic cost" means the sum of
23 total service long run incremental cost and a reasonable allocation
24 of forward-looking common costs.

25 (4) "Total service long run incremental cost" means
26 the average incremental cost over the long run based on the total
27 demand for service using the existing locations of an incumbent

local exchange company's switches that provide service to the exchange, measured by the use of the most efficient technology and engineering practices.

(b) Except as provided by Subsection (d), the [The]
commission may revise the monthly per line support amounts to be made available from the Texas High Cost Universal Service Plan [and
~~from the Small and Rural Incumbent Local Exchange Company Universal Service Plan at any time after September 1, 2007,~~
only after notice and an opportunity for a contested case hearing. The commission shall determine [In determining] appropriate monthly per line support amounts under this subsection for residential lines and business lines in each regulated exchange of an incumbent local exchange company based on the difference between forward-looking economic cost per line of providing basic local telecommunications service in that exchange and the statewide average revenue per line for that company [the commission shall consider the adequacy of basic rates to support universal service].

(c) In computing forward-looking economic cost and statewide average revenue under Subsection (b), the commission shall:

(1) use a forward-looking economic cost model or methodology that:

(A) is capable of determining the cost to the incumbent local exchange company of providing basic local telecommunications service, including any mandatory extended area service, for existing residential and for existing business customer locations;

1 (B) reflects the territory being served; and

2 (C) uses items of information that reflect the
3 scale and scope of the incumbent local exchange company; and

4 (2) determine the statewide average revenue per
5 residential line and per business line for basic local
6 telecommunications service, including any mandatory extended area
7 service, provided in regulated exchanges that receive support under
8 the Texas High Cost Universal Service Plan.

9 (d) The commission administratively may decrease a
10 telecommunications provider's per line monthly support by an amount
11 that does not exceed the estimated amount of increase in additional
12 revenue the telecommunications provider would receive if the
13 telecommunications provider's rates for flat rate residential
14 local exchange telephone service in a regulated exchange that
15 receives Texas High Cost Universal Service Plan support increased
16 by a rate equal to the rate of increase in the consumer price index.

17 The commission may not implement a decrease for a
18 telecommunications provider under this subsection more than once in
19 any 12-month period and must provide reasonable notice of the
20 intended decrease. In estimating the amount of increase in
21 additional revenue for purposes of this subsection, the commission
22 must impute the increased rate for flat rate residential local
23 exchange telephone service to all packages of the provider that
24 include that type of service. This subsection does not apply to a
25 telecommunications provider that on or before January 1, 2017, as
26 provided by commission rule, elects not to seek or receive support
27 from the Texas High Cost Universal Service Plan after January 1,

1 2017.

2 (e) The commission by rule may require a telecommunications
3 provider to provide to the commission, after reasonable notice, any
4 information necessary to determine the amount of a decrease under
5 Subsection (d), including rates and line counts.

6 (f) A telecommunications provider that disputes the
7 accuracy of the commission's computation of a decrease in the
8 telecommunications provider's per line monthly support under
9 Subsection (d) may seek commission reconsideration and may seek
10 judicial review of the decrease after that reconsideration is made
11 or denied.

12 SECTION 3. Sections 56.032(f) and (h), Utilities Code, are
13 amended to read as follows:

14 (f) The commission shall administratively review requests
15 filed under Subsection [~~Subsections (c) and~~] (d). Except for good
16 cause, the commission shall approve the request not later than the
17 60th day after the date the commission determines the company is
18 eligible and has met all the procedural requirements under this
19 subchapter.

20 (h) This section and any monthly support amount approved
21 under this section expire on September 1, 2019 [~~2013~~].

22 SECTION 4. (a) Sections 56.032(b) and (c), Utilities Code,
23 as added by Chapter 535 (H.B. 2603), Acts of the 82nd Legislature,
24 Regular Session, 2011, are repealed.

25 (b) Section 3, Chapter 535 (H.B. 2603), Acts of the 82nd
26 Legislature, Regular Session, 2011, which amended Section 56.031,
27 Utilities Code, is repealed.

1 SECTION 5. The changes in law made by Section 56.022,
2 Utilities Code, as amended by this Act, apply only on or after the
3 effective date of that section. Universal service fund charges
4 payable by a telecommunications provider on or before that date are
5 governed by the law in effect immediately before the effective date
6 of that section, and that law is continued in effect for that
7 purpose.

8 SECTION 6. Except as otherwise provided by this Act, this
9 Act takes effect August 31, 2013.