

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 30, 2013

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB583 by Carona (Relating to eligibility for support from the universal service fund.), As Engrossed

No significant fiscal implication to the State is anticipated.

The bill would amend the Utilities Code relating to eligibility for support from the universal service fund (USF). The bill would establish provisions and criteria to reduce high cost support from the Texas High Cost Universal Service Plan and the Small and Rural Incumbent Local Exchange Company Universal Service Plan for certain telecommunications companies and cooperatives serving over 31,000 access lines as of September 1, 2013. The bill would allow companies and cooperatives subject to the high cost support reductions to initiate a proceeding to petition the Public Utility Commission (PUC) to restore USF support for affected exchanges. The bill would cap the amount of funding that the PUC is authorized to restore through these proceedings for affected companies and cooperatives that are able to demonstrate financial need for continued USF support.

The bill would require the PUC to adopt rules to expand high cost support to providers serving 31,000 or fewer access lines and are not electing providers under Chapter 58 or 59 of the Utilities Code. The bill would also allow the PUC to revise monthly USF support amounts from the Small and Rural Incumbent Local Exchange Company Universal Service Plan through certain mechanisms, outlined in the provisions of the bill.

The bill would require the standing committee of the senate that has primary jurisdiction over telecommunications to conduct an interim study regarding competitive local exchange carriers providing service as eligible telecommunications providers receiving support under the Texas High Cost Universal Service Plan.

Based on information provided by the PUC, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: UP, AG, ED, RB, LXH