

By: Guillen

H.B. No. 3440

A BILL TO BE ENTITLED

AN ACT

relating to eligibility of certain rural companies for support from the universal service fund.

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

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

Sec. 56.021. UNIVERSAL SERVICE FUND ESTABLISHED. The commission shall adopt and enforce rules requiring local exchange companies to establish a universal service fund to:

(1) 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);

(2) reimburse the telecommunications carrier that provides the statewide telecommunications relay access service under Subchapter D;

(3) finance the specialized telecommunications assistance program established under Subchapter E;

(4) reimburse the department and the commission for costs incurred in implementing this chapter and Chapter 57;

(5) reimburse a telecommunications carrier providing

1 lifeline service as provided by 47 C.F.R. Part 54, Subpart E, as
2 amended;

3 (6) finance the implementation and administration of
4 an integrated eligibility process created under Section 17.007 for
5 customer service discounts relating to telecommunications
6 services, including outreach expenses the commission determines
7 are reasonable and necessary;

8 (7) reimburse a designated provider under Subchapter
9 F;

10 (8) reimburse a successor utility under Subchapter G;
11 ~~and~~

12 (9) finance the program established under Subchapter
13 H; and

14 (10) finance the rural basic and broadband service
15 program established under Subchapter I.

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

18 SUBCHAPTER I. RURAL BASIC AND BROADBAND SERVICE PROGRAM

19 Sec. 56.351. SUPPORT FOR BASIC AND BROADBAND SERVICES IN
20 RURAL AREAS. (a) The commission shall provide from the universal
21 service fund financial assistance for a telecommunications
22 provider that holds a certificate of operating authority or a
23 service provider certificate of operating authority to build and
24 maintain facility-based networks capable of providing access to
25 basic local telecommunications service and broadband service in
26 rural areas of this state where:

27 (1) an incumbent local exchange company no longer

1 seeks support for a particular exchange; and

2 (2) support is necessary to allow the provision of
3 services at rates comparable to the benchmark rates established by
4 the Federal Communications Commission.

5 (b) Support received under this subchapter may not be used
6 for a purpose other than a purpose described by Subsection (a).

7 (c) In an area where an incumbent local exchange company
8 provides service and seeks support from the universal service fund,
9 telecommunications providers eligible to receive support under
10 this subchapter will continue to receive per-line support identical
11 to the support received by the incumbent local exchange company.

12 Sec. 56.352. NETWORK STANDARDS. The commission by rule
13 shall establish standards for networks built or maintained using
14 support disbursed under this subchapter. The standards must require
15 a network to provide basic local telecommunications service and
16 broadband service and be consistent with standards established by
17 the federal government.

18 Sec. 56.353. SUPPORT LEVEL. (a) The commission shall adopt
19 rules to ensure that support provided under this subchapter is
20 calculated in a manner that is consistent with standard accounting
21 principles.

22 (b) Until the commission determines the level of support
23 necessary to allow a telecommunications provider eligible to
24 receive support under this subchapter to fulfill the requirements
25 of this subchapter:

26 (1) on or before September 1, 2017, the provider is
27 entitled to receive at least the level of support the provider is

1 entitled to receive on the date the provider requests support from
2 the commission; and

3 (2) after September 1, 2017, the provider is entitled
4 to receive at least the level of support the provider is entitled to
5 receive under commission rules effective on September 1, 2017.

6 SECTION 3. This Act takes effect September 1, 2015.