

BILL ANALYSIS

S.B. 1476
By: Seliger
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note the need to reconsider the date until which certain telecommunications providers continue to receive support under the universal service fund. S.B. 1476 seeks to address this need by providing for a review of such support by the Public Utility Commission of Texas under certain circumstances.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 of this bill.

ANALYSIS

S.B. 1476 amends the Utilities Code, for purposes of an exchange in which a telecommunications provider continues to receive support under the Texas High Cost Universal Service Plan when an incumbent local exchange company or cooperative in the exchange is ineligible for support under that plan or the Small and Rural Incumbent Local Exchange Company Universal Service Plan, to require the Public Utility Commission of Texas (PUC), if the number of access lines served by competitive eligible telecommunications providers receiving support in such an exchange declines by at least 50 percent from the number of lines that were served by those providers in that exchange on December 31, 2016, to review the per line support amount for that exchange at least once every three years to determine whether continuing that support is in the public interest. The bill requires the PUC by rule to establish the criteria to determine whether the support should be eliminated; changes the date until which a telecommunications provider continues to receive support from the later of December 31, 2017, or the second anniversary of the date the incumbent local exchange provider or cooperative ceases receiving support in that exchange to the date the PUC determines that the support should be eliminated; and sets the support for eligible telecommunications providers to expire December 31, 2023. The bill requires the first review of the per line support amount for an exchange to be completed not later than the end of the year following the year in which the number of access lines first declines by at least 50 percent.

S.B. 1476 repeals Section 56.023(q), Utilities Code, relating to an entitlement of a telecommunications provider that is a cooperative or an affiliate of a cooperative to certain continued support through December 31, 2017.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.