

## **BILL ANALYSIS**

Senate Research Center

S.B. 1476  
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Business & Commerce  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 583, passed by the 83rd Legislature, Regular Session, 2013, created a phase-out of the support telecommunication providers receive from the Texas Universal Service Fund (TUSF) in certain exchanges. The first provision allowed competitive providers to continue receiving TUSF support for 24 months after deregulation by the incumbent provider. The second provision applied only to cooperatives and set a date certain of December 31, 2017.

S.B. 1476 provides the Public Utility Commission with rulemaking authority to review the necessity of continued support for certain telecommunications providers.

As proposed, S.B. 1476 amends current law relating to eligibility for support from the universal service fund.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 1 (Section 56.023, Utilities Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 56.023, Utilities Code, by amending Subsection (p) and adding Subsections (r) and (s), as follows:

(p) Prohibits a certain established plan, if an incumbent local exchange company or cooperative is ineligible for certain support for services in an exchange, from providing support to any other telecommunications providers for services in that exchange, except that an eligible telecommunications provider that is receiving support is required to continue to receive such support until the Public Utility Commission of Texas (PUC) determines that the support should be eliminated under Subsection (r), rather than 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. Requires the support received by the eligible telecommunications provider, until PUC eliminates the support under Subsection (r), to be at the same monthly per line support level in effect for that exchange as of the date the incumbent local exchange provider or cooperative ceases receiving funding in that exchange.

(r) Requires PUC, if the number of access lines served by certain eligible telecommunications providers 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 the support is in the public interest. Requires PUC, by rule, to establish the criteria to determine whether the support should be eliminated. Requires the first review under this subsection 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) Provides that the support for eligible telecommunications providers under Subsections (p) and (r) expires December 31, 2023.

SECTION 2. Repealer: Section 56.023(q) (relating to the entitlement of the telecommunications provider to receive continued support through December 31, 2017, under certain conditions), Utilities Code.

SECTION 3. Effective date: upon passage or September 1, 2017.