

By: Cook

H.B. No. 4177

A BILL TO BE ENTITLED

AN ACT

1
2 relating to adjustments to universal service plan support for small
3 and rural incumbent local exchange companies.

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

5 SECTION 1. Subchapter B, Chapter 56, Utilities Code, is
6 amended by adding Section 56.0321 to read as follows:

7 Sec. 56.0321. ADJUSTMENTS: SMALL AND RURAL INCUMBENT LOCAL
8 EXCHANGE COMPANY UNIVERSAL SERVICE PLAN. (a) For each incumbent
9 local exchange company that serves fewer than 31,000 access lines
10 and is not an electing company under Chapter 58 or 59, the monthly
11 support amounts under a plan established under Section 56.021(1)(B)
12 that the company is eligible to receive on August 31, 2017, may not
13 be adjusted before December 1, 2018.

14 (b) Beginning December 1, 2018, an incumbent local exchange
15 company that serves fewer than 31,000 access lines and is not an
16 electing company under Chapter 58 or 59 is entitled to receive the
17 monthly per line support amount that the company was eligible to
18 receive pursuant to the final order issued by the commission in
19 Docket No. 18516, unless the commission adjusts the company's level
20 of support under Section 56.031 or this section.

21 (c) The commission by rule shall establish procedures,
22 standards, and criteria to determine the appropriate level of
23 support for an incumbent local exchange company that is subject to
24 this section. In adopting rules required by this subsection, the

1 commission:

2 (1) shall establish an application process, including
3 an opportunity for a contested case hearing, to adjust the support
4 provided to a company subject to this section;

5 (2) shall prescribe standards and criteria to evaluate
6 whether a rate increase is an appropriate source of revenue for a
7 company subject to this section as an alternative to maintaining or
8 increasing the level of support provided to the company;

9 (3) may prescribe standards and criteria to determine
10 the appropriate mechanism to adjust the support available to a
11 company subject to this section, including rate rebalancing;

12 (4) may prescribe standards and criteria to determine
13 the appropriate mechanism necessary to maintain reasonable rates
14 for local exchange telephone service for a company subject to this
15 section; and

16 (5) may prescribe the information a company subject to
17 this chapter may be required to provide to the commission for the
18 commission to determine the appropriate level of support and
19 whether rate increases are an appropriate source of revenue.

20 (d) This section does not restrict the commission's
21 authority under Chapter 53 or this chapter.

22 SECTION 2. Section 56.032, Utilities Code, is repealed.

23 SECTION 3. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2017.