86R367 GRM-D

By:  King of Hemphill H.B. No. 669

A BILL TO BE ENTITLED

AN ACT

relating to eligibility of certain local exchange companies for support from the universal service fund for the provision of broadband service.

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

(6)  finance the implementation and administration of the identification process under Section 17.007 for telecommunications services;

(7)  reimburse a designated provider under Subchapter F;

(8)  reimburse a successor utility under Subchapter G; [~~and~~]

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

(10)  finance the rural broadband service program established under Subchapter I.

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

SUBCHAPTER I. RURAL BROADBAND SERVICE PROGRAM

Sec. 56.351.  DEFINITION. For the purposes of this subchapter, "broadband service" means a mass-market retail service by wire or radio that provides the capability to transmit data to and receive data from all or substantially all Internet endpoints. The term includes any capabilities that are incidental to and enable the operation of the communications service but does not include dial-up Internet access service.

Sec. 56.352.  SUPPORT FOR BROADBAND SERVICES IN RURAL AREAS. (a) The commission shall provide from the universal service fund financial assistance for an incumbent local exchange company to build and maintain facility-based networks capable of providing access to broadband service in rural areas of this state where support is necessary to allow the provision of services at rates comparable to the benchmark rates established by the Federal Communications Commission.

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

(c)  The commission by rule shall adopt criteria for areas of this state to qualify as rural areas for the purposes of this subchapter.

Sec. 56.353.  NETWORK STANDARDS. The commission by rule shall establish standards for networks built or maintained using support disbursed under this subchapter. The standards must require a network to provide broadband service and be consistent with standards established by the federal government.

Sec. 56.354.  ACCOUNTING. The commission shall adopt rules to ensure that support provided under this subchapter is calculated in a manner that is consistent with standard accounting principles.

SECTION 3.  This Act takes effect September 1, 2019.