

By: King of Hemphill

H.B. No. 669

A BILL TO BE ENTITLED

1 AN ACT
2 relating to eligibility of certain local exchange companies for
3 support from the universal service fund for the provision of
4 broadband service.

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

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

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

11 (1) assist telecommunications providers in providing
12 basic local telecommunications service at reasonable rates in high
13 cost rural areas under two plans:

14 (A) the Texas High Cost Universal Service Plan
15 (16 T.A.C. Section 26.403); and

16 (B) the Small and Rural Incumbent Local Exchange
17 Company Universal Service Plan (16 T.A.C. Section 26.404);

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

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

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

1 (5) reimburse a telecommunications carrier providing
2 lifeline service as provided by 47 C.F.R. Part 54, Subpart E, as
3 amended;

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

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

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

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

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

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

17 SUBCHAPTER I. RURAL BROADBAND SERVICE PROGRAM

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

25 Sec. 56.352. SUPPORT FOR BROADBAND SERVICES IN RURAL AREAS.

26 (a) The commission shall provide from the universal service fund
27 financial assistance for an incumbent local exchange company to

1 build and maintain facility-based networks capable of providing
2 access to broadband service in rural areas of this state where
3 support is necessary to allow the provision of services at rates
4 comparable to the benchmark rates established by the Federal
5 Communications Commission.

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

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

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

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

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