

SENATE AMENDMENTS

2nd Printing

By: Smithee, Rodriguez, Ashby,
King of Uvalde, Anderson, et al.

H.B. No. 2667

A BILL TO BE ENTITLED

1 AN ACT

2 relating to universal service fund assistance to high cost rural
3 areas and the uniform charge that funds the universal service fund.

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

5 SECTION 1. Section 56.001, Utilities Code, is amended by
6 adding Subdivision (3) to read as follows:

7 (3) "High cost rural area" means:

8 (A) an area:

9 (i) receiving support under Section
10 56.021(1) on December 31, 2020; and

11 (ii) served by a telecommunications
12 provider that is subject to rate regulation under Chapter 53; or

13 (B) an area:

14 (i) receiving support under the Texas High
15 Cost Universal Service Plan (16 T.A.C. Section 26.403) or the Small
16 and Rural Incumbent Local Exchange Company Universal Service Plan
17 (16 T.A.C. Section 26.404); and

18 (ii) not excluded by commission rule based
19 on the number of telecommunications providers serving the exchange,
20 the population density in the exchange, and the number of customers
21 served per route mile of plant in service used to provide basic
22 local telecommunications service.

23 SECTION 2. Section 56.022, Utilities Code, is amended to
24 read as follows:

1 Sec. 56.022. UNIFORM CHARGE. (a) The universal service
2 fund is funded by a statewide uniform charge payable by each
3 telecommunications provider and each provider of Voice over
4 Internet Protocol service that has access to the customer base.

5 (b) A telecommunications provider or provider of Voice over
6 Internet Protocol service shall pay the charge in accordance with
7 procedures approved by the commission.

8 (c) The uniform charge is on services and at rates the
9 commission determines. In establishing the charge and the services
10 to which the charge will apply, the commission may not:

11 (1) grant an unreasonable preference or advantage to a
12 telecommunications provider or a provider of Voice over Internet
13 Protocol service;

14 (2) assess the charge on pay telephone service; ~~or~~

15 (3) subject a telecommunications provider or a
16 provider of Voice over Internet Protocol service to unreasonable
17 prejudice or disadvantage; or

18 (4) assess the charge in a manner that is not
19 technology-neutral or that grants an unreasonable preference based
20 on technology.

21 SECTION 3. Sections 56.024(a) and (b), Utilities Code, are
22 amended to read as follows:

23 (a) The commission may require a telecommunications
24 provider or a provider of Voice over Internet Protocol service to
25 provide a report or information necessary to assess contributions
26 and disbursements to the universal service fund.

27 (b) A report or information the commission requires a

1 telecommunications provider or a provider of Voice over Internet
2 Protocol service to provide under Subsection (a) is confidential
3 and not subject to disclosure under Chapter 552, Government Code.

4 SECTION 4. Not later than December 31, 2021, the Public
5 Utility Commission of Texas shall initiate the rulemaking to adopt
6 the rules required by Section 56.001, Utilities Code, as amended by
7 this Act.

8 SECTION 5. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2021.

ADOPTED
MAY 24 2021

Lacey Spaw
Secretary of the Senate

By: Charles Perry

H.B. No. 2667

Substitute the following for H.B. No. 2667:

By: Charles Perry

C.S. H.B. No. 2667

A BILL TO BE ENTITLED

AN ACT

relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal service fund.

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

SECTION 1. Section 56.001, Utilities Code, is amended by adding Subdivision (3) to read as follows:

(3) "High cost rural area" means:

(A) an area:

(i) receiving support under Section 56.021(1) on December 31, 2020; and

(ii) served by a telecommunications provider that is subject to rate regulation under Chapter 53; and

(B) any other exchange:

(i) receiving support under the Texas High Cost Universal Service Plan (16 T.A.C. Section 26.403) or the Small and Rural Incumbent Local Exchange Company Universal Service Plan (16 T.A.C. Section 26.404); and

(ii) not excluded by commission rule based on the number of telecommunications providers serving the exchange, the population density in the exchange, and the number of customers served per route mile of plant in service used to provide basic local telecommunications service.

SECTION 2. Section 56.022, Utilities Code, is amended to read as follows:

1 Sec. 56.022. UNIFORM CHARGE. (a) The universal service
2 fund is funded by a statewide uniform charge payable by each
3 telecommunications provider and each provider of Voice over
4 Internet Protocol service that has access to the customer base.

5 (b) A telecommunications provider or provider of Voice over
6 Internet Protocol service shall pay the charge in accordance with
7 procedures approved by the commission.

8 (c) The uniform charge is on services and at rates the
9 commission determines. In establishing the charge and the services
10 to which the charge will apply, the commission may not:

11 (1) grant an unreasonable preference or advantage to a
12 telecommunications provider or a provider of Voice over Internet
13 Protocol service;

14 (2) assess the charge on pay telephone service; [~~or~~]

15 (3) subject a telecommunications provider or a
16 provider of Voice over Internet Protocol service to unreasonable
17 prejudice or disadvantage; or

18 (4) assess the charge in a manner that is not
19 technology-neutral or that grants an unreasonable preference based
20 on technology.

21 SECTION 3. Sections 56.024(a) and (b), Utilities Code, are
22 amended to read as follows:

23 (a) The commission may require a telecommunications
24 provider or a provider of Voice over Internet Protocol service to
25 provide a report or information necessary to assess contributions
26 and disbursements to the universal service fund.

27 (b) A report or information the commission requires a

1 telecommunications provider or a provider of Voice over Internet
2 Protocol service to provide under Subsection (a) is confidential
3 and not subject to disclosure under Chapter 552, Government Code.

4 SECTION 4. Not later than December 31, 2021, the Public
5 Utility Commission of Texas shall initiate the rulemaking to adopt
6 the rules required by Section 56.001, Utilities Code, as amended by
7 this Act.

8 SECTION 5. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2021.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 27, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2667 by Smithee (Relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal service fund.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

It is assumed that the costs associated with the bill's provisions relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal service fund could be absorbed using existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JMc, SD, AJL, MB, RRE, SMAT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 18, 2021

TO: Honorable Charles Perry, Chair, Senate Committee on Water, Agriculture & Rural Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2667** by Smithee (relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal service fund.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

It is assumed that the costs associated with the bill's provisions relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal service fund could be absorbed using existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JMc, AJL, MB, RRE, SMAT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 17, 2021

TO: Honorable Charles Perry, Chair, Senate Committee on Water, Agriculture & Rural Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2667 by Smithee (Relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal service fund.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

It is assumed that the costs associated with the bill's provisions relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal fund could be absorbed using existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JMc, AJL, MB, RRE, SMAT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 8, 2021

TO: Honorable Chris Paddie, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2667** by Smithee (relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal service fund; authorizing fee.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

It is assumed that the costs associated with the bill's provisions relating to universal service fund assistance to high cost rural areas, the uniform charge that funds the universal fund, and authorizing a fee could be absorbed using existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JMc, SMAT, MB, RRE

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 24, 2021

TO: Honorable Chris Paddie, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2667 by Smithee (Relating to the definition of telecommunications providers and the Texas Universal Service Fund, authorizing an assessment.), **As Introduced**

No significant fiscal implication to the State is anticipated.

It is assumed that the costs associated with the bill's provisions relating to authorizing an assessment and defining telecommunications providers and the Texas Universal Service Fund could be absorbed using existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel

LBB Staff: JMc, SMAT, MB, RRE