

## **BILL ANALYSIS**

Senate Research Center  
88R649 CXP-F

S.B. 1710  
By: Perry  
Business & Commerce  
3/28/2023  
As Filed

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

The purpose of the Texas Universal Service Fund (USF) is to implement a competitively neutral mechanism to enable all residents of the state to obtain the basic telecommunications services needed to communicate with other residents, businesses, and governmental entities.

S.B. 1710 defines "high cost rural area" to ensure that clearly rural areas of the state continue to receive the USF support they need. Additionally, the bill ensures that previously rural areas, that are now suburban, are subject to Public Utility Commission review to determine if an exchange should continue to receive USF support.

S.B. 1710 also clarifies that Voice Over Internet Protocol services are clearly subject to the uniform assessment charge on phones bills.

As proposed, S.B. 1710 amends current law relating to universal service fund assistance to high cost rural areas and the uniform charge that funds the universal service fund.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 4 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 56.001, Utilities Code, by adding Subdivision (3), to define "high cost rural area."

SECTION 2. Amends Section 56.022, Utilities Code, as follows:

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

(b) Makes a conforming change to this subsection.

(c) Prohibits the Public Utility Commission of Texas (PUC), in establishing the charge and the services to which the charge will apply, from:

(1) makes a conforming change to this subdivision;

(2) makes a nonsubstantive change to this subdivision;

(3) makes conforming and nonsubstantive changes to this subdivision; or

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

SECTION 3. Amends Sections 56.024(a) and (b), Utilities Code, to make conforming changes.

SECTION 4. Requires the PUC, not later than December 31, 2023, to initiate the rulemaking to adopt the rules required by Section 56.001, Utilities Code, as amended by this Act.

SECTION 5. Effective date: upon passage or September 1, 2023.