



Connect Texas Act

HB 4 - SB 9x

Bill Text

A BILL TO BE ENTITLED AN ACT

relating to the use of the universal service fund for the provision of broadband service in underserved rural areas.

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

SECTION 1. Section 56.001, Utilities Code, is amended by adding Subdivisions (3) and (4) to read as follows:

(3) "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.

(4) "Broadband service provider" means a provider of broadband service.

SECTION 2. Subchapter A, Chapter 56, Utilities Code, is amended by adding Section 56.003 to read as follows:

Sec. 56.003. JURISDICTION OVER BROADBAND
SERVICE

PROVIDERS. (a) The commission has jurisdiction relating to broadband service providers only as necessary to enforce this chapter and rules adopted under this chapter.

(b) This chapter does not otherwise grant the commission authority to regulate broadband services or broadband service providers.

SECTION 3. 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, and only those broadband service providers that elect to

participate in the program under Subchapter I, 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:

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(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) provide support for the rural broadband service program established under Subchapter I.

SECTION 4. Section 56.022, Utilities Code, is amended to read as follows:

Sec. 56.022. UNIFORM CHARGE. (a) The universal service fund is funded by a statewide uniform charge payable by each:

(1) telecommunications provider that has access to the customer base; and

(2) broadband service provider only to the extent the provider elects to participate in the program under Subchapter I.

(b) Each [A] telecommunications provider and each broadband

service provider that elects to participate in the program under Subchapter I shall pay the charge in accordance with procedures approved by the commission.

(c) The uniform charge is on services and at rates the commission determines. In establishing the charge and the services

to which the charge will apply, the commission may not:

(1) grant an unreasonable preference or advantage to a telecommunications provider or a broadband service provider that elects to participate in the program under Subchapter I;

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

(3) subject a telecommunications provider or electing broadband service provider to unreasonable prejudice or



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disadvantage.

(d) The commission may establish separate uniform charges for telecommunications providers and broadband service providers.

(e) Funds from the uniform charge on telecommunications providers may only be used to fund programs under Sections 56.021(1) through (9). Funds from the uniform charge on broadband

service providers that elect to participate in the program under Subchapter I may only be used to fund the rural broadband service program under Section 56.021(10).

(f) The commission may assess a uniform charge on a broadband service provider only if the provider notifies the commission of the provider's election to participate in the program established under Subchapter I.

(g) A broadband service provider may notify the commission at any time of the provider's intention to discontinue its participation. The election is effective on the 60th day after the date of the notification.

SECTION 5. Subchapter B, Chapter 56, Utilities Code, is amended by adding Section 56.0235 to read as follows:

Sec. 56.0235. COMMISSION POWERS AND DUTIES RELATING TO

ELECTING BROADBAND SERVICE PROVIDERS. In addition to the powers

and duties provided by Section 56.023, the commission shall:

(1) adopt eligibility criteria for broadband service providers that elect to participate in the program under Subchapter I and review procedures, including a method for administrative review, the commission finds necessary to manage crediting the broadband charge receipts to the universal service fund in accordance with Section 56.022(f) for the purposes of Subchapter

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and to make distributions of the broadband charge receipts from that fund to electing broadband service providers;

(2) determine which electing broadband service providers meet the eligibility criteria; and

(3) approve procedures for the collection and disbursement to electing broadband service providers of the broadband charge receipts the universal service fund received from electing broadband service providers.

SECTION 6. Sections 56.024(a) and (b), Utilities Code, are amended to read as follows:

(a) The commission may require a telecommunications provider, or a broadband service provider that elects to participate in the program under Subchapter I, to provide a report or information necessary to assess contributions, broadband charges, and disbursements to the universal service fund.



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(b) A report or information the commission requires a telecommunications provider, or a broadband service provider that elects to participate in the program under Subchapter I, to provide under Subsection (a) is confidential and not subject to disclosure under Chapter 552, Government Code.

SECTION 7. Chapter 56, Utilities Code, is amended by adding

Subchapter I to read as follows:

SUBCHAPTER I. RURAL BROADBAND SERVICE PROGRAM

Sec. 56.351. SUPPORT FOR BROADBAND SERVICES IN UNDERSERVED

RURAL AREAS. (a) The commission shall provide from broadband

charge receipts from electing providers, support for broadband service providers to offer retail broadband service in underserved rural areas of this state 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 underserved rural areas for the purposes of this subchapter.

(d) A broadband service provider must notify the commission of the provider's election to participate in the program established under this subchapter and pay the uniform charge under

Section 56.022 before the provider may receive financial assistance under this subchapter.

Sec. 56.352. 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. 56.353. 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 8. This Act takes effect September 1, 2020.