

**HB 2091 -1 STAFF MEASURE SUMMARY**

**House Committee On Economic Development and Trade**

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**Meeting Dates:** 3/1

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**WHAT THE MEASURE DOES:**

Allows the Public Utility Commission to use funding from the universal service fund to encourage broadband and telephone service availability operative July 1, 2017. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-1 Limits universal service surcharge to 8.5 percent of sale of retail telecommunications services. Removes emergency clause. Takes effect on the 91st day after sine die.

*Revenue: Minimal revenue impact*

*Fiscal: No fiscal impact*

**BACKGROUND:**

The Public Utility Commission of Oregon (PUC) was directed by the 1999 Oregon Legislative Assembly to create and implement the Oregon Universal Service (OUS) fund and pay for it with a surcharge on all retail telecommunications sales in Oregon. The OUS fund is designed to support local telephone companies that provide basic telephone service in high-cost rural areas in Oregon. The purpose is to ensure that basic telephone service is available at reasonably comparable and affordable rates throughout the state.

House Bill 2091 would allow the OUS fund to be used to encourage broadband service availability starting on July 1, 2017.