

SB 84 STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

Action Date: 02/08/17

Action: Do pass and requesting referral to Ways and Means.

Vote: 5-0-0-0

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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WHAT THE MEASURE DOES:

Applies the collected surcharge relating to the protection of residential services and assistance for persons with disabilities to paying customers who have interconnected voice-over-Internet-protocol service.

ISSUES DISCUSSED:

- Current fee is lower than statutory maximum and is less than half what it was five years ago
- Changes in technology for voice-over-Internet-protocol service

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Public Utility Commission (PUC) is the state's regulatory body for investor-owned utilities, including telephone utilities. The Commission's Residential Service Protection Fund (RSPF) Section oversees three programs assisting customers with telecommunications services: the Oregon Telephone Assistance Program reduces monthly telecommunications bills for qualifying Oregonians; the Telecommunication Devices Access Program provides adaptive equipment to Oregonians with hearing, vision, speech, mobility or cognitive impairments; and the Oregon Telecommunications Relay Service (OTRS) allows persons with hearing and/or speech disabilities to place and receive telephone calls.

Current law provides that subscribers who receive telecommunications service that includes access to OTRS are assessed a surcharge of up to 35 cents per month. The surcharge is applied for each land line circuit and, in the case of cellular service, for each device. House Bill 4055 (2014) authorized the Oregon Department of Revenue to assess the 9-1-1 tax on customers who receive interconnected voice-over-Internet-protocol (VoIP) service. The term VoIP refers to a methodology and applicable technology to allow for voice and multimedia communication over the Internet. Senate Bill 84 clarifies existing statute to allow PUC to apply the RSPF surcharge to customers receiving VoIP service that includes access to OTRS.