

HB 2091 A STAFF MEASURE SUMMARY

Carrier: Rep. Clem

House Committee On Economic Development and Trade

Action Date: 03/08/17

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 9-0-0-0

Yeas: 9 - Clem, Gomberg, Helm, Lewis, Lininger, Marsh, Post, Reschke, Smith DB

Fiscal: No fiscal impact

Revenue: Has minimal revenue impact

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

ISSUES DISCUSSED:

- Current size and trends of the universal service fund
- Broadband coverage in Oregon
- Requirements of carriers of last resort

EFFECT OF AMENDMENT:

Limits universal service surcharge to 8.5 percent. Removes emergency clause.

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 A allows the OUS fund to be used to encourage broadband service availability starting on July 1, 2017. The measure would also limit the service surcharge to 8.5 percent.