

**HB 3065 -2 STAFF MEASURE SUMMARY**  
**House Committee On Energy and Environment**

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**Prepared By:** Misty Freeman, LPRO Analyst

**Meeting Dates:** 3/28, 4/2

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**WHAT THE MEASURE DOES:**

Directs the Public Utility Commission (PUC) to establish a public process to investigate the continuing relevance of the carrier of last resort obligations in ORS 759.500-759.570. Directs PUC to focus on whether changes to the existing regulatory system and incentives could address industry developments while ensuring adequate protections for low income residential customers and residential customers with access to two or more voice communications providers that are competitive on price and quality with the local exchange telecommunications services available to customers. Directs PUC to either administratively implement changes or recommend legislative changes, in the case the PUC determines changes would be in the best interest of customers and the public. Requires PUC solicit input from telecommunications utilities, cooperative corporations, and municipalities certified by the PUC to provide local exchange telecommunications service; the Citizens' Utility Board; and other telecommunications industry representatives, and provide the public with an opportunity to comment. Directs the PUC to submit a report to the interim legislative committee on economic development, business, and general government by September 15, 2020. Sunsets provisions of the Act on January 2, 2021.

*REVENUE: May have revenue impact, but no statement yet issued.*

*FISCAL: May have fiscal impact, but no statement yet issued.*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-2 Modifies language describing goals of the PUC to ensure adequate and reasonable access for residential customers to telecommunications service in all areas of the state. Modifies language describing investigation of changes to regulations and incentives that would not compromise residential customers' access to reliable and safe service at just and reasonable prices in an adequate and nondiscriminatory manner. Clarifies that investigation shall specifically focus on: customers whose individual circumstances and needs may impact their access to, and usage of, telecommunications services, including low-income persons; residential customers with access to fewer than two terrestrial-based service alternatives for telecommunications service; and the comparability of voice service offered by wireless internet service providers and satellite providers. Modifies the list of those from whom the PUC must solicit input as part of the public process to implement changes to the regulatory system or to incentives, adding all telephony providers; residents of, or groups who represent residents of, rural areas; advocates for low income persons; and senior citizens.

**BACKGROUND:**

A carrier of last resort is a telecommunications company that commits or is required by law to provide service to any customer in a service area that requests it, even if serving that customer would not be economically viable at prevailing rates. Carrier of last resort service ensures that all consumers have access to adequate and safe utility services and that all customers are served in a nondiscriminatory manner. State Public Utility Commissions, including the Oregon Public Utility Commission (PUC), are responsible for designating utilities to provide "last resort" service to customers who cannot buy elsewhere.

House Bill 3065 would direct the PUC to engage in a public process to investigate whether the carrier of last resort obligations are still relevant in Oregon, or if industry developments necessitate a different approach. The Act

would direct the PUC to solicit input from utilities and the public before making a determination and submitting a report with recommendations to the legislature by September 15, 2020.

PRELIMINARY