

**SB 300 STAFF MEASURE SUMMARY**

**Senate Committee On Business and General Government**

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**Prepared By:** Tyler Larson, LPRO Analyst

**Meeting Dates:** 3/5, 4/4

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**WHAT THE MEASURE DOES:**

Repeals exemption from universal service fund charge for radio communications services, radio paging services, commercial mobile radio services, personal communications services, and cellular communications services.

**ISSUES DISCUSSED:**

- Role of Universal Service Fund in ensuring statewide telecommunication service
- How cellular communication services use wired infrastructure to provide service
- Current payors into Universal Service Fund relative to market share and requirements to ensure statewide service
- Potential increase to cellular customer prices

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The Public Utility Commission of Oregon (PUC) is responsible for implementing a balanced program of regulation and competition aimed at encouraging innovation in the telecommunications industry, and making high quality telecommunications services available to Oregon residents at just and reasonable prices. In 1999, the Legislative Assembly directed the PUC to create and implement the Oregon Universal Service Fund to ensure basic telephone and broadband services are available at a reasonable rate throughout the state. The fund is supported by an 8.5 percent surcharge on retail telecommunications services. Specified radio and cellular communications services are currently exempt from the surcharge.

Senate Bill 300 removes the exemption for specified radio and cellular communication services, imposing the 8.5 percent surcharge on those retail telecommunications services.