

BILL ANALYSIS

Senate Research Center

H.B. 1700
By: Danburg (Barrientos)
Economic Development
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Engrossed

DIGEST

Currently, there are two telecommunications assistance programs available to qualifying low-income individuals. The first of these programs is the tel-assistance service program created in 1987 by the Texas legislature, which is codified in the Public Utilities Regulatory Act. This service provides low-income residential customers a reduction in their basic local exchange access service, including a 65 percent reduction of applicable local exchange monthly rates. Under the second program, the lifeline service, many local exchange carriers apply a credit of \$10.50 to the basic local service rate of eligible low-income customers. Over 216,000 individuals benefit from these two programs annually, with an annual support revenue of more than \$10.6 million from the interstate universal service fund. Despite this, 7.1 percent of Texas households are without phone service, according to a survey conducted by the LBJ School of Public Affairs at the University of Texas in 1996. H.B. 1700 grants rulemaking authority to the Public Utility Commission of Texas (commission) to prohibit telecommunications providers from disconnecting a lifeline or tel-assistance service customer's local telephone service for nonpayment of charges for other services billed by the provider; provides for automatic enrollment of eligible low-income consumers for both lifeline and tel-assistance services; and allows providers to block long distance service, excluding toll-free numbers, if the lifeline or tel-assistance service customer has an outstanding balance for that service.

PURPOSE

As proposed, H.B. 1700 establishes conditions regarding the lifeline and tel-assistance telecommunications services.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Public Utility Commission of Texas (commission) in SECTIONS 1, 3, and 4 (Sections 55.012, 56.072, and 56.079, Utilities Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 55A, Utilities Code, by adding Section 55.012, as follows:

Sec. 55.012. LIFELINE SERVICE. Requires the Public Utility Commission of Texas (commission) to adopt rules prohibiting a telecommunications provider (provider) from discontinuing local exchange telephone service of a consumer who receives lifeline service because the consumer did not pay charges for other services billed by the provider, including long distance service. Requires the commission to adopt rules providing for the automatic enrollment in lifeline service for eligible consumers. Requires the Texas Department of Human Services (department) to assist in the adoption and implementation of those rules upon request of the commission. Requires the commission and the department to enter into a memorandum of understanding establishing the respective duties of the commission and the department in relation to the automatic enrollment. Authorizes a provider to block a lifeline service participant's access to all long distance service, other than toll-free numbers, if the participant owes an outstanding balance for that service. Requires the provider to remove the block without charge upon payment of the outstanding balance. Requires a provider, if technically capable, to offer a recipient of or applicant for the lifeline service the option of blocking or limiting toll calls at no charge. Defines "lifeline service."

SECTION 2. Amends Section 56.021, Utilities Code, to require the commission to adopt and enforce rules requiring local exchange companies to establish a universal service fund to reimburse certain telecommunications carrier providing lifeline service.

SECTION 3. Amends Section 56.072, Utilities Code, by adding Subsection (d), to require the commission to adopt rules that provide for automatic enrollment to receive tel-assistance service for eligible consumers. Requires each state agency to assist in the adoption and implementation of those rules upon request of the commission. Requires the commission and the department to enter into a memorandum of understanding establishing the respective duties of the commission and the department in relation to the automatic enrollment.

SECTION 4. Amends Chapter 56C, Utilities Code, by adding Section 56.079, as follows:

Sec. 56.079. RELATIONSHIP TO OTHER SERVICES. Requires the commission to adopt rules prohibiting a provider from discontinuing local exchange telephone service of a consumer who receives tel-assistance service because the consumer did not pay charges for other services billed by the provider, including long distance service. Authorizes a provider to block a tel-assistance service participant's access to all long distance service, other than toll-free numbers, if the participant owes an outstanding balance for that service. Requires the provider to remove the block without charge upon payment of the outstanding balance. Requires a provider to offer a recipient or applicant of the tel-assistance service the option of blocking or limiting toll calls at no charge, if technically capable.

SECTION 5. (a) Provides that in accordance with Section 311.031(c), Government Code, (which gives effect to a substantive amendment enacted by the same legislature that codifies the amended statute), the text of Section 56.021, Utilities Code, as set out in the Act, gives effect to changes made by Section 4. Chapter 149, Acts of the 75th Legislature, Regular Session, 1997. (b) Provides that to the extent of a conflict, this Act prevails over another Act of the 76th Legislature, Regular Session, 1999, relating to nonsubstantive additions and corrections in enacted codes.

SECTION 6. Effective date: September 1, 1999.

SECTION 7. Emergency clause.