

PROJECT NO. 35632

RULEMAKING RELATING TO	§	PUBLIC UTILITY COMMISSION
MODIFYING TEXAS HIGH-COST	§	
UNIVERSAL SERVICE PROGRAM	§	OF TEXAS
REPORTING REQUIREMENTS	§	
	§	

**PROPOSAL FOR PUBLICATION OF AMENDMENT TO §26.403
AS APPROVED AT THE JUNE 5, 2008, OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes an amendment to §26.403, relating to the Texas High Cost Universal Service Program. The proposed rule addresses reporting requirements for eligible telecommunications providers (ETPs) in accordance with the Final Order adopting the parties' Unanimous Settlement Agreement in P.U.C. Docket Number 34723, *Petition for Review of Monthly Per Line Support Amounts from the Texas High Cost Universal Service Plan and the Small and Rural Incumbent Local Exchange Company Universal Service Plan Pursuant to PURA §56.031*. Project Number 35632 is assigned to this proceeding.

David Smithson, Policy Analyst, Competitive Markets Division, has determined that for each year of the first five-year period the proposed section is in effect, there will be no fiscal implications for state government as a result of enforcing or administering the section.

Mr. Smithson has determined that for each year of the first five years the proposed section is in effect the public benefit anticipated as a result of enforcing the section will be the ability for the public to have greater knowledge of disbursements from the Texas Universal Service Fund (TUSF) to ETPs. There will be no adverse economic effect on small businesses or micro-businesses as a result of enforcing this section. Therefore, no regulatory flexibility analysis is

required. The anticipated economic cost to persons who are required to comply with this rule is less than \$5,000 per year.

Mr. Smithson has also determined that for each year of the first five years the proposed section is in effect there should be no effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act (APA), Texas Government Code §2001.022.

The commission staff will conduct a public hearing on this rulemaking, if requested pursuant to the Administrative Procedure Act, Texas Government Code §2001.029, at the commission's offices located in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas 78701 on Thursday, July 10, 2008, at 9:30 a.m. The request for a public hearing must be received within 10 days after publication.

Comments on the proposed amendment may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, within 20 days after publication. Sixteen copies of comments to the proposed section are required to be filed pursuant to §22.71(c) of this title. Comments should be organized in a manner consistent with the organization of the proposed section. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed section. The commission will consider the costs and benefits in deciding whether to adopt the proposed section. All comments should refer to Project Number 35632.

This amendment is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §12.001, §14.002 (Vernon 2007 and Supp. 2007) (PURA), which provide the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction, PURA §51.001 which gives the commission the authority to make and enforce rules necessary to protect customers consistent with the public interest; PURA §52.051(1)(A), which provides the commission the authority to preserve universal service; PURA §52.002, which authorizes the commission to regulate rates, operations, and services so that the rates are just, fair, and reasonable and the services are adequate and efficient; PURA §56.021(1), §56.021(5) which provide the commission with the authority to assist telecommunications providers in providing basic local telecommunications service at reasonable rates in high cost rural areas and reimburse the providers for providing lifeline service; and, PURA §56.023 which, among other things, requires the commission to assure reasonable rates for basic local telecommunications service and approve procedures for the collection and disbursement of revenue from the universal service fund.

Cross Reference to Statutes: Public Utility Regulatory Act, Texas Utilities Code Annotated §§12.001, 14.002, 51.001, 51.008, 52.051, 52.002, 56.021, 56.023 (Vernon 2007 and Supp. 2007).

§26.403. Texas High Cost Universal Service Plan (THCUSP).

(a) – (e) (No change.)

(f) **Reporting requirements.** An ETP eligible to receive support pursuant to this section shall report the following information to the commission or the TUSF administrator.

(1) (No change.)

(2) **Quarterly reporting requirements.** An ETP shall file quarterly reports with the commission showing actual THCUSP disbursements by study area.

(A) The initial report shall cover the period of April 25, 2008, the date of the commission's Final Order in P.U.C. Docket Number 34723, through June 30, 2008.

(B) Subsequent reports shall cover each calendar quarter, beginning July 1, 2008.

(C) Reports for quarters which end prior to this rule's effective date shall be due within 90 days of that date. Reports for subsequent quarters shall be filed no later than 3:00 p.m. on the 20th business day after the end of the reporting period.

(D) Reports shall be filed electronically in the project number assigned by the commission's central records office no later than 3:00 p.m. on the 20th business day after the end of the reporting period.

(3)(2) **Annual reporting requirements.** An ETP shall report annually to the TUSF administrator that it is qualified to participate in the THCUSP.

(4)(3) **Other reporting requirements.** An ETP shall report any other information that is required by the commission or the TUSF administrator, including any

information necessary to assess contributions to and disbursements from the TUSF.

(g) (No change.)

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 6th DAY OF JUNE 2008 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
ADRIANA A. GONZALES**