

**PROJECT NO. 32161**

<b>RULEMAKING PROCEEDING TO</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>IMPLEMENT PURA §56.030</b>	<b>§</b>	
<b>REGARDING ANNUAL AFFIDAVITS</b>	<b>§</b>	<b>OF TEXAS</b>
<b>FROM ELIGIBLE</b>	<b>§</b>	
<b>TELECOMMUNICATIONS PROVIDERS</b>	<b>§</b>	

**PROPOSAL FOR PUBLICATION OF AN AMENDMENT TO §26.417  
AS APPROVED AT THE FEBRUARY 23, 2006, OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes an amendment to §26.417. The proposed new subsection (i) relating to Annual Affidavits from Eligible Telecommunications Providers (ETPs) will define the requirements for ETPs to submit annual affidavits of compliance in order to certify that Texas Universal Service Funds (TUSF) received are being used in a manner consistent with the requirements regarding the use of money from each TUSF program for which the telecommunications provider receives disbursements. Project Number 32161 is assigned to this proceeding.

Liz Kayser, Policy Analyst, Communications Industry Oversight Division, and Jim Tourtelott, Staff Attorney, Telecommunications Legal Section, have 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.

Ms. Kayser and Mr. Tourtelott have 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 of the commission to ensure that providers are complying with the reporting requirements of PURA §56.030. There will be no adverse economic effect on small businesses

or micro-businesses as a result of enforcing this section. There is some anticipated economic cost to persons who are required to comply with the section as proposed, but the public benefit of ensuring that ETPs are complying with PURA §56.030 should outweigh those costs.

Ms. Kayser and Mr. Tourtelott have 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.

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 30 days after publication. Sixteen copies of comments to the proposed amendment are required to be filed pursuant to §22.71(c) of this title. Reply comments may be submitted within 45 days after publication. Comments should be organized in a manner consistent with the organization of the proposed rule. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed subsection or amendment. The commission will consider the costs and benefits in deciding whether to adopt the new subsection. All comments should refer to Project Number 32161.

This amendment is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 1998, Supplement 2005) (PURA), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of

its powers and jurisdiction, and §56.030, which specifically requires telecommunication providers that receive disbursements from the TUSF to provide the aforementioned affidavits.

Cross Reference to Statutes: Public Utility Regulatory Act §14.002 and §56.030.

**§26.417. Designation as Eligible Telecommunications Providers to Receive Texas Universal Service Funds (TUSF).**

(a) – (h) (No change.)

**(i) Requirements for annual affidavit of compliance to receive TUSF support.** An ETP serving a rural or non-rural study area shall comply with the following requirements for annual compliance for the receipt of TUSF support.

(1) **Annual Affidavit of Compliance.** On or before September 1 of each year, an ETP that receives disbursements from the TUSF shall file with the commission an affidavit certifying that the ETP is in compliance with the requirements for receiving money from the universal service fund and requirements regarding the use of money from each TUSF program from which the telecommunications provider receives disbursements.

(2) **Filing Affidavit.** The affidavit used shall be the annual compliance affidavit approved by the commission.

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 23<sup>rd</sup> DAY OF FEBRUARY 2006 BY THE  
PUBLIC UTILITY COMMISSION OF TEXAS  
ADRIANA A. GONZALES**

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