

**CHAPTER 26. SUBSTANTIVE RULES APPLICABLE TO TELECOMMUNICATIONS SERVICE PROVIDERS.**

**Subchapter P. TEXAS UNIVERSAL SERVICE FUND.**

**§26.423. High Cost Universal Service Plan for Uncertificated Areas where an Eligible Telecommunications Provider (ETP) Volunteers to Provide Basic Local Telecommunications Service.**

- (a) **Purpose.** This section establishes the guidelines for financial assistance to ETPs that serve uncertificated areas of the state where an ETP volunteers to provide basic voice-grade telecommunications service to permanent residential and single-line business premises.
- (b) **Definitions.** The following words and terms, when used in this section, shall have the following meaning unless the context clearly indicates otherwise:
- (1) **Eligible line** -- A residential line and a single-line business line as defined by §26.403 of this title (relating to Texas High Cost Universal Service Plan (THCUSP)).
  - (2) **Eligible telecommunications provider (ETP)** -- A telecommunications provider designated by the commission pursuant to §26.417 of this title (relating to Designation as Eligible Telecommunications Providers to Receive Texas Universal Service Funds (TUSF)).
  - (3) **Permanent residential or business premises** -- A premise as defined pursuant to §26.421 of this title (relating to Designation of Eligible Telecommunications Providers to Provide Service to Uncertificated Areas).
  - (4) **Uncertificated areas** -- An area of the state that is not included within the certificated area of a holder of a certificate of convenience and necessity (CCN).
- (c) **Application.** This section applies to telecommunications providers that have been designated ETPs by the commission pursuant to §26.417 of this title. This section does not apply to a deregulated company holding a certificate of operating authority or to an exempt carrier under Public Utility Act (PURA) §52.154.
- (d) **Service to be supported by the High Cost Universal Service Plan for uncertificated areas where an ETP volunteers to provide basic local telecommunications service.** The High Cost Universal Service Plan for uncertificated areas shall support the provision by ETPs of basic local telecommunications services as defined in §26.403(d) of this title.
- (e) **Support for uncertificated areas where an ETP volunteers to provide service.** The TUSF administrator shall disburse monthly support payments to ETPs qualified to receive support pursuant to this section. The amount of support available to each ETP shall be calculated using the base support amount available as provided under paragraph (1) of this subsection as adjusted by the requirements of paragraph (3)(B) of this subsection.
- (1) **Determining base support amount available to ETPs.**
    - (A) The monthly per-line support available for uncertificated areas shall be determined by calculating the average of the per-line support amount approved for all local telephone company exchanges of CCN holder's that are contiguous to the uncertificated area for which reimbursement is requested. The per line support amounts used for this calculation shall include, as appropriate, support amounts approved for only those exchanges directly contiguous to the uncertificated area for which support is being requested. The resulting average support shall apply to a line at a premises in the uncertificated area regardless of the residential or business status of the line.
    - (B) Support under this section is portable with the consumer.
  - (2) **Proceedings to determine support amount.**
    - (A) Initial determination for uncertificated areas.
      - (i) Upon petition by an ETP, the commission shall establish a monthly per-line support amount for an uncertificated area as identified by the ETP

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- where it has been determined that prospective telecommunications subscribers exist. The establishment of support for more than one uncertificated area may be requested within a single petition.
- (ii) The review of the petition shall be accomplished in an administrative or docketed proceeding initiated by the ETP requesting support for the provision of single-line residential or business service within an uncertificated area or areas.
  - (iii) The commission, on its own motion, may initiate a proceeding to establish monthly per-line support amounts for uncertificated areas.
- (B) Subsequent determination of support amount.
- (i) The commission shall subsequently review the support for uncertificated areas consistent with the review provided for under §26.403 and §26.404 of this title (relating to Small and Rural Incumbent Local Exchange Company (ILEC) Universal Service Plan).
  - (ii) The commission may initiate review of the support for uncertificated areas and base support amounts under this section on its own motion at any time.
- (3) **Calculating amount of support payments to individual ETPs.** After the monthly per-line amount is determined, the TUSF administrator shall make the following adjustments each month in order to determine the actual support payment that each ETP may receive each month.
- (A) **Payments.** The payment to each ETP shall be computed by multiplying the per-line amount established by paragraph (1) of this subsection for a given uncertificated area by the number of eligible lines served by the ETP in such uncertificated area for the month.
  - (B) **Adjustment for federal USF support.** The base support amount an ETP is eligible to receive shall be decreased by the amount of federal universal service high cost support received by the ETP.
- (f) **Reporting requirements.**
- (1) An ETP eligible to receive support under this section shall provide the TUSF administrator with the following information:
    - (A) A report of the total number of eligible lines served by the ETP in a designated uncertificated area to the TUSF Administrator on a monthly basis;
    - (B) The telecommunications provider's residential and single-line business rates on file with the commission, as of the provisioning date for service;
    - (C) The average per-line assistance for each local exchange telephone company exchange contiguous to the area in question; and
    - (D) A calculation of the base support in accordance with the requirements of this subsection and subsection (e) of this section.
  - (2) Upon request by the commission, the telecommunications provider awarded support under this section shall explain the basis on which it is establishing rates under this section.
  - (3) An ETP shall report any other information required by the commission and the TUSF Administrator, including any information necessary to assess contributions to and disbursements from the TUSF.
- (g) **Initial support provided pursuant to this section.** Initial payment of support under this section shall be retroactive to the latter of the date on which a telecommunications provider either:
- (1) Petitions the commission for THCUSP assistance; or
  - (2) Begins providing basic local telephone service to the residential or business location approved for support.