

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 28, 2020**

REGULAR X CONSENT _____ EFFECTIVE DATE _____ N/A _____

DATE: July 10, 2020

TO: Public Utility Commission

FROM: Nicola Peterson

THROUGH: Bryan Conway, Michael Dougherty, and Roger White **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION:
(Docket No. AR 640)
Request for approval to initiate a rulemaking to adopt and amend rules pursuant to 2020's SB1603.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) initiate a rulemaking to adopt and amend rules pursuant to 2020's Senate Bill1603 (SB1603).

DISCUSSION:

Issue

Whether the Commission should initiate a rulemaking to adopt and amend rules pursuant to 2020's Senate Bill1603 (SB1603).

Applicable Rule or Law

ORS 756.060 states that, "The Public Utility Commission may adopt and amend reasonable and proper rules and regulations relative to all statutes administered by the commission".

SB1603, passed in the 2020 special legislative session and effective January 1, 2021, states that "The Public Utility Commission and the Oregon Business Development Department may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission and the department to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission".

Analysis

Background

Contributions to the Oregon Universal Service Fund (OUSF) are currently a surcharge on all intrastate retail telecommunication service revenues in Oregon. The surcharge is capped at 8.5 percent. Distributions from the OUSF are made on a monthly basis to qualifying local exchange carriers.

SB1603 extends the contributions to the OUSF to include retail commercial mobile radio services and retail interconnected voice over internet protocol services and describes the means for these providers to identify their applicable intrastate revenues. SB1603 caps the surcharge at 6 percent, the total size of the fund and also establishes an annual transfer from the OUSF to the Oregon Business Development Department for deposit in the Broadband Fund.

Proposed Process of this Rulemaking

Division 860-100 will require language changes to existing rules to incorporate the extension of services subject to the surcharge and the surcharge cap. New rules addressing the revenue calculations, the overall fund size, transfers to the Broadband fund and definitions are also expected to be proposed.

Staff intends to hold workshops in the coming months to discuss the proposed rule changes and applicable processes and forms.

Conclusion

In order to implement the requirements of SB1603 and ensure Division 860-100 is in agreement with ORS 759.425, the Commission will need to conduct a rulemaking process to amend, develop, and adopt rules.

PROPOSED COMMISSION MOTION:

Initiate a rulemaking to adopt and amend rules pursuant to 2020's SB1603.