

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

AR 640

In the Matter of

Rulemaking to Adopt and Amend Rules per  
2020 Senate Bill 1603.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

This order memorializes our decision, made and effective at our July 28, 2020 Regular Public Meeting, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Made, entered, and effective Jul 28 2020.



**Megan W. Decker**  
Chair



**Letha Tawney**  
Commissioner



**Mark R. Thompson**  
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

**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".

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## 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.