

**HB 3065 A STAFF MEASURE SUMMARY**  
**Senate Committee On Business and General Government**

**Carrier:** Sen. Riley

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**Action Date:** 05/07/19  
**Action:** Do pass the A-Eng bill.  
**Vote:** 3-0-0-2  
**Yeas:** 3 - Dembrow, Hass, Riley  
**Abs:** 2 - Girod, Olsen  
**Fiscal:** Has minimal fiscal impact  
**Revenue:** No revenue impact  
**Prepared By:** Tyler Larson, LPRO Analyst  
**Meeting Dates:** 4/30, 5/7

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**WHAT THE MEASURE DOES:**

Directs the Public Utility Commission (PUC) to establish public process to investigate continuing relevance of telecommunications carrier of last resort obligations. Requires investigation to focus on developing industry trends, technologies, policy drivers, existing regulatory system and incentives, individual customer needs, and viable telecommunication service providers. Requires PUC to develop plans to implement changes or make recommendations to Legislative Assembly if it determines that changes to regulatory system and incentives would be in the interest of residential consumers and public generally. Requires PUC to solicit input from specified stakeholders including the Citizens' Utility Board, rural residents, advocates for low-income persons, and senior citizens. Requires PUC to submit report on findings and recommendations for legislation to Legislative Assembly by September 15, 2020. Sunsets January 2, 2021.

**ISSUES DISCUSSED:**

- History and operation of carrier of last resort requirement
- Impact of new technology and changing market conditions on carrier of last resort providers
- Intent for public investigation to include all telecommunication stakeholders, not just those explicitly listed in measure
- Intent for public investigation to provide findings and recommendations on Universal Service Fund as compensation for carriers of last resort

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The carrier of last resort obligation is the requirement for local exchange telecommunications service providers certified by the Public Utility Commission (PUC) to provide adequate and nondiscriminatory services to customers within allocated territories. The Oregon Universal Service Fund, through a surcharge on all retail telecommunication sales, supports local telephone companies that provide basic telephone service in rural communities.

House Bill 3065-A requires the PUC to conduct a public investigation to determine whether industry trends, technologies, and policy drivers in the telecommunications sector warrant changes to Oregon's carrier of last resort requirement and incentives. The PUC must report its findings and any recommendations for legislation to the Legislative Assembly by September 15, 2020.