



## Vote No on HB 2184

- HB 2184 creates a scenario where one industry, wireless providers, will be subsidizing their competitors.
  - Currently only landline providers are required to pay into the Oregon Universal Service Fund. Likewise, they are the only group to receive benefits from the Fund. (Note that while Voice of Internet Protocol (“VoIP”) providers are not required to pay into the Fund, some do “voluntarily” pay into the Fund pursuant to an agreement approved by the Oregon PUC.)
  - If HB 2184 passes, wireless will pay into the Fund and, at most, will be eligible for only a small portion of the available funding.
    - There is already a stipulated agreement in place with the current providers that agrees to spend \$21 million. This bill caps the Fund at \$28 million.
    - The USF says the money from the Fund can only be spent on “basic telephone services” (Sec. 2 (1)(b)). Basic Telephone Services are considered “Local exchange telecommunication Service” as defined by PUC rule – which states: “Telecommunication services provided within the boundaries of exchange maps filed with and approved by the commission.”
      - ORS 750.005(3) establishes that wireless providers do not file these types of exchange maps and therefore do not fall within the local exchange telecommunications service definition. Further, “telecommunications service” as defined in ORS 759.005(8), does not include wireless service.
- HB 2184 would provide a break in fees currently paid by landline providers and some VoIP providers. These companies will see a drop in their fees paid by approximately 30% - from 8.5% to 6%.
- The PUC will be holding discussions next interim addressing Carrier of Last Resort obligations as part of ensuring universal service in the State. HB 2184 would prematurely impact and potentially dictate the outcome of such discussions. Any legislative action should wait until the PUC can fully explore and vet all options.
- Separately HB 2184 raises \$5 million a year for rural broadband. Expanding rural broadband is a state priority, but this legislation is not the best answer. The Federal Government already has the following funding available for broadband activities:
  - USDA \$600 million
  - FCC \$67 million
  - Federal Appropriation \$550 million (plus \$600 million previous FY)
  - FCC is contemplating an additional \$20.4 billion over the next 20 years