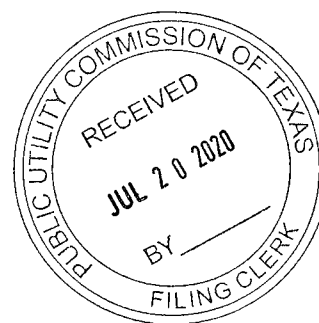
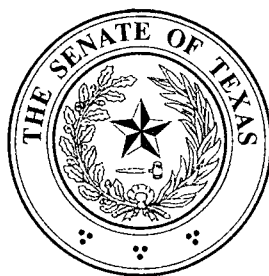


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July 14, 2020

Commissioners
Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, Texas 78711

RE: Project No. 50796

Dear Chairman Walker, Commissioner D'Andrea, and Commissioner Botkin,

It is with great urgency that we reach out to you during this unprecedented time for Texas and our nation. First, we thank you for your service and leadership as you oversee the critical infrastructure of this great state. As each Texan faces the challenges associated with the COVID-19 virus, they must be provided with every opportunity to rise to the challenges presented. This would not be possible without access to reliable sources of electricity, water, and communications. COVID-19 has once again highlighted the current need of broadband and quality information services in the State of Texas. Rural areas, inner cities, public school systems, medical systems, and commerce are now faced with the challenge of meeting the demand of a more "online" environment. As such, more federal dollars and state initiatives are clearly taking focus during the interim.

In every communication system there is a trunk of fiber, cable, or other conduit to make the communication happen. This is where the small provider network has evolved. Large providers do not want to run a cable for one subscriber. The small provider has filled this void for many years through telephone cooperatives, as well as through other private sector providers. Texas' longstanding policy is to ensure that customers in all regions of the state, including low-income customers and customers in rural and high cost areas, have access to quality and affordable telecommunications and information services. This will all be placed in jeopardy without action by the Public Utility Commission (PUC) before September 1, 2020. This policy has been put into practice through the creation of the Texas Universal Service Fund ("TUSF") and has been placed under the PUC's jurisdiction to maintain adequate funding to meet the objective of quality and affordable communications for the target user groups.

The PUC is given great deference in determining a method to fund the TUSF, but neither the authority, nor the ability to prioritize any one program over another. In a recent open meeting, a decision was made to not take the actions necessary to adequately fund the TUSF. As a part of

this discussion, it was implied that if adequate funds were not available, then distributions should be stopped to companies keeping the priority on social programs.

The programs you have considered as non-essential provide funding to many of the rural independent and cooperatives telecommunications providers across the state and allow high quality communications services to be provided to customers across more than 50% of the State of Texas. The networks that these funds help support allow for remote access to work, telemedicine, remote learning, and many of the social distancing practices that are being demanded of our citizens at this time. If these networks are allowed to fail due to lack of TUSF support, the goal of quality broadband for all will just become another talking point with no substantive path to achievement. The most efficient use of taxpayer dollars is to build on what is already in place. Without the TUSF funding, years of work and further resources would have to be invested to reinvent the already existing networks.

The legislature gave the PUC the tools to maintain the funds at an adequate level to meet all the objectives and not just the selected objectives as indicated by the PUC's last meeting. It makes no sense that only the social programs would be funded. Under the current proposal, if a student is required to do online learning at home, the home may continue to be excluded, while the school will continue to have the network.

Options for the PUC to consider are raising the assessment or expanding the contribution base. Both options have statutory authority granted to the PUC. What is required, at least in the short term, should be a proposed assessment increase. The proposed assessment increase from 3.3% to 6.4% would realistically mean an increase of less than a dollar per month for most Texans.

Failure to adequately fund the TUSF would lead to loss of services or loss of access to services at reasonable rates for more than half of the state. No one wishes to increase costs on Texans in any environment, but the shortsighted approach of a small increase in order to guarantee a viable future network is only common sense. The PUC could sunset the fee increase on August 31, 2021, when all of the moving parts could be better identified and analyzed.

An assessment increase may be the most appropriate short-term solution, giving the industry time to develop a more permanent solution in the 87th Legislature. While distributions have been meticulously managed as well as reduced and modernized over the past 10 years, the contribution methodology has not been addressed in decades, leading to the current shortfall in funding.

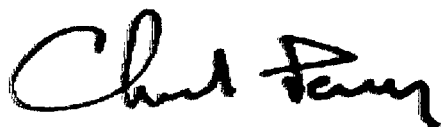
You are charged with funding the TUSF with a uniform charge that does not grant unreasonable preference to telecommunications providers or subject providers to unreasonable prejudice or any disadvantage.

With the authority and discretion granted to you, now is the time to address this very important issue. At a minimum, please take action now to ensure that statutorily mandated programs are adequately funded, and ideally, an assessment increase must be timely adopted and implemented.

Again, we appreciate the Commission's efforts and leadership during this time, and trust that you will make the appropriate choices to ensure that the law is followed and that all of Texas maintains the connectivity that is desperately needed. Tomorrow's ability to connect all Texans is dependent on the PUC's action or lack of action by September 1, 2020.

Please do not hesitate to reach out should you have any questions.


Sincerely,



Sen. Charles Perry
Senate District 28



Sen. Pete Flores
Senate District 19



Sen. Juan "Chuy" Hinojosa
Senate District 20



Sen. Lois Kolkhorst
Senate District 18



Sen. Eddie Lucio, Jr.
Senate District 27