

News Release:

ALMOST 50 TEXAS RURAL TELEPHONE COMPANIES SUE PUC FOR ILLEGALLY WITHHOLDING REVENUES IN OPEN MEETING AND RULEMAKING VIOLATIONS

Almost 50 rural Texas telephone cooperatives and companies have filed a lawsuit against the Public Utility Commission of Texas, accusing the state regulatory agency of illegally withholding universal service fund (“USF”) revenues crucial to maintaining the statewide telecommunications network in rural areas.

The lawsuit contends the PUC’s action was taken in violation of the Texas Open Meetings Act, through illegal rulemakings, and in direct contradiction of existing state law. The rural telephone companies and their customers cover more than 55% of the geographic area of the State of Texas; and allege that without this vital funding, telecommunications service to customers in rural areas of the state is placed in jeopardy.

The lawsuit was filed Wednesday (Jan. 20, 2021), in Travis County District Court in Austin, requesting an emergency restraining order for a judge to declare “void” the Commission’s illegal funding reduction to the Legislature’s laws which mandate funding for services to primarily rural customers.

“The Commission’s unlawful actions, left unchecked, will have a dramatic negative impact on telephone services — especially in the rural areas of the state,” said Weldon R. Gray, CEO of Texas Statewide Telephone Cooperative, Inc., one of two associations filing the lawsuit. “The service provided by our rural telephone companies is crucial as Texas has seen the importance of telecommunications during the pandemic. While our rural telephone companies have stepped up to provide the services Texans have required, it is unfortunate that the Public Utility Commission has chosen, on its own, to dramatically cut funding the Legislature mandated through detailed statutory direction.”

“We are seeking an order which would reverse this unlawful action by the PUC, and for a judge to order the Commission to fully fund their legislatively-mandated obligations in order to protect uninterrupted quality telecommunications services for rural Texans.”