ITEM NO. RM1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 18, 2026

RULEMAKING X **CONSENT** ____ **EFFECTIVE DATE** N/A

DATE: August 12, 2026

TO: Public Utility Commission

FROM: Jon Cray

THROUGH: Nolan Moser, Melissa Nottingham, and Diane Davis **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. AR 675)
Request to Open a Formal Rulemaking to Implement 2025 HB 3148 Relating to One-Time Device Benefits for Low-Income Customers.

STAFF RECOMMENDATION:

Staff recommends that the Oregon Public Utility Commission (Commission) open a formal rulemaking and issue a Notice of Proposed Rulemaking (NOPR) to implement the one-time personal computing device benefit provision of 2025 House Bill (HB) 3148 in Oregon Administrative Rule (OAR) Chapter 860, Division 33.

DISCUSSION:

Issue

Whether the Commission should open a formal rulemaking and issue a NOPR to implement the one-time personal computing device benefit provision of HB 3148.

Applicable Rule or Law

Pursuant to ORS 756.060, the Commission "may adopt and amend reasonable and proper rules and regulations relative to all statutes administered by the commission…." The Oregon Administrative Procedures Act, specifically ORS 183.325 to ORS 183.410, sets forth the process for amendment of administrative rules.

When adopting a new permanent rule, the Commission must follow the rulemaking procedures set forth in the Oregon Administrative Procedures Act[1] and Commission rules OAR 860-001-0160 and OAR 860-001-0210 through OAR 860-001-0240. When opening a proposed permanent rulemaking, the Commission must give notice by publishing the notice in the Secretary of State's Oregon Bulletin at least 21 days before the effective date.[2] The Commission must also provide a copy of the proposed rule to "persons on the Commission's applicable rulemaking notification lists" at least 28 days prior the effective date and applicable legislators as specified in ORS 183.335(15) at least 49 days before the effective date.

Analysis

Background
In response to the June 1, 2024, sunset of the Federal Communications Commission's (FCC's) Affordable Connectivity Program (ACP),[3] the 2025 Oregon Legislature enacted HB 3148, signed into law by Governor Tina Kotek on July 17, 2025.[4] In addition to providing monthly discounts on high-speed internet service to eligible households with low incomes, the ACP also offered a one-time discount of up to $100 towards the purchase of a laptop, desktop, or tablet, provided the eligible household contributed more than $10, but less than $50 towards the purchase price.

Scope of Rulemaking
To mitigate the impact of the ACP's expiration, HB 3148 introduced a one-time personal computing device benefit, up to $100, available through the Oregon Lifeline program for enrolled households with low incomes to purchase a new or refurbished Internet-enabled desktop computer, laptop computer, or computer tablet in addition to any ancillary devices such as a keyboard, mouse, or assistive computer device or software.

Stakeholder Engagement
Staff hosted two workshops on May 14 and May 28, 2026, to explore implementation strategies, identify efficient and equitable options for delivering the one-time computing device benefit while maintaining program integrity, and discuss the development of administrative rules associated with the benefit. Staff engaged a broad range of stakeholders, including members of Representative Pam Marsh's Broadband Affordability Workgroup who contributed to the development of HB 3148, as well as

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1 ORS 183.310 to 183.355.
2 ORS 183.335(1)(b); OAR 860-001-0210(1)(a).
3 *See* Federal Communications Commission, DA 24-23, Order, WC Docket No. 21-450 (rel. Jan. 11, 2024).
4 *See* Oregon State Legislature; *Oregon Legislative Information; 2025 Regular Session,* HB3148 2025 Regular Session - Oregon Legislative Information System (last visited August 10, 2026).

members of the public and other community partners to inform rule development and implementation. Workshop participants included the City of Portland, Eligible Telecommunications Providers, industry associations, Oregon Broadband Office, and wireless carriers.

On Friday, May 29, 2026, one member of the public submitted comments that were filed in the docket requesting that the device benefit be extended to smartphones; however, the statute currently limits the one-time device benefit to desktop and laptop computers, tablets, and related ancillary or assistive devices and software.

On July 24, 2026, Staff circulated a working draft of the proposed rule amendments for purposes of informal comment. The Oregon Broadband Association provided the only written response and indicated that the proposed amendments raised no concerns.

Summary of Proposed Rule Amendments
Staff drafted the proposed rules in Attachment A to incorporate the one-time computing device benefit of up to $100 into OAR 860-033-0035, which governs the federal and Oregon Lifeline monthly discounts, as an additional benefit available to enrolled households with low incomes.

Conclusion

Opening a formal rulemaking and issuing a NOPR in Docket No. AR 675 is necessary to implement the 2025 Oregon Legislature's enactment of HB 3148. The statute makes available, through the Oregon Lifeline program, a one-time personal computing device benefit of up to $100 for enrolled households to purchase a new or refurbished Internet-enabled desktop computer, laptop, or tablet in addition to any related ancillary devices or assistive devices and software for enrolled customers.

PROPOSED COMMISSION MOTION:

Open a formal rulemaking and issue a NOPR for amendments to OAR Chapter 860, Division 33 as outlined in Attachment A.

860-033-0035
Federal and Oregon Lifeline Benefits

(1) A residential customer qualifying for the Federal and Oregon Lifeline benefit pays a reduced monthly rate, as established by the Commission, for broadband internet access service or basic service, or both, whether sold separately or in combination with other services, provided by an Eligible Telecommunications Provider. The monthly benefit includes:

(a) The Federal Lifeline program support in accordance with 47 C.F.R. §54.403, if available; and

(b) For a customer paying a monthly rate, the State of Oregon support of up to $15.00. The customer may not receive a monthly Federal and Oregon Lifeline benefit in excess of the customer's monthly rate; or

(c) For a customer that receives the Oregon Lifeline supported service at no charge, the State of Oregon support of $10.00. If an Eligible Telecommunications Provider that offers Oregon Lifeline supported service at no charge to the low-income customer demonstrates to the Commission that it provides unlimited voice minutes for basic service and unlimited data for any broadband internet access service provided to the customer, the Commission may authorize a State of Oregon support amount up to $10.00.

(d) The Commission may reduce the State of Oregon support by order of the Commission when sufficient funding is not available to sustain the current level of support.

(2) Federal and Oregon Lifeline benefits become effective on the date the Commission notifies the Eligible Telecommunications Provider of approval unless otherwise specified in the notice of approval.

(3) An Eligible Telecommunications Provider that offers Federal or Oregon Lifeline supported service at no charge to the low-income customer must require the customer to contact the Eligible Telecommunications Provider to activate the Federal or Oregon Lifeline supported service. The Eligible Telecommunications Provider must require the low-income customer to provide the last four digits of his or her social security number or Tribal identification number before activating the Federal or Oregon Lifeline supported service.

(4) In addition to the benefit described in section (1) of this rule, an eligible customer may receive a one-time personal computing device benefit for the purchase of a new or refurbished internet-enabled desktop computer, laptop computer, or computer tablet plus any ancillary devices such as a keyboard, mouse or assistive computer device or software. The maximum benefit amount available to a benefit recipient is up to $100.