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**SENATE BILL 5157**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senator McCoy

AN ACT Relating to the state universal communications services program; and amending RCW 80.36.630 and 80.36.650.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec.**  RCW 80.36.630 and 2013 2nd sp.s. c 8 s 202 are each amended to read as follows:

(1) The definitions in this section apply throughout this section and RCW 80.36.650 through 80.36.690 and 80.36.610 unless the context clearly requires otherwise.

(a) "Basic residential service" means those services set out in 47 C.F.R. Sec. 54.101(a)(2011) and mandatory extended area service approved by the commission.

(b) "Basic telecommunications services" means the following services:

(i) Single-party service;

(ii) Voice grade access to the public switched network;

(iii) Support for local usage;

(iv) Dual tone multifrequency signaling (touch-tone);

(v) Access to emergency services (911);

(vi) Access to operator services;

(vii) Access to interexchange services;

(viii) Access to directory assistance; and

(ix) Toll limitation services.

(c) "Communications provider" means a provider of communications services that assigns a working telephone number to a final consumer for intrastate wireline or wireless communications services or interconnected voice over internet protocol service, and includes local exchange carriers.

(d) "Communications services" includes telecommunications services and information services and any combination thereof.

(e) "Incumbent local exchange carrier" has the same meaning as set forth in 47 U.S.C. Sec. 251(h).

(f) "Incumbent public network" means the network established by incumbent local exchange carriers for the delivery of communications services to customers that is used by communications providers for origination or termination of communications services by or to customers.

(g) "Interconnected voice over internet protocol service" means an interconnected voice over internet protocol service that: ((~~(a) [(i)]~~))(i) Enables real-time, two-way voice communications; ((~~(b) [(ii)]~~))(ii) requires a broadband connection from the user's location; ((~~(c) [(iii)]~~))(iii) requires internet protocol-compatible customer premises equipment; and ((~~(d) [(iv)]~~))(iv) permits users generally to receive calls that originate on the public network and to terminate calls to the public network.

(h) "Program" means the state universal communications services program created in RCW 80.36.650.

(i) "Telecommunications" has the same meaning as defined in 47 U.S.C. Sec. 153(43).

(j) "Telecommunications act of 1996" means the telecommunications act of 1996 (P.L. 104-104, 110 Stat. 56).

(k) "Working telephone number" means a north American numbering plan telephone number, or successor dialing protocol, that is developed for use in placing calls to or from the public network, that enables a consumer to make or receive calls.

(l) "Advanced telecommunications services" means a high-speed, switched, broadband telecommunications capability with minimum speeds of 10 Mbps downstream and 1 Mbps upstream that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology.

(m) "Telecommunications services" means "basic telecommunications services" and "advanced telecommunications services."

(2) This section expires July 1, 2020.

**Sec.**  RCW 80.36.650 and 2013 2nd sp.s. c 8 s 203 are each amended to read as follows:

(1) A state universal communications services program is established. The program is established to protect public safety and welfare under the authority of the state to regulate telecommunications under Article XII, section 19 of the state Constitution. The purpose of the program is to support continued provision of ((~~basic~~)) telecommunications services under rates, terms, and conditions established by the commission during the time over which incumbent communications providers in the state are adapting to changes in federal universal service fund and intercarrier compensation support.

(2) Under the program, eligible communications providers may receive distributions from the universal communications services account created in RCW 80.36.690 in exchange for the affirmative agreement to provide continued services under the rates, terms, and conditions established by the commission under this chapter for the period covered by the distribution. The commission must implement and administer the program under terms and conditions established in RCW 80.36.630 through 80.36.690. Expenditures for the program may not exceed five million dollars per fiscal year.

(3) A communications provider is eligible to receive distributions from the account if:

(a) The communications provider is: (i) An incumbent local exchange carrier serving fewer than forty thousand access lines in the state; or (ii) a radio communications service company providing wireless two-way voice communications service to less than the equivalent of forty thousand access lines in the state. For purposes of determining the access line threshold in this subsection, the access lines or equivalents of all affiliates must be counted as a single threshold, if the lines or equivalents are located in Washington;

(b) The customers of the communications provider are at risk of rate instability or service interruptions or cessations absent a distribution to the provider that will allow the provider to maintain rates reasonably close to the benchmark; and

(c) The communications provider meets any other requirements established by the commission pertaining to the provision of communications services, including ((~~basic~~)) telecommunications services.

(4) A communications provider is eligible to receive distributions from the account for the purpose of providing advanced telecommunications services to a reservation of a federally recognized Indian tribe.

(5)(a) Distributions to eligible communications providers are based on a benchmark established by the commission. The benchmark is the rate the commission determines to be a reasonable amount customers should pay for basic residential service or advanced telecommunications services provided over the incumbent public network. However, if an incumbent local exchange carrier is charging rates above the benchmark for the basic residential service or advanced telecommunications services, that provider may not seek distributions from the fund for the purpose of reducing those rates to the benchmark.

(b) To receive a distribution under the program, an eligible communications provider must affirmatively consent to continue providing communications services to its customers under rates, terms, and conditions established by the commission pursuant to this chapter for the period covered by the distribution.

((~~(5)~~))(6) The program is funded from amounts deposited by the legislature in the universal communications services account established in RCW 80.36.690. The commission must operate the program within amounts appropriated for this purpose and deposited in the account.

((~~(6)~~))(7) The commission must periodically review the accounts and records of any communications provider that receives distributions under the program to ensure compliance with the program and monitor the providers' use of the funds.

((~~(7)~~))(8) The commission must establish an advisory board, consisting of a reasonable balance of representatives from different types of communications providers, tribal representatives, and consumers, to advise the commission on any rules and policies governing the operation of the program.

((~~(8)~~))(9) The program terminates on June 30, 2019, and no distributions may be made after that date.

((~~(9)~~))(10) This section expires July 1, 2020.

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