**5711 AMS SHEL S1743.1 - NOT FOR FLOOR USE**

**SB 5711** - S AMD **17**

By Senator Sheldon

**PULLED 03/02/2017**

Strike everything after the enacting clause and insert the following:

**"PART ONE**

**Sec.**  RCW 35.21.860 and 2014 c 118 s 2 are each amended to read as follows:

(1)(a) No city or town may impose a franchise fee or any other fee or charge of whatever nature or description upon the light and power, or gas distribution businesses, as defined in RCW 82.16.010, or telephone business, as defined in RCW 82.16.010, or service provider, as defined in RCW 35.99.010, for use of the right‑of‑way, except:

((~~(a)~~)) (i) A tax authorized by RCW 35.21.865 may be imposed;

((~~(b)~~)) (ii) A fee may be charged to such businesses or service providers that recovers actual administrative expenses incurred by a city or town that are directly related to receiving and approving a permit, license, and franchise, to inspecting plans and construction, or to the preparation of a detailed statement pursuant to chapter 43.21C RCW;

((~~(c)~~)) (iii) Taxes permitted by state law on service providers;

((~~(d)~~)) (iv) Franchise requirements and fees for cable television services as allowed by federal law; and

((~~(e)~~)) (v) A site-specific charge pursuant to an agreement between the city or town and a service provider of personal wireless services acceptable to the parties for:

((~~(i)~~)) (A) The placement of new structures in the right‑of‑way regardless of height, unless the new structure is the result of a mandated relocation in which case no charge will be imposed if the previous location was not charged. When the new structure is placed in the right-of-way for purposes of installing a small cell facility as defined in RCW 80.36.375(2), the site-specific charge imposed under this subsection is limited to the lesser of: (I) The projected cost to the city or town resulting from the installation; or (II) five hundred dollars annually. However, no additional fee may be imposed by any person or government on wi-fi antennas that are strung between existing privately or publicly owned utility poles regardless of location;

((~~(ii)~~)) (B) The placement of replacement structures when the replacement is necessary for the installation or attachment of wireless facilities, the replacement structure is higher than the replaced structure, and the overall height of the replacement structure and the wireless facility is more than sixty feet; or

((~~(iii)~~)) (C) The placement of personal wireless facilities on structures owned by the city or town located in the right‑of‑way. However, a site-specific charge shall not apply to the placement of personal wireless facilities on existing structures, unless the structure is owned by the city or town.

(b) A city or town is not required to approve the use permit for the placement of a facility for personal wireless services that meets one of the criteria in this subsection absent such an agreement. If the parties are unable to agree on the amount of the charge, the service provider may submit the amount of the charge to binding arbitration by serving notice on the city or town. Within thirty days of receipt of the initial notice, each party shall furnish a list of acceptable arbitrators. The parties shall select an arbitrator; failing to agree on an arbitrator, each party shall select one arbitrator and the two arbitrators shall select a third arbitrator for an arbitration panel. The arbitrator or arbitrators shall determine the charge based on comparable siting agreements involving public land and rights-of-way. The arbitrator or arbitrators shall not decide any other disputed issues, including but not limited to size, location, and zoning requirements. Costs of the arbitration, including compensation for the arbitrator's services, must be borne equally by the parties participating in the arbitration and each party shall bear its own costs and expenses, including legal fees and witness expenses, in connection with the arbitration proceeding.

(2) Subsection (1) of this section does not prohibit franchise fees imposed on an electrical energy, natural gas, or telephone business, by contract existing on April 20, 1982, with a city or town, for the duration of the contract, but the franchise fees shall be considered taxes for the purposes of the limitations established in RCW 35.21.865 and 35.21.870 to the extent the fees exceed the costs allowable under subsection (1) of this section.

NEW SECTION. **Sec.**  A new section is added to chapter 35.99 RCW to read as follows:

A city or town shall authorize the installation of small cell facilities or networks, as defined in RCW 80.36.375(2), on city or town-owned structures located outside of the right-of-way to the same extent as the city or town permits access to structures for other commercial projects or uses and may authorize the installations if the city or town has not previously permitted such access. The installations are subject to reasonable rates, terms, and conditions as provided in one or more agreements between the personal wireless service provider and the city or town. A city or town may not charge more for a small cell facility than the lesser of: (1) The amount charged for similar commercial projects or uses to occupy or use the same amount of space on similarly situated property; (2) the projected cost to the city or town resulting from the installation; or (3) five hundred dollars annually.

**Sec.**  RCW 35.99.020 and 2000 c 83 s 2 are each amended to read as follows:

A city or town may grant, issue, or deny permits for the use of the right‑of‑way by a service provider for installing, maintaining, repairing, or removing facilities for telecommunications services or cable television services pursuant to ordinances, consistent with this chapter ((~~83, Laws of 2000~~)) provided that a city or town shall allow a service provider to place small cell facilities and small cell networks, as defined in RCW 80.36.375(2), in a city or town right-of-way, whether attached to city or town-owned facilities or attached to existing, new, or replacement poles owned by a service provider or another entity, subject only to the conditions of section 104 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 35.99 RCW to read as follows:

(1) A city or town shall provide service providers with nondiscriminatory access for attachments of small cell facilities as defined in RCW 80.36.375(2) to or in any right-of-way facilities the city or town owns or controls, either directly or through a municipally owned utility. A city or town may only deny access to specific facilities on a nondiscriminatory basis where there is insufficient capacity or for reasons of safety, reliability, and generally applicable engineering principles. However, the city or town may not deny access to a pole based on insufficient capacity if the service provider is willing to compensate the city or town for the costs to replace the existing pole with a taller pole and otherwise undertake make-ready work to increase the capacity of the pole to accommodate an additional attachment. The small cell attachments allowed under this subsection are subject to the rate established in section 106(5) of this act and other reasonable terms and conditions as provided in a master permit approved under this section. However, no right-of-way or other permit is required for wi-fi antennas that are suspended on messenger cables that are strung between existing privately or publicly owned poles regardless of location.

(2) A city or town shall provide service providers with nondiscriminatory access to the right-of-way to attach small cell facilities to existing facilities owned by any entity and to install new or replacement poles for purposes of attaching small cell facilities, subject to the rates established in RCW 35.21.860(1)(b) and other reasonable terms and conditions as provided in a master permit approved under this section. A city or town may only deny access to specific locations in the right-of-way on a nondiscriminatory basis for reasons of safety and generally applicable engineering principles. With the issuance of a use permit for each location, the city or town may limit the height of a new or replacement pole so that it does not exceed one hundred thirty percent of the average pole height in the vicinity, when the heights of poles within the same right-of-way and within one-half mile of the proposed pole location are averaged.

(3) A city or town must approve a master permit under this section within ninety days of a service provider's submittal of a complete application for such a permit. In addition to the applicable rate established in RCW 35.21.860, the master permit must provide for the future issuance of use permits anywhere within the city or town. No concealment, stealth, or aesthetic standards may be required through a master or use permit, except in locations in a designated historic district if similar utility improvements are subject to the same design standards.

(4) Once a master permit is approved under subsection (3) of this section, the city or town must issue a use permit for each small cell facility or network according to the same timeline and process as described in section 106 of this act.

(5) A city or town shall:

(a) In order to facilitate the scheduling and coordination of work in the right-of-way, provide as much advance notice as reasonable of plans to open the right-of-way to those service providers who are current users of the right-of-way or who have filed notice with the clerk of the city or town within the past twelve months of their intent to place facilities in the city or town. A city or town is not liable for damages for failure to provide this notice. Where the city or town has failed to provide notice of plans to open the right-of-way consistent with this subsection, a city or town may not deny a use permit to a service provider on the basis that the service provider failed to coordinate with another project.

(b) Have the authority to require that facilities are installed and maintained within the right-of-way in such a manner and at such points so as not to impede the public use of the right-of-way or to adversely affect the public health, safety, and welfare.

(6) A service provider shall:

(a) Obtain all permits required by the city or town for the installation, maintenance, repair, or removal of facilities in the right-of-way;

(b) Comply with applicable ordinances, construction codes, regulations, and standards subject to verification by the city or town of such compliance;

(c) Cooperate with the city or town in ensuring that facilities are installed, maintained, repaired, and removed within the right-of-way in such a manner and at such points so as not to impede the public use of the right-of-way or to adversely affect the public health, safety, and welfare;

(d) Provide information and plans as reasonably necessary to enable a city or town to comply with subsection (5) of this section including, when notified by the city or town, the provision of advance planning information pursuant to the procedures established by the city or town;

(e) Obtain the written approval of the facility or structure owner, if the service provider does not own it, prior to attaching to or otherwise using a facility or structure in the right-of-way;

(f) Construct, install, operate, and maintain its facilities at its expense; and

(g) Comply with applicable federal and state safety laws and standards.

(7) Nothing in this section may be construed as:

(a) Creating a new duty upon cities or towns to be responsible for construction of facilities for service providers or to modify the right-of-way to accommodate these facilities;

(b) Creating, expanding, or extending any liability of a city or town to any third-party user of facilities or third-party beneficiary; or

(c) Limiting the right of a city or town to require an indemnification agreement as a condition of a service provider's facilities occupying the right-of-way.

(8) Nothing in this section creates, modifies, expands, or diminishes a priority of use of the right-of-way by a service provider or other utility, either in relation to other service providers or in relation to other users of the right-of-way for other purposes.

**Sec.**  RCW 35.99.040 and 2000 c 83 s 4 are each amended to read as follows:

(1) A city or town shall not adopt or enforce regulations or ordinances specifically relating to use of the right‑of‑way by a service provider that:

(a) Impose requirements that regulate the services or business operations of the service provider, except where otherwise authorized in state or federal law;

(b) Conflict with federal or state laws, rules, or regulations that specifically apply to the design, construction, and operation of facilities or with federal or state worker safety or public safety laws, rules, or regulations;

(c) Regulate the services provided based upon the content or kind of signals that are carried or are capable of being carried over the facilities, except where otherwise authorized in state or federal law; or

(d) Unreasonably deny the use of the right‑of‑way by a service provider for installing, maintaining, repairing, or removing facilities for telecommunications services or cable television services.

(2) Nothing in this chapter, including but not limited to the provisions of subsection (1)(d) of this section, limits the authority of a city or town to regulate the placement of facilities through its local zoning or police power, if the regulations do not otherwise:

(a) Prohibit the placement of all wireless or of all wireline facilities within the city or town;

(b) Prohibit the placement of all wireless or of all wireline facilities within city or town rights‑of‑way, unless the city or town is less than five square miles in size and has no commercial areas, in which case the city or town may make available land other than city or town rights‑of‑way for the placement of wireless facilities; ((~~or~~))

(c) Violate section 253 of the telecommunications act of 1996, P.L. 104-104 (110 Stat. 56); or

(d) Violate section 106 of this act regarding the installation of small cell facilities and small cell networks.

(3) This section does not amend, limit, repeal, or otherwise modify the authority of cities or towns to regulate cable television services pursuant to federal law, except that a cable television franchise may not prohibit a cable television company from providing wireless services.

NEW SECTION. **Sec.**  A new section is added to chapter 80.36 RCW to read as follows:

(1) Small cell facilities and small cell networks, as defined in RCW 80.36.375(2), are exempt from land use review.

(2)(a) Installation of small cell facilities and small cell networks exempt from land use review under subsection (1) of this section is subject only to issuance of:

(i) A building permit, if required to confirm compliance with chapter 19.27 RCW;

(ii) An encroachment permit, if required for construction in the right-of-way;

(iii) A use agreement, if located in a county right-of-way; or

(iv) A use permit issued under section 104 of this act if located in a city or town right-of-way.

(b) The city or county shall issue such permits, to the extent that they are applicable, together with associated approvals for installing fiber optic cables connecting the small cell facilities and any required make-ready work, no later than ninety days after the submission of a complete application for a small cell facility or network. The time period for issuance may be tolled within the first thirty days after the submission of an application if the city or county notifies the applicant that the application is incomplete, identifies all missing information, and specifies the code provision, ordinance, application instruction, or otherwise publicly stated procedure that requires the missing information to be submitted. The time period may also be extended by mutual agreement between the city or county and the applicant. Unless the time period is tolled or extended, if the city or county does not issue the associated permit or permits within ninety days after the submission of an application, the associated permit or permits are deemed issued.

(3) Applicants for small cell facilities exempt from land use review under subsection (1) of this section may not be required to submit information not required of other applicants.

(4)(a) A city or county: (i) May deny an application under this section only if the application does not meet applicable building or electrical codes or standards, provided these codes and standards are of general applicability; (ii) must document the specific code provisions or standards on which the denial is based; and (iii) must send the documentation to the applicant on or before the day the city or county denies an application.

(b) The applicant may cure the deficiencies identified by the city or county and resubmit the application within thirty days of the denial without paying an additional processing fee. The city or county shall approve or deny the revised application within thirty days after resubmittal.

(5) Applicants for small cell facility or network permits may not be required to pay a higher processing fee for the applications described in subsection (2) of this section than telecommunications services providers that are not personal wireless service providers. Notwithstanding RCW 35.21.860(1)(b), the total processing fees for any individual permit or approval, including any fees charged by third parties, may not exceed five hundred dollars.

(6) Notwithstanding anything to the contrary in this section, section 102 of this act, and RCW 35.21.860(1)(b), no application, permit, or fee is required for the following work involving small cell facilities: (a) Routine maintenance; (b) the replacement of small cell facilities with small cell facilities that are substantially similar in size, weight, and height, or smaller, and that have the same or less wind loading and structural loading; and (c) the installation, placement, maintenance operation, or replacement of small cell facilities that are suspended on cable or lines that are strung between existing utility poles in compliance with national safety codes.

**Sec.**  RCW 35A.21.245 and 2000 c 83 s 10 are each amended to read as follows:

Each code city is subject to the requirements and restrictions regarding facilities and rights-of-way under ((~~this~~)) RCW 35.21.860 and chapter 35.99 RCW.

**PART TWO**

**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, RCW 80.36.610, and ((~~RCW~~)) 80.36.650 through 80.36.690 ((~~and 80.36.610~~)), unless the context clearly requires otherwise.

((~~(a)~~)) (1) "Basic residential service" means those services set out in 47 C.F.R. Sec. 54.101(a) ((~~(2011)~~)), as it existed on the effective date of this section, and mandatory extended area service approved by the commission.

((~~(b)~~)) (2) "Basic telecommunications services" means the following services:

((~~(i)~~)) (a) Single-party service;

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

((~~(iii)~~)) (c) Support for local usage;

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

((~~(v)~~)) (e) Access to emergency services (911);

((~~(vi)~~)) (f) Access to operator services;

((~~(vii)~~)) (g) Access to interexchange services;

((~~(viii)~~)) (h) Access to directory assistance; and

((~~(ix)~~)) (i) Toll limitation services.

((~~(c)~~)) (3) "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~~)) including local exchange carriers whether providing service by traditional or voice over internet protocols or a combination thereof.

((~~(d)~~)) (4) "Communications services" includes telecommunications services and information services and ((~~any combination thereof~~)) broadband access services.

((~~(e)~~)) (5) "Incumbent local exchange carrier" has the same meaning as set forth in 47 U.S.C. Sec. 251(h) as it existed on the effective date of this section.

((~~(f)~~)) (6) "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)] Enables real-time, two-way voice communications; (b) [(ii)] requires a broadband connection from the user's location; (c) [(iii)] requires internet protocol-compatible customer premises equipment; and (d) [(iv)] permits users generally to receive calls that originate on the public network and to terminate calls to the public network.~~

~~(h)~~)) (7) "Program" means the state universal communications services program created in RCW 80.36.650.

((~~(i)~~)) (8) "Telecommunications" has the same meaning as defined in 47 U.S.C. Sec. 153((~~(43)~~)) as it existed on the effective date of this section.

((~~(j)~~)) (9) "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.~~

~~(2) This section expires July 1, 2020.~~))

**Sec.**  RCW 80.36.650 and 2016 c 145 s 1 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~~)) communications 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~~)) in Washington.

(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; provided, however, that if less than five million dollars is expended in any fiscal year, the unexpended portion must be carried over to subsequent fiscal years and, unless fully expended, must be available for program expenditures in such subsequent fiscal years in addition to the five million dollars allotted for each of those subsequent fiscal years.

(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) 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 provided over the incumbent public network. However, if an incumbent local exchange carrier is charging rates above the benchmark for the basic residential service, 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) 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) 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) The commission must establish an advisory board, consisting of a reasonable balance of representatives from different types of communications providers and consumers, to advise the commission on any rules and policies governing the operation of the program.

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

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

**Sec.**  RCW 80.36.660 and 2013 2nd sp.s. c 8 s 204 are each amended to read as follows:

((~~(1)~~)) To implement the program, the commission must adopt rules for the following purposes:

((~~(a)~~)) (1) Operation of the program, including criteria for: Eligibility for distributions; use of the funds; identification of any reports or data that must be filed with the commission, including, but not limited to, how a communication provider used the distributed funds; and the communications provider's infrastructure;

((~~(b)~~)) (2) Operation of the universal communications services account established in RCW 80.36.690;

((~~(c)~~)) (3) Establishment of the benchmark used to calculate distributions; and

((~~(d)~~)) (4) Readoption, amendment, or repeal of any existing rules adopted pursuant to RCW 80.36.610 ((~~and 80.36.620~~)) as necessary to be consistent with RCW 80.36.610, and 80.36.630 through 80.36.690 ((~~and 80.36.610~~)).

((~~(2) This section expires July 1, 2020.~~))

**Sec.**  RCW 80.36.670 and 2013 2nd sp.s. c 8 s 205 are each amended to read as follows:

(1) In addition to any other penalties prescribed by law, the commission may impose penalties for failure to make or delays in making or filing any reports required by the commission for administration of the program. In addition, the commission may recover amounts determined to have been improperly distributed under RCW 80.36.650. For the purposes of this section, the provisions of RCW 80.04.380 through 80.04.405, inclusive, apply to all companies that receive support from the universal communications services account created in RCW 80.36.690.

(2) Any action taken under this section must be taken only after providing the affected communications provider with notice and an opportunity for a hearing, unless otherwise provided by law.

(3) Any amounts recovered under this section must be deposited in the universal communications services account created in RCW 80.36.690.

((~~(4) This section expires July 1, 2020.~~))

**Sec.**  RCW 80.36.680 and 2013 2nd sp.s. c 8 s 206 are each amended to read as follows:

((~~(1)~~)) The commission may delegate to the commission secretary or other staff the authority to resolve disputes and make other administrative decisions necessary to the administration and supervision of the program consistent with the relevant statutes and commission rules.

((~~(2) This section expires July 1, 2020.~~))

**Sec.**  RCW 80.36.690 and 2013 2nd sp.s. c 8 s 208 are each amended to read as follows:

((~~(1)~~)) The universal communications services account is created in the custody of the state treasurer. Revenues to the account consist of moneys deposited in the account by the legislature and any penalties or other recoveries received pursuant to RCW 80.36.670. Expenditures from the account may be used only for the purposes of the universal communications services program established in RCW 80.36.650. Only the secretary of the commission or the secretary's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

((~~(2) This section expires July 1, 2020.~~))

NEW SECTION. **Sec.**  The following acts or parts of acts are each repealed:

(1)RCW 35.21.455 (Locally regulated utilities—Attachments to poles) and 1996 c 32 s 3;

(2)RCW 80.36.620 (Universal service program—Rules) and 1998 c 337 s 3; and

(3)RCW 80.36.700 (State universal communications services program—Program expiration and 2013 2nd sp.s. c 8 s 211."

**SB 5711** - S AMD **17**

By Senator Sheldon

**PULLED 03/02/2017**

On page 1, line 1 of the title, after "services;" strike the remainder of the title and insert "amending RCW 35.21.860, 35.99.020, 35.99.040, 35A.21.245, 80.36.630, 80.36.650, 80.36.660, 80.36.670, 80.36.680, and 80.36.690; adding new sections to chapter 35.99 RCW; adding a new section to chapter 80.36 RCW; and repealing RCW 35.21.455, 80.36.620, and 80.36.700."