

WAC 480-123-120 Eligibility and distributions from the program.

The commission will authorize distributions from the program on an annual basis. Each eligible provider will receive a single distribution for the year after January 1st of each year of eligibility, except as otherwise authorized by the commission.

(1) **Eligibility.** A wireline communications provider that complies with the requirements in this chapter is eligible to receive distributions from the program if the provider demonstrates that its financial circumstances are such that its customers 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 the commission has established. In making that determination, the commission will consider the provider's earned rate of return on a total Washington company books and unseparated regulated operations basis, the provider's return on equity, the status of the provider's existing debt obligations, and other relevant factors including, but not limited to, the extent to which the provider is planning or implementing operational efficiencies and business plan modifications to transition or expand from primary provision of legacy voice telephone service to broadband service or otherwise reduce its reliance on support from the program.

(2) **Calculation of support amount.** The amount that a wireline communications provider eligible to receive support from the program may receive in a calendar year shall not exceed the sum of the following:

(a) The amount the provider received in 2012 from the former traditional USF fund established in Docket U-85-23, et al., and administered by the Washington exchange carrier association; and

(b) The cumulative reduction in support from the Connect America Fund incurred by the provider up through and including the year for which program support is distributed to the provider to the extent the program contains sufficient funds.

(3) **Distribution to wireless communications providers.** The advisory board will make a recommendation to the commission on eligibility and distribution calculations for any wireless communications provider that seeks support from the program, and the commission will determine that provider's eligibility and the amount of support, if any, the provider may receive consistent with RCW 80.36.650 and commission rules.

(4) **Total requests in excess of available funds.** If the total requests for support for a calendar year exceed the program funds available for that year, the commission will distribute the available funds to eligible carriers on a pro rata basis. The commission may seek a recommendation from the advisory board on the best pro rata distribution methodology to use.

(5) **Commission determination.** The commission will consider petitions from companies seeking support from the program and will make the necessary eligibility and distribution determinations in response to those petitions prior to January 1st of the calendar year in which funds from the program will be distributed.

[Statutory Authority: RCW 80.01.040(4), 80.36.630, 80.36.650, 80.36.660, 80.36.670, 80.36.680, 80.36.690, and 80.36.700. WSR 14-21-045 and WSR 14-12-008 (Docket UT-131239, General Order R-575), § 480-123-120, filed 10/7/14 and 5/22/14, effective 6/22/14.]