

2SSB 5935 - S AMD TO S AMD (S-5126.1/18) 651
By Senator Sheldon

PULLED 02/13/2018

1 On page 14, line 9 of the amendment, after "July 1," strike
2 "2020" and insert "~~(2020)~~ 2025"

3 Beginning on page 14, line 10 of the amendment, strike all of
4 section 13 and insert the following:

5 "**Sec. 13.** RCW 80.36.650 and 2016 c 145 s 1 are each amended to
6 read as follows:

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

17 (2) Under the program, eligible communications providers may
18 receive distributions from the universal communications services
19 account created in RCW 80.36.690 in exchange for the affirmative
20 agreement to provide continued services under the rates, terms, and
21 conditions established by the commission under this chapter for the
22 period covered by the distribution. The commission must implement and
23 administer the program under terms and conditions established in RCW
24 80.36.630 through 80.36.690. Expenditures for the program may not
25 exceed five million dollars per fiscal year; provided, however, that
26 if less than five million dollars is expended in any fiscal year, the
27 unexpended portion must be carried over to subsequent fiscal years
28 and, unless fully expended, must be available for program
29 expenditures in such subsequent fiscal years in addition to the five
30 million dollars allotted for each of those subsequent fiscal years.

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

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

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

14 (c) The communications provider meets any other requirements
15 established by the commission pertaining to the provision of
16 communications services, including basic telecommunications services;
17 and

18 (d) The provider demonstrates to the commission that the provider
19 is able to provide the same or comparable services at the same or
20 similar service quality standards at a lower price.

21 (4)(a) Distributions to eligible communications providers are
22 based on ~~((a benchmark))~~ criteria established by the commission.
23 ~~((The benchmark is the rate the commission determines to be a~~
24 ~~reasonable amount customers should pay for basic residential service~~
25 ~~provided over the incumbent public network. However, if an incumbent~~
26 ~~local exchange carrier is charging rates above the benchmark for the~~
27 ~~basic residential service, that provider may not seek distributions~~
28 ~~from the fund for the purpose of reducing those rates to the~~
29 ~~benchmark.))~~

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

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

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

5 (7) The commission must establish an advisory board, consisting
6 of a reasonable balance of representatives from different types of
7 stakeholders, including but not limited to communications providers
8 and consumers, to advise the commission on any rules and policies
9 governing the operation of the program.

10 (8) The program terminates on June 30, (~~2019~~) 2024, and no
11 distributions may be made after that date.

12 (9) This section expires July 1, (~~2020~~) 2025."

13 On page 16, line 21 of the amendment, after "July 1," strike
14 "2020" and insert "~~(2020)~~ 2025"

15 On page 16, line 24 of the amendment, after "~~(2017)~~" strike
16 "2019" and insert "2024"

17 On page 17, after line 2 of the amendment, insert the following:

18 "**Sec. 16.** RCW 80.36.660 and 2013 2nd sp.s. c 8 s 204 are each
19 amended to read as follows:

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

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

27 (b) Operation of the universal communications services account
28 established in RCW 80.36.690;

29 (c) Establishment of the benchmark used to calculate
30 distributions; and

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

34 (2) This section expires July 1, (~~2020~~) 2025.

35 **Sec. 17.** RCW 80.36.670 and 2013 2nd sp.s. c 8 s 205 are each
36 amended to read as follows:

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

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

13 (3) Any amounts recovered under this section must be deposited in
14 the universal communications services account created in RCW
15 80.36.690.

16 (4) This section expires July 1, (~~2020~~) 2025.

17 **Sec. 18.** RCW 80.36.680 and 2013 2nd sp.s. c 8 s 206 are each
18 amended to read as follows:

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

24 (2) This section expires July 1, (~~2020~~) 2025.

25 **Sec. 19.** RCW 80.36.700 and 2013 2nd sp.s. c 8 s 211 are each
26 amended to read as follows:

27 (1) The universal communications services program established in
28 RCW 80.36.630 through 80.36.690 terminates on June 30, 2019.

29 (2) This section expires July 1, (~~2020~~) 2025."

30 Renumber the remaining sections consecutively and correct any
31 internal references accordingly.

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1 On page 26, line 29 of the title amendment, after "80.36.690,"
2 strike "and 53.08.370" and insert "53.08.370, 80.36.660, 80.36.670,
3 80.36.680, and 80.36.700"

4 On page 27, line 2 of the title amendment, after "providing"
5 strike "an expiration date" and insert "expiration dates"

EFFECT: Extends the USF program until 2025; allows the commission to designate additional providers as eligible to receive distributions from the universal communications services account if they can demonstrate they can provide the same or comparable services at the same or similar service quality standards at a lower price.

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