

2SSB 5935 - S AMD TO S AMD (S-5126.1/18) 659  
By Senator Sheldon

ADOPTED 02/14/2018

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

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

14 ~~((+e))~~ (iii) The communications provider meets any other  
15 requirements established by the commission pertaining to the  
16 provision of communications services, including basic  
17 telecommunications services; or

18 (b) 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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**ADOPTED 02/14/2018**

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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