

# SENATE BILL REPORT

## SSB 5600

---

---

As Reported by Senate Committee On:  
Ways & Means, February 5, 2024

**Title:** An act relating to extending the expiration date for the state universal communications services program.

**Brief Description:** Extending the expiration date for the state universal communications services program.

**Sponsors:** Senate Committee on Environment, Energy & Technology (originally sponsored by Senators Wellman, Braun, Lovick, Schoesler and Short).

**Brief History:**

**Committee Activity:** Ways & Means: 2/22/23, 2/24/23 [DPS (ENET), w/oRec]; 2/05/24 [DP2S, DNP, w/oRec].

**Brief Summary of Second Substitute Bill**

- Extends the expiration date of the state Universal Communications Services Program by one year.
- Directs the Utilities and Transportation Commission to submit a report on certain outcomes of the program.

---

### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 5600 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Robinson, Chair; Mullet, Vice Chair, Capital; Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Rivers, Assistant Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Boehnke, Braun, Conway, Hunt, Muzzall, Randall, Torres, Van De Wege, Wagoner and Wellman.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Minority Report:** Do not pass.

Signed by Senator Hasegawa.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Nguyen, Vice Chair, Operating; Billig, Dhingra, Keiser, Pedersen and Saldaña.

**Staff:** Jed Herman (786-7346)

**Background:** Utilities and Transportation Commission. The Utilities and Transportation Commission (UTC) is a three-member commission appointed by the Governor and confirmed by the Senate. The UTC regulates the rates, services, facilities, and practices of utilities and transportation services.

State Universal Communications Service Program. The state Universal Communications Services Program (program) was established to support the continued provision of basic telecommunications services under rates, terms, and conditions established by the UTC and the provision and enhancement of broadband services.

Under the program, an eligible communications provider (provider) may receive distributions from the Universal Communications Services Account (account). Expenditures for the program may not exceed \$5 million. Distributions from the account are based on a formula established by the UTC and may be adjusted as specified if the program does not have sufficient funds to fully fund this formula. To receive a distribution, an eligible provider must affirmatively consent to continue providing communications services to its customers under rates, terms, and conditions established by the UTC for the period covered by the distribution.

A provider is eligible to receive distributions from the account if it:

- is an incumbent local exchange carrier serving fewer than 40,000 access lines in the state or a radio communications service company providing wireless two-way communications service and broadband services to less than the equivalent of 40,000 access line in the state;
- has adopted a plan to maintain broadband services in its service area; and
- meets any other criteria set by the UTC; or
- demonstrates to the UTC that it is able to provide the same or comparable services at the same or similar service quality standards at a lower price, will provide service to all customers in the exchange service area, and submits to UTC regulation of its service as if it were the incumbent local exchange company.

The UTC must periodically review the accounts and records of any provider that receives distributions under the program to ensure compliance and monitor the use of funds. The UTC must also establish an advisory board to advise it on any rules and policies governing the operations of the program.

The program terminates June 30, 2024, and it expires July 1, 2025.

**Summary of Bill (Second Substitute):** The program termination date is changed from June 30, 2024 to June 30, 2025. The statute expiration date is changed from July 1, 2025 to July 1, 2026.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute):**

- Extends the expiration date of the universal communication services program by one year.
- Requires a report from the Utilities and Transportation Commission that:
  1. identifies the number of residents benefiting and the geographic areas served;
  2. describes the ways that the receiving companies use the money, the distribution amounts to each company, and the implications to service delivery, access and availability to benefiting residents if the funding was no longer available; and
  3. any other information and analysis that would help inform future appropriation decisions.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Proposed Substitute (Environment, Energy & Technology) (Regular Session 2023):** *The committee recommended a different version of the bill than what was heard.* PRO: This program supports small companies that provide broadband services in rural areas. Customers need access to broadband for various purposes such as telehealth, economic development, and education. These companies need this program to build out to new locations and maintain current systems. Broadband infrastructure needs upgrades in order to run new software being deployed and to handle increased traffic from residents, hospitals, county and city facilities, schools, and libraries.

**Persons Testifying (Environment, Energy & Technology):** PRO: Senator Lisa Wellman, Prime Sponsor; Dallas Filan, Pioneer Telephone; Ole Olsen, St. John Telephone Company; Mike Oblizalo, Hood Canal Communications.

**Persons Signed In To Testify But Not Testifying (Environment, Energy & Technology):** No one.

**Staff Summary of Public Testimony on First Substitute (Ways & Means) (Regular Session 2023):** PRO: This fund is unique in this state as it helps to expand, upgrade and maintain broadband. The fund has provided broadbands to 4000 locations in rural communities.

**Persons Testifying (Ways & Means):** PRO: Senator Lisa Wellman, Prime Sponsor; Betty Buckley, Washington Independent Telecommunications Association.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.

**Staff Summary of Public Testimony on Second Substitute (Ways & Means) (Regular Session 2024):** No public hearing was held.

**Persons Testifying (Ways & Means):** N/A

**Persons Signed In To Testify But Not Testifying (Ways & Means):** N/A