

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 5670

Chapter 145, Laws of 2016

64th Legislature
2016 Regular Session

UNIVERSAL COMMUNICATIONS SERVICES PROGRAM--EXPENDITURE LIMIT--CARRY
OVER

EFFECTIVE DATE: 6/9/2016

Passed by the Senate February 17, 2016
Yeas 37 Nays 10

BRAD OWEN

President of the Senate

Passed by the House March 4, 2016
Yeas 97 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Approved March 31, 2016 4:47 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5670** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Secretary

FILED

April 1, 2016

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5670

Passed Legislature - 2016 Regular Session

State of Washington

64th Legislature

2015 Regular Session

By Senate Energy, Environment & Telecommunications (originally sponsored by Senators Braun, Chase, Kohl-Welles, Sheldon, Hatfield, Rivers, Bailey, Dansel, Ericksen, Becker, and Hewitt)

READ FIRST TIME 02/19/15.

1 AN ACT Relating to clarifying expenditures under the state
2 universal communications services program; and amending RCW
3 80.36.650.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 80.36.650 and 2013 2nd sp.s. c 8 s 203 are each
6 amended to 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

1 period covered by the distribution. The commission must implement and
2 administer the program under terms and conditions established in RCW
3 80.36.630 through 80.36.690. Expenditures for the program may not
4 exceed five million dollars per fiscal year; provided, however, that
5 if less than five million dollars is expended in any fiscal year, the
6 unexpended portion must be carried over to subsequent fiscal years
7 and, unless fully expended, must be available for program
8 expenditures in such subsequent fiscal years in addition to the five
9 million dollars allotted for each of those subsequent fiscal years.

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

12 (a) The communications provider is: (i) An incumbent local
13 exchange carrier serving fewer than forty thousand access lines in
14 the state; or (ii) a radio communications service company providing
15 wireless two-way voice communications service to less than the
16 equivalent of forty thousand access lines in the state. For purposes
17 of determining the access line threshold in this subsection, the
18 access lines or equivalents of all affiliates must be counted as a
19 single threshold, if the lines or equivalents are located in
20 Washington;

21 (b) The customers of the communications provider are at risk of
22 rate instability or service interruptions or cessations absent a
23 distribution to the provider that will allow the provider to maintain
24 rates reasonably close to the benchmark; and

25 (c) The communications provider meets any other requirements
26 established by the commission pertaining to the provision of
27 communications services, including basic telecommunications services.

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

36 (b) To receive a distribution under the program, an eligible
37 communications provider must affirmatively consent to continue
38 providing communications services to its customers under rates,
39 terms, and conditions established by the commission pursuant to this
40 chapter for the period covered by the distribution.

1 (5) The program is funded from amounts deposited by the
2 legislature in the universal communications services account
3 established in RCW 80.36.690. The commission must operate the program
4 within amounts appropriated for this purpose and deposited in the
5 account.

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

10 (7) The commission must establish an advisory board, consisting
11 of a reasonable balance of representatives from different types of
12 communications providers and consumers, to advise the commission on
13 any rules and policies governing the operation of the program.

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

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

Passed by the Senate February 17, 2016.

Passed by the House March 4, 2016.

Approved by the Governor March 31, 2016.

Filed in Office of Secretary of State April 1, 2016.