

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

NOT ADOPTED 02/14/2018

1 Beginning on page 12, line 32 of the amendment, strike all of
2 sections 12 through 15 and insert the following:

3 "Sec. 12. RCW 80.36.630 and 2013 2nd sp.s. c 8 s 202 are each
4 amended to read as follows:

5 (1) The definitions in this section apply throughout this section
6 and RCW 80.36.650 through 80.36.690 and 80.36.610 unless the context
7 clearly requires otherwise.

8 (a) "Basic residential service" means those services set out in
9 47 C.F.R. Sec. 54.101(a) (2011) and mandatory extended area service
10 approved by the commission.

11 (b) "Basic telecommunications services" means the following
12 services:

13 (i) Single-party service;

14 (ii) Voice grade access to the public switched network;

15 (iii) Support for local usage;

16 (iv) Dual tone multifrequency signaling (touch-tone);

17 (v) Access to emergency services (911);

18 (vi) Access to operator services;

19 (vii) Access to interexchange services;

20 (viii) Access to directory assistance; and

21 (ix) Toll limitation services.

22 (c) "Communications provider" means a provider of communications
23 services that assigns a working telephone number to a final consumer
24 for intrastate wireline or wireless communications services or
25 interconnected voice over internet protocol service, and includes
26 local exchange carriers.

27 (d) "Communications services" includes telecommunications
28 services and information services and any combination thereof.

29 (e) "Incumbent local exchange carrier" has the same meaning as
30 set forth in 47 U.S.C. Sec. 251(h).

31 (f) "Incumbent public network" means the network established by
32 incumbent local exchange carriers for the delivery of communications

1 services to customers that is used by communications providers for
2 origination or termination of communications services by or to
3 customers.

4 (g) "Interconnected voice over internet protocol service" means
5 an interconnected voice over internet protocol service that: ~~((a)~~
6 ~~[(i)])~~ (i) Enables real-time, two-way voice communications; ~~((b)~~
7 ~~[(ii)])~~ (ii) requires a broadband connection from the user's
8 location; ~~((c)~~ ~~[(iii)])~~ (iii) requires internet protocol-compatible
9 customer premises equipment; and ~~((d)~~ ~~[(iv)])~~ (iv) permits users
10 generally to receive calls that originate on the public network and
11 to terminate calls to the public network.

12 (h) "Program" means the state universal communications services
13 program created in RCW 80.36.650.

14 (i) "Telecommunications" has the same meaning as defined in 47
15 U.S.C. Sec. 153(43).

16 (j) "Telecommunications act of 1996" means the telecommunications
17 act of 1996 (P.L. 104-104, 110 Stat. 56).

18 (k) "Working telephone number" means a north American numbering
19 plan telephone number, or successor dialing protocol, that is
20 developed for use in placing calls to or from the public network,
21 that enables a consumer to make or receive calls.

22 (2) This section expires July 1, ~~((2020))~~ 2030.

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

25 (1) A state universal communications services program is
26 established. The program is established to protect public safety and
27 welfare under the authority of the state to regulate
28 telecommunications under Article XII, section 19 of the state
29 Constitution. The purpose of the program is to support continued
30 provision of basic telecommunications services under rates, terms,
31 and conditions established by the commission ~~((during the time over
32 which incumbent communications providers in the state are adapting to
33 changes in federal universal service fund and intercarrier
34 compensation support))~~ and the provision, enhancement, and
35 maintenance of broadband services, recognizing that the incumbent
36 public network functions to provide all communications services
37 including, but not limited to, voice and broadband services.

38 (2) Under the program, eligible communications providers may
39 receive distributions from the universal communications services

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

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

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

25 (b) ~~The ((customers of the communications provider are at risk of~~
26 ~~rate instability or service interruptions or cessations absent a~~
27 ~~distribution to the provider that will allow the provider to maintain~~
28 ~~rates reasonably close to the benchmark)) communications provider has
29 adopted a plan to provide, enhance, or maintain broadband service in
30 its service area; and~~

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

34 (4)(a) ~~Distributions to eligible communications providers are~~
35 ~~based on ((a benchmark established by the commission. The benchmark~~
36 ~~is the rate the commission determines to be a reasonable amount~~
37 ~~customers should pay for basic residential service provided over the~~
38 ~~incumbent public network. However, if an incumbent local exchange~~
39 ~~carrier is charging rates above the benchmark for the basic~~
40 ~~residential service, that provider may not seek distributions from~~

1 ~~the fund for the purpose of reducing those rates to the benchmark))~~
2 criterion established by the commission.

3 (b) If the program does not have sufficient funds to fully fund
4 the distribution formula set out in (a) of this subsection,
5 distributions must be reduced on a pro rata basis using the amounts
6 calculated for that year's program support as the basis of the pro
7 rata calculations.

8 (c) To receive a distribution under the program, an eligible
9 communications provider must affirmatively consent to continue
10 providing communications services to its customers under rates,
11 terms, and conditions established by the commission pursuant to this
12 chapter for the period covered by the distribution.

13 (5) The program is funded from amounts deposited by the
14 legislature in the universal communications services account
15 established in RCW 80.36.690. The commission must operate the program
16 within amounts appropriated for this purpose and deposited in the
17 account.

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

22 ~~(7) ((The commission must establish an advisory board, consisting~~
23 ~~of a reasonable balance of representatives from different types of~~
24 ~~communications providers and consumers, to advise the commission on~~
25 ~~any rules and policies governing the operation of the program.~~

26 ~~(8))~~ The program terminates on June 30, ~~((2019))~~ 2029, and no
27 distributions may be made after that date.

28 ~~((9))~~ (8) This section expires July 1, ~~((2020))~~ 2030.

29 **Sec. 14.** RCW 80.36.660 and 2013 2nd sp.s. c 8 s 204 are each
30 amended to read as follows:

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

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

38 (b) Operation of the universal communications services account
39 established in RCW 80.36.690; and

1 (c) Establishment of the (~~benchmark~~) formula used to calculate
2 distributions(~~(; and~~

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

6 (2) This section expires July 1, (~~(2020)~~) 2030.

7 **Sec. 15.** RCW 80.36.670 and 2013 2nd sp.s. c 8 s 205 are each
8 amended to read as follows:

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

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

21 (3) Any amounts recovered under this section must be deposited in
22 the universal communications services account created in RCW
23 80.36.690.

24 (4) This section expires July 1, (~~(2020)~~) 2030.

25 **Sec. 16.** RCW 80.36.680 and 2013 2nd sp.s. c 8 s 206 are each
26 amended to read as follows:

27 (1) The commission may delegate to the commission secretary or
28 other staff the authority to resolve disputes and make other
29 administrative decisions necessary to the administration and
30 supervision of the program consistent with the relevant statutes and
31 commission rules.

32 (2) This section expires July 1, (~~(2020)~~) 2030.

33 **Sec. 17.** RCW 80.36.690 and 2013 2nd sp.s. c 8 s 208 are each
34 amended to read as follows:

35 (1) The universal communications services account is created in
36 the custody of the state treasurer. Revenues to the account consist
37 of moneys deposited in the account by the legislature and any

1 penalties or other recoveries received pursuant to RCW 80.36.670.
2 Expenditures from the account may be used only for the purposes of
3 the universal communications services program established in RCW
4 80.36.650. Only the secretary of the commission or the secretary's
5 designee may authorize expenditures from the account. The account is
6 subject to allotment procedures under chapter 43.88 RCW, but an
7 appropriation is not required for expenditures.

8 (2) This section expires July 1, (~~2020~~) 2030."

9 Renumber the remaining sections consecutively and correct any
10 internal references accordingly.

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11 On page 26, line 29 of the title amendment, after "80.36.650,"
12 insert "80.36.660, 80.36.670, 80.36.680,"

13 On page 26, line 29 of the title amendment, after "53.08.370;"
14 strike all material through "s 212 (uncodified);"

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

EFFECT: Extends the USF until 2030. Provides that distribution of funds is based on UTC criterion.

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