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HOUSE BILL 1782

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State of Washington

64th Legislature

2015 Regular Session

By Representatives Wilcox, Springer, Takko, Blake, Short, Nealey, Pollet, Vick, Parker, Morris, Reykdal, Orcutt, Schmick, DeBolt, MacEwen, Smith, Dent, Manweller, Robinson, Fitzgibbon, Wylie, Fagan, Tharinger, and Stokesbary

Read first time 01/28/15. Referred to Committee on Appropriations.

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 a fiscal year, or  
6 has been previously expended in a prior fiscal year from 2013 through  
7 2020, the unexpended portion must be carried over and expended in a  
8 subsequent fiscal year in addition to the five million dollars  
9 allotted for that fiscal year.

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.

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