
SECOND SUBSTITUTE SENATE BILL 5600

State of Washington

68th Legislature

2024 Regular Session

By Senate Ways & Means (originally sponsored by Senators Wellman, Braun, Lovick, Schoesler, and Short)

READ FIRST TIME 02/05/24.

1 AN ACT Relating to extending the expiration date for the state
2 universal communications services program; amending RCW 80.36.630,
3 80.36.650, 80.36.660, 80.36.670, 80.36.680, 80.36.690, and 80.36.700;
4 and providing expiration dates.

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

6 **Sec. 1.** RCW 80.36.630 and 2019 c 365 s 11 are each amended to
7 read as follows:

8 (1) The definitions in this section apply throughout this section
9 and RCW 80.36.650 through 80.36.690 and 80.36.610 unless the context
10 clearly requires otherwise.

11 (a) "Basic residential service" means those services set out in
12 47 C.F.R. Sec. 54.101(a) (2011), as it existed on May 13, 2019, and
13 mandatory extended area service approved by the commission.

14 (b) "Basic telecommunications services" means the following
15 services:

16 (i) Single-party service;

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

18 (iii) Support for local usage;

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

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

21 (vi) Access to operator services;

1 (vii) Access to interexchange services;

2 (viii) Access to directory assistance; and

3 (ix) Toll limitation services.

4 (c) "Broadband service" means any service providing advanced
5 telecommunications capability, including internet access and access
6 to high quality voice, data, graphics, or video.

7 (d) "Communications provider" means a provider of communications
8 services that assigns a working telephone number to a final consumer
9 for intrastate wireline or wireless communications services or
10 interconnected voice over internet protocol service, and includes
11 local exchange carriers.

12 (e) "Communications services" includes telecommunications
13 services and information services and any combination thereof.

14 (f) "Incumbent local exchange carrier" has the same meaning as
15 set forth in 47 U.S.C. Sec. 251(h).

16 (g) "Incumbent public network" means the network established by
17 incumbent local exchange carriers for the delivery of communications
18 services to customers that is used by communications providers for
19 origination or termination of communications services by or to
20 customers.

21 (h) "Interconnected voice over internet protocol service" means
22 an interconnected voice over internet protocol service that: (i)
23 Enables real-time, two-way voice communications; (ii) requires a
24 broadband connection from the user's location; (iii) requires
25 internet protocol-compatible customer premises equipment; and (iv)
26 permits users generally to receive calls that originate on the public
27 network and to terminate calls to the public network.

28 (i) "Program" means the state universal communications services
29 program created in RCW 80.36.650.

30 (j) "Telecommunications" has the same meaning as defined in 47
31 U.S.C. Sec. 153(43).

32 (k) "Telecommunications act of 1996" means the telecommunications
33 act of 1996 (P.L. 104-104, 110 Stat. 56).

34 (2) This section expires July 1, (~~2025~~) 2026.

35 **Sec. 2.** RCW 80.36.650 and 2019 c 365 s 12 are each amended to
36 read as follows:

37 (1) A state universal communications services program is
38 established. The program is established to protect public safety and
39 welfare under the authority of the state to regulate

1 telecommunications under Article XII, section 19 of the state
2 Constitution. The purpose of the program is to support continued
3 provision of basic telecommunications services under rates, terms,
4 and conditions established by the commission and the provision,
5 enhancement, and maintenance of broadband services, recognizing that,
6 historically, the incumbent public network functions to provide all
7 communications services including, but not limited to, voice and
8 broadband services.

9 (2) Under the program, eligible communications providers may
10 receive distributions from the universal communications services
11 account created in RCW 80.36.690 in exchange for the affirmative
12 agreement to provide continued telecommunications services under the
13 rates, terms, and conditions established by the commission under this
14 chapter, and broadband services, for the period covered by the
15 distribution. The commission must implement and administer the
16 program under terms and conditions established in RCW 80.36.630
17 through 80.36.690. Expenditures for the program may not exceed (~~five~~
18 ~~million dollars~~) \$5,000,000 per fiscal year; provided, however, that
19 if less than (~~five million dollars~~) \$5,000,000 is expended in any
20 fiscal year, the unexpended portion must be carried over to
21 subsequent fiscal years and, unless fully expended, must be available
22 for program expenditures in such subsequent fiscal years in addition
23 to the (~~five million dollars~~) \$5,000,000 allotted for each of those
24 subsequent fiscal years.

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

27 (a)(i) The communications provider is: (A) An incumbent local
28 exchange carrier serving fewer than (~~forty thousand~~) 40,000 access
29 lines in the state; or (B) a radio communications service company
30 providing wireless two-way voice communications service and broadband
31 services to less than the equivalent of (~~forty thousand~~) 40,000
32 access lines in the state. For purposes of determining the access
33 line threshold in this subsection, the access lines or equivalents of
34 all wireline affiliates must be counted as a single threshold, if the
35 lines or equivalents are located in Washington;

36 (ii) The communications provider has adopted a plan to provide,
37 enhance, or maintain broadband services in its service area; and

38 (iii) The communications provider meets any other requirements
39 established by the commission pertaining to the provision of

1 communications services, including basic telecommunications services;
2 or

3 (b) The communications provider demonstrates to the commission
4 that the communications provider is able to provide the same or
5 comparable services at the same or similar service quality standards
6 at a lower price; and: (i) Will provide communications services to
7 all customers in the exchange or exchanges in which it will provide
8 service; and (ii) submits to the commission's regulation of its
9 service as if it were the incumbent local exchange company serving
10 the exchange or exchanges for which it seeks distribution from the
11 account.

12 (4)(a) Distributions to eligible communications providers are
13 based on criteria established by the commission.

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

19 (c) To receive a distribution under the program, an eligible
20 communications provider must affirmatively consent to continue
21 providing communications services to its customers under rates,
22 terms, and conditions established by the commission pursuant to this
23 chapter for the period covered by the distribution.

24 (5) The program is funded from amounts deposited by the
25 legislature in the universal communications services account
26 established in RCW 80.36.690. The commission must operate the program
27 within amounts appropriated for this purpose and deposited in the
28 account.

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

33 (7) The commission must establish an advisory board, consisting
34 of a reasonable balance of representatives from different types of
35 stakeholders, including but not limited to communications providers
36 and consumers, to advise the commission on any rules and policies
37 governing the operation of the program.

38 (8) The commission must submit a report to the legislature that
39 describes the number of residents benefiting from the program, the
40 geographic areas served, the ways that the receiving companies use

1 the funds, the distribution amounts to each company, and implications
2 to service delivery, digital access, and availability to benefiting
3 residents if the funding were not provided. The commission may also
4 include any additional information and analysis that would help
5 inform future appropriation decisions regarding the program. The
6 report must be submitted to the fiscal committees of the legislature
7 by December 31, 2024.

8 (9) The program terminates on June 30, ~~((2024))~~ 2025, and no
9 distributions may be made after that date.

10 ~~((+9))~~ (10) This section expires July 1, ~~((2025))~~ 2026.

11 **Sec. 3.** RCW 80.36.660 and 2019 c 365 s 13 are each amended to
12 read as follows:

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

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

20 (b) Operation of the universal communications services account
21 established in RCW 80.36.690;

22 (c) Establishment of the criteria used to calculate
23 distributions; and

24 (d) Readoption, amendment, or repeal of any existing rules
25 adopted pursuant to RCW 80.36.610 as necessary to be consistent with
26 RCW 80.36.630 through 80.36.690 and 80.36.610.

27 (2) This section expires July 1, ~~((2025))~~ 2026.

28 **Sec. 4.** RCW 80.36.670 and 2019 c 365 s 14 are each amended to
29 read as follows:

30 (1) In addition to any other penalties prescribed by law, the
31 commission may impose penalties for failure to make or delays in
32 making or filing any reports required by the commission for
33 administration of the program. In addition, the commission may
34 recover amounts determined to have been improperly distributed under
35 RCW 80.36.650. For the purposes of this section, the provisions of
36 RCW 80.04.380 through 80.04.405, inclusive, apply to all companies
37 that receive support from the universal communications services
38 account created in RCW 80.36.690.

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

4 (3) Any amounts recovered under this section must be deposited in
5 the universal communications services account created in RCW
6 80.36.690.

7 (4) This section expires July 1, (~~2025~~) 2026.

8 **Sec. 5.** RCW 80.36.680 and 2019 c 365 s 15 are each amended to
9 read as follows:

10 (1) The commission may delegate to the commission secretary or
11 other staff the authority to resolve disputes and make other
12 administrative decisions necessary to the administration and
13 supervision of the program consistent with the relevant statutes and
14 commission rules.

15 (2) This section expires July 1, (~~2025~~) 2026.

16 **Sec. 6.** RCW 80.36.690 and 2019 c 365 s 16 are each amended to
17 read as follows:

18 (1) The universal communications services account is created in
19 the custody of the state treasurer. Revenues to the account consist
20 of moneys deposited in the account by the legislature and any
21 penalties or other recoveries received pursuant to RCW 80.36.670.
22 Expenditures from the account may be used only for the purposes of
23 the universal communications services program established in RCW
24 80.36.650 and commission expenses related to implementation and
25 administration of the provisions of RCW 80.36.630 through 80.36.690
26 and section 212, chapter 8, Laws of 2013 2nd sp. sess. Only the
27 secretary of the commission or the secretary's designee may authorize
28 expenditures from the account. The account is subject to allotment
29 procedures under chapter 43.88 RCW, but an appropriation is not
30 required for expenditures.

31 (2) This section expires July 1, (~~2025~~) 2026.

32 **Sec. 7.** RCW 80.36.700 and 2019 c 365 s 17 are each amended to
33 read as follows:

34 (1) The universal communications services program established in
35 RCW 80.36.630 through 80.36.690 terminates on June 30, (~~2024~~) 2025.

1 (2) This section expires July 1, (~~2025~~) 2026.

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