ENROLLED ACT NO. 26, SENATE

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AN ACT relating to telecommunications; amending the Wyoming Telecommunications Act as specified; extending the Wyoming Telecommunications Act's sunset date; amending authority of the public service commission; amending regulatory authority over telecommunications companies deemed to be competitive; amending the operation of the Wyoming universal service fund; providing an alternative distribution option for the Wyoming universal service fund; establishing a benchmark price for essential local exchange services; providing standards for the review and alteration of the benchmark price; establishing a cap on additional expenditures related to the Wyoming universal service fund; repealing and amending obsolete standards and language; language related competitive amending to regulation; amending deadlines related to certificates of public convenience; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 37-15-101(b), 37-15-103(a)(xvi)(A)(I), 37-15-201(a), 37-15-202(a)(intro) and (i), (c), (d)(i) and by creating new subsections (h) and (j), 37-15-203(j), 37-15-204(a) and 37-15-501(b) through (e) and by creating new subsections (g) and (h) are amended to read:

37-15-101. Short title; sunset.

(b) This chapter is repealed effective July 1, $\frac{2015}{2019}$.

37-15-103. Definitions.

(a) As used in this chapter:

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- (xvi) "Supported services" means the services or functionalities which shall be supported by the state universal service fund pursuant to W.S. 37-15-502, as described in subparagraphs (A) and (B) of this paragraph:
- (A) The services designated for support are:
- (I) Voice grade access to the public switched network. "Voice grade access" is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call:

 For the purposes of this subparagraph, bandwidth for voice grade access shall be, at a minimum, three hundred (300) to three thousand (3,000) Hertz;
- 37-15-201. Regulation of local exchange services; certificates of public convenience and necessity; concurrent certificates.
- (a) Except for those telecommunications companies that as of July 1, 2007—2015, have a valid certificate of public convenience and necessity previously issued by the commission to provide local exchange services in the state, all telecommunications companies seeking to offer and provide local exchange service shall obtain a certificate of public convenience and necessity from the commission prior to providing that service in this state.

37-15-202. Determination of competitive services.

(a) Upon petition by any telecommunications company or pursuant to the commission's own motion, the commission

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may, after notice and opportunity for hearing, find and conclude that a telecommunications service is subject to competition. Any service found to be effectively competitive <u>pursuant to this section</u> shall not be subject to regulation of <u>prices</u> by the commission. The commission shall consider only the following factors in determining whether a telecommunications service is subject to effective competition:

- (i) The extent to which telecommunications services are available from alternative providers including, but not limited to, wireless providers, satellite providers, cable providers offering voice services, voice over internet protocol or any other providers utilizing telephone numbers to provide voice services in the relevant market;
- (c) Telecommunications service provided by new entrants, local exchange services provided by resale, telecommunications services provided by interexchange telecommunications companies, interexchange telecommunications services and telecommunications services other than local exchange service and switched access provided by a local exchange company shall be considered subject to competition for purpose of regulation under this title. Notwithstanding the foregoing, local exchange service may be determined to be competitive pursuant to subsection (a) of this section.
- (d) Notwithstanding subsection (a) of this section the commission shall, in an area defined by an applicant, find retail telecommunications services other than switched access are competitive provided:
- (i) At least seventy-five percent (75%) of the class of customers in the area have access to at least one

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(1) landline carrier unaffiliated with the applicant providing telecommunications service that includes local voice telecommunications—service. The local voice telecommunications—service may be provided in combination with other services. If a company does not differentiate between residential and business classes of service in its application, the requirement shall be that at least sixty percent (60%), considering residential and business customers as one (1) class of customers, have access to at least one (1) landline carrier unaffiliated with the applicant;

(h) Nothing in this section affects or modifies:

- (i) Any applicable wholesale tariff or any commission authority to implement or enforce any rights, duties or obligations of any party related to wholesale services;
- (ii) Any entity's obligations or rights or commission authority under the Federal Communications Act of 1934, 47 U.S.C. 251 and 252;
- intrastate switched access rates, terms and conditions, including the implementation of federal law with respect to intercarrier compensation;
- (iv) Any commission jurisdiction or authority pursuant to W.S. 37-15-401(a)(vii), including commission jurisdiction or authority to address federal high cost fund or federal universal service fund issues.
- (j) Services found to be competitive under subsection (a), (c) or (d) of this section shall be subject to the following:

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- (i) Any required assessments under W.S. 37-15-501 and 37-15-502;
- (ii) Any required assessment of 911 or E911 emergency service taxes as provided in title 16, chapter 9, article 1 of the Wyoming statutes;
- (iii) Any required special fee under W.S. 16-9-209;
- (iv) Any required assessment levied under W.S. 37-2-106 through 37-2-109;

37-15-203. Price regulation of noncompetitive essential services.

(j) Unless as otherwise directed under federal law, noncompetitive switched access shall not be priced above three cents (\$.03) per minute after January 1, 2010. Prices for noncompetitive switched access which exceed three cents (\$.03) per originating and terminating minute shall be reduced to three cents (\$.03) per minute on or before January 1, 2010. Any telecommunications company which must reduce noncompetitive switched access prices under this subsection shall, on or before January 1, 2010, submit a proposed plan to the commission, identifying the amount of intrastate switched access revenues and access lines in the years until the date of filing, to reduce switched access prices in annual increments to meet the requirements of this subsection, and a request for corresponding annual revenue neutral incremental increases to noncompetitive essential service prices to offset the

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anticipated loss in revenue from a reduction in switched access prices. The commission shall review the proposal and the facts set forth in the proposed plan to ensure that it is accurate and consistent with this section. The telecommunications company shall satisfy any requests for information by the commission, and shall modify the plan as necessary to conform to the facts the commission finds after investigation to be accurate. Once the commission approves the proposed plan, the noncompetitive switched access and noncompetitive essential service prices proposed in the plan shall go into effect after compliance with W.S. 37-15-204. The commission may authorize noncompetitive switched access prices above three cents (\$.03) per minute for an additional transition period not to exceed two (2) years ending January 1, 2012, only upon a showing that access prices are supported by a current total long-run incremental cost study as defined by W.S. 37-15-103(a) (xiii) based upon data after January 1, 2008. A telecommunications company increasing rates pursuant to this subsection may utilize the universal service fund for eligible access lines as provided in W.S. 37-15-501 and 37-15-502 and commission rule and regulation.

37-15-204. Price schedules.

(a) A local exchange company shall file with the commission, in such form and detail as the commission may require, schedules showing all noncompetitive telecommunications services terms, conditions and prices currently in effect and charged to customers by the company in this state. All prices for new noncompetitive telecommunications services, and any increase in prices for noncompetitive telecommunications services as authorized by the commission pursuant to W.S. 37-15-203, shall be filed thirty (30) days prior to the proposed effective date. No price increase for a noncompetitive service shall be

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effective unless the customer has been given notice by the provider at least one (1) full billing cycle prior to the proposed increase and the increase has been approved by the commission as required by W.S. 37-15-203. No price or price change is effective until filed in accordance with this section. Prices charged for competitive services shall be in accordance with its price schedule unless a separate contract is negotiated. Prices for generally offered competitive services shall be publicly available on a company's website through the internet, the world wide web or a similar proprietary or common carrier or provided to the commission. Price schedules may be filed in electronic format at the option of the company. For purposes of this subsection, the rules, regulations, policies, practices and other requirements relating to services shall be filed with the commission in such form and detail as the commission may require. Rules, regulations, policies, practices and other requirements relating to competitive services shall be subject to the same requirements under this chapter as the prices of competitive services. Those relating to noncompetitive services shall be subject to the same requirements under this chapter as the prices noncompetitive services.

37-15-501. Universal service fund created; contributions; administration.

The commission shall after notice and opportunity designate the method by which hearing, contributions shall calculated, be collected and distributed. The commission shall authorize an additional a monthly charge to customers, in the amount specified by the commission, to recover each contributor's required payment to the universal service fund. Any charge related to mobile telecommunications service shall only apply if the

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customer's place of primary use is in this state as provided by the Mobile Telecommunications Sourcing Act, 4 U.S.C. §§ 116 to 126. The provisions of the Mobile Telecommunications Sourcing Act shall apply to this subsection.

- The commission shall administer the monies in the universal service fund to assist only those customers of telecommunications companies located in areas of this state with relatively high rates for noncompetitive essential local exchange services. Services deemed competitive under W.S. 37-15-202(a), (c) or (d) shall not be eligible for universal service fund support under this article. commission, after notice and opportunity for hearing, shall determine a reasonable amount and a fair method of distributing monies. The commission may authorize a credit to customer bills, in the amount specified by the commission, to reflect distributions received by the local exchange company from the universal service fund. commission shall ensure that the method shall promote the emergence of competition in providing local exchange service.
- (d) In accordance with the method of distribution determined by the commission, a telecommunications company shall, unless it elects to receive Wyoming universal service funds pursuant to the method set forth in subsection (g) of this section, receive funds under this section to the extent that its noncompetitive essential local exchange service prices, after consideration of any contributions from the federal universal service fund, exceed one hundred thirty percent (130%) of the weighted statewide average essential local exchange service prices the price benchmark established in subsection (h) of this section.

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- (e) The following limitations shall be applied to operation of the universal service fund:
- (i) The operation of the universal service fund may be suspended by the commission, based upon a public interest finding, after notice and an opportunity for a hearing, that the fund is not then serving its intended purpose;
- ursuant to subsection (g) of this section cause total distributions from the universal service fund in any fiscal year to exceed one hundred twenty-five percent (125%) of the amount distributed in fiscal year 2013-2014, the commission shall reduce payments among those electing distributions under subsection (g) of this section, pro rata, so as to reduce the total distribution to one hundred twenty-five (125%) of the fiscal year 2013-2014 distribution amount.
- (g) A telecommunications company that undertakes the requirements set forth in this subsection may make a one-time, irrevocable before July 1, 2019, election in writing to the commission to receive Wyoming universal service funds pursuant to this subsection rather than pursuant to subsection (d) of this section. In order to receive funds pursuant to this subsection, the company shall provide essential local exchange service, or its functional equivalent, upon reasonable request throughout the local exchange area of a rural incumbent local exchange carrier, as defined by the federal communications commission on January 1, 2015, at a price not exceeding the price benchmark established in subsection (h) of this section. A telecommunications company which elects to receive Wyoming universal service funds pursuant to this subsection shall receive funds to the extent that its loop

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costs, as reflected in the company's most recent annual filing of unseparated loop costs filed with the Universal Service Administration Company, exceed the company's most recent annual federal universal service funds receipts and annual local revenues. In calculating annual local revenues the commission shall utilize the imputed price benchmark established in subsection (h) of this section. If an otherwise qualified company elects to receive Wyoming universal service funds pursuant to this subsection, but does not file an annual unseparated loop cost report with the Universal Service Administration Company, it shall file the equivalent information with the commission.

(h) The price benchmark shall be thirty dollars (\$30.00) until July 1, 2019 unless otherwise adjusted by the commission pursuant to this subsection. On and after July 1, 2019, the commission shall review the price benchmark one (1) time every four (4) years and, after review, shall adjust the benchmark as necessary to assure that it approximates one hundred thirty percent (130%) of the weighted statewide average essential local exchange service price. The commission may change the price benchmark at any time if, after notice and opportunity for a hearing, the commission determines that the price benchmark does not approximate one hundred thirty percent (130%) of the weighted statewide average essential local exchange service price and that the price benchmark should be adjusted by ten percent (10%) or more.

Section 2. W.S. 37-15-103(a)(xiii) and (xv), 37-15-104(a)(vi)(A) and 37-15-204(d) are repealed.

Chief Clerk

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Section 3. This act is effective July 1, 2015.

(END)

Speaker of the House

Governor

TIME APPROVED:

DATE APPROVED:

I hereby certify that this act originated in the Senate.