

House Bill 2192

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows use of universal service fund moneys for determining availability of broadband services within state. Removes authorization for use of universal service fund moneys to facilitate availability of broadband at reasonable rates.

A BILL FOR AN ACT

1
2 Relating to broadband services; amending ORS 759.425.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 759.425 is amended to read:

5 759.425. (1) The Public Utility Commission shall establish and implement a competitively neutral
6 and nondiscriminatory universal service fund. Subject to subsection (6) of this section, the commis-
7 sion shall use the universal service fund to ensure basic telephone service is available at a reason-
8 able and affordable rate. The Public Utility Commission may adopt rules to conform the universal
9 service fund to section 254 of the federal Telecommunications Act of 1996 (Public Law 104-104), and
10 to related rules adopted by the Federal Communications Commission, to the extent that the Public
11 Utility Commission determines is appropriate. The commission may delay implementation for rural
12 telecommunications carriers, as defined in the federal Act, for up to six months after the date the
13 Federal Communications Commission adopts a cost methodology for rural carriers.

14 (2)(a) The Public Utility Commission shall establish the price a telecommunications utility may
15 charge its customers for basic telephone service. The commission in its discretion shall periodically
16 review and evaluate the status of telecommunications services in the state and designate the ser-
17 vices included in basic telephone service. The commission in its discretion shall periodically review
18 and adjust as necessary the price a telecommunications utility may charge for basic telephone ser-
19 vice.

20 (b) The provisions of this subsection do not apply to the basic telephone service provided by a
21 telecommunications utility described in ORS 759.040.

22 (3)(a) The Public Utility Commission shall establish a benchmark for basic telephone service as
23 necessary for the administration and distribution of the universal service fund. The universal service
24 fund shall provide explicit support to an eligible telecommunications carrier that is equal to the
25 difference between the cost of providing basic telephone service and the benchmark, less any ex-
26 plicit compensation received by the carrier from federal sources specifically targeted to recovery
27 of local loop costs and less any explicit support received by the carrier from a federal universal
28 service program.

29 (b) The commission in its discretion shall periodically review the benchmark and adjust it as
30 necessary to reflect:

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (A) Changes in competition in the telecommunications industry;

2 (B) Changes in federal universal service support; and

3 (C) Other relevant factors as determined by the commission.

4 (c) Except for a telecommunications utility described in ORS 759.040, the commission shall seek
5 to limit the difference between the price a telecommunications utility may charge for basic tele-
6 phone service and the benchmark.

7 (4) Except as provided in subsections (7) and (8) of this section, there is imposed on the sale of
8 all retail telecommunications services sold in this state a universal service surcharge. Unless oth-
9 erwise provided by the Public Utility Commission by rule, the surcharge shall be a uniform per-
10 centage of the sale of retail telecommunications services in an amount sufficient to support the
11 purpose of the universal service fund. The surcharge may be shown as a separate line item by all
12 telecommunications carriers using language prescribed by the commission. A telecommunications
13 carrier shall deposit amounts collected into the universal service fund according to a schedule
14 adopted by the commission.

15 (5) The Public Utility Commission is authorized to establish a universal service fund, separate
16 and distinct from the General Fund. The fund shall consist of all universal service surcharge moneys
17 collected by telecommunications carriers and paid into the fund. The fund shall be used only for the
18 purpose described in this section, and for payment of expenses incurred by the commission or a third
19 party appointed by the commission to administer this section. All moneys in the fund are contin-
20 uously appropriated to the commission to carry out the provisions of this section. Interest on mon-
21 eys deposited in the fund shall accrue to the fund.

22 (6) In addition to the purpose specified in subsection (1) of this section, moneys in the universal
23 service fund may be used by the Public Utility Commission to *[facilitate the availability of broadband*
24 *at fair and reasonable rates throughout this state]* **survey or map the state to determine where**
25 **adequate broadband services are available.** The amount of moneys in the universal service fund
26 used for this purpose may not exceed the amount the state is required to expend to receive the
27 maximum amount of funds available from federal sources for broadband services. If in-kind services
28 are allowed for a state’s share of a mapping project, the state shall use in-kind services before ex-
29 pending universal service funds. The commission may use an independent contractor to perform
30 mapping services.

31 (7) For purposes of this section, “retail telecommunications service” does not include radio
32 communications service, radio paging service, commercial mobile radio service, personal communi-
33 cations service or cellular communications service.

34 (8)(a) Notwithstanding subsection (7) of this section, a person who primarily provides radio
35 communications service, radio paging service, commercial mobile radio service, personal communi-
36 cations service or cellular communications service may request designation as an eligible telecom-
37 munications carrier by the Public Utility Commission for purposes of participation in the universal
38 service fund.

39 (b) In the event a person who primarily provides radio communications service, radio paging
40 service, commercial mobile radio service, personal communications service or cellular communi-
41 cations service seeks designation as an eligible telecommunications carrier for purposes of partic-
42 ipation in the universal service fund, the person shall provide written notice to the Public Utility
43 Commission requesting designation as an eligible telecommunications carrier within 60 days of the
44 date the commission establishes the fund. Upon receiving notice, the commission may designate the
45 person as an eligible telecommunications carrier for purposes of participation in the fund.

1 (c) A person who primarily provides radio communications service, radio paging service, com-
2 mercial mobile radio service, personal communications service or cellular communications service
3 who fails to request designation as an eligible telecommunications carrier within 60 days of the date
4 the universal service fund is established by the Public Utility Commission may not be designated
5 as an eligible telecommunications carrier unless the person has contributed to the fund for at least
6 one year immediately prior to requesting designation.

7 (9) A pay telephone provider may apply to the Public Utility Commission, on a form developed
8 by the commission, for a refund of the universal service surcharge imposed on the provider under
9 subsection (4) of this section for the provision of pay telephone service.

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