

Senate Bill 300

Sponsored by Senator HANSELL (Pre-session filed.)

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**.

Repeals exemption from universal service fund charge for radio communications services, radio paging services, commercial mobile radio services, personal communications services and cellular communications services.

A BILL FOR AN ACT

1
2 Relating to the universal service fund; 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) For purposes of this section, "retail telecommunications service" does not include radio*
6 *communications service, radio paging service, commercial mobile radio service, personal communi-*
7 *cations service or cellular communications service.]*

8 *[(2)(a)]* **(1)(a)** The Public Utility Commission shall establish and implement a competitively neu-
9 tral and nondiscriminatory universal service fund. Except as provided in paragraph (b) of this sub-
10 section, the Public Utility Commission shall use the universal service fund to ensure basic telephone
11 service is available at a reasonable and affordable rate. The Public Utility Commission may adopt
12 rules to conform the universal service fund to section 254 of the federal Telecommunications Act
13 of 1996 (Public Law 104-104), and to related regulations adopted by the Federal Communications
14 Commission, to the extent that the Public Utility Commission determines conforming the rules is
15 appropriate.

16 (b) In addition to using the universal service fund to ensure basic telephone service, the Public
17 Utility Commission may use the universal service fund to encourage broadband service availability
18 and to provide support to telecommunications carriers that provide both basic telephone service and
19 broadband service.

20 *[(3)(a)]* **(2)(a)** The Public Utility Commission shall establish the price a telecommunications
21 utility may charge its customers for basic telephone service. The commission shall periodically re-
22 view and evaluate the status of telecommunications services in the state and designate the services
23 included in basic telephone service. The commission shall periodically review and adjust as neces-
24 sary the price a telecommunications utility may charge for basic telephone service.

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

27 *[(4)(a)]* **(3)(a)** The commission shall establish a benchmark for basic telephone service as neces-
28 sary for the administration and distribution of the universal service fund. The universal service fund
29 shall provide explicit support to an eligible telecommunications carrier that is equal to the differ-
30 ence between the cost of providing basic telephone service and the benchmark, less any explicit
31 compensation received by the telecommunications carrier from federal sources specifically used to

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 recover local loop costs and less any explicit support received by the telecommunications carrier
2 from a federal universal service program.

3 (b) The commission shall periodically review the benchmark established under paragraph (a) of
4 this subsection and adjust the benchmark as necessary to reflect:

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

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

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

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

11 [(5)] (4) There is imposed on the sale of all retail telecommunications services sold in this state
12 a universal service surcharge. Unless otherwise provided by the commission by rule, the universal
13 service surcharge must be a uniform percentage of the sale of retail telecommunications services in
14 an amount sufficient to support the purposes of the universal service fund established under sub-
15 section [(2)] (1) of this section, provided that the percentage does not exceed 8.5 percent of the sale
16 of retail telecommunications services. The universal service surcharge may be listed as a separate
17 line item by all telecommunications carriers, as prescribed by the commission by rule or order. A
18 telecommunications carrier shall transmit amounts collected pursuant to this section to the com-
19 mission in accordance with a schedule adopted by the commission. The commission shall deposit
20 moneys transmitted to the commission pursuant to this subsection in the universal service fund es-
21 tablished under subsection [(2)] (1) of this section.

22 [(6)] (5) The universal service fund established under subsection [(2)] (1) of this section is sepa-
23 rate and distinct from the General Fund. The universal service fund shall consist of all universal
24 service surcharge moneys collected by telecommunications carriers and transmitted to the commis-
25 sion for deposit in the universal service fund. The universal service fund may be used only for the
26 purposes described in this section and for payment of expenses incurred by the commission or a
27 third party appointed by the commission to administer this section. All moneys in the universal
28 service fund are continuously appropriated to the commission to carry out the provisions of this
29 section. Interest on moneys deposited in the universal service fund shall accrue to the universal
30 service fund.

31 [(7) *A person that primarily provides radio communications service, radio paging service, com-
32 mercial mobile radio service, personal communications service or cellular communications service may
33 request designation as an eligible telecommunications carrier by the commission for purposes of this
34 section if the person imposes the universal service surcharge described in subsection (5) of this section
35 and transmits the moneys collected to the commission for deposit in the universal service fund estab-
36 lished under subsection (2) of this section for at least one year immediately prior to requesting the
37 designation.*]

38 [(8)] (6) A pay telephone provider may apply to the commission, on a form developed by the
39 commission, for a refund of the universal service surcharge imposed on the pay telephone provider
40 under subsection [(5)] (4) of this section for the provision of pay telephone service.