On page 2 of the printed bill, line 20, delete the colon.
In line 21, restore the bracketed material and delete the boldfaced material.
Delete line 22.
On page 4, delete lines 30 through 45 and delete pages 5 and 6.
On page 7, delete lines 1 through 3 and insert:

"SECTION 3. ORS 759.425, as amended by section 2 of this 2020 Act, is amended to read:
759.425. (1)(a) The Public Utility Commission shall establish and implement a competitively neutral and nondiscriminatory universal service fund. The commission shall:
[(A) use the universal service fund to ensure basic telephone service is available at a reason-
able and affordable rate.; and]
[(B) Transfer from the universal service fund to the Oregon Business Development Department for deposit in the Broadband Fund established under section 4 of this 2020 Act an amount per year that is equal to the lesser of:]
[(i) $5 million; or]
[(ii) The remainder of moneys deposited in the universal service fund that are unobligated after making the designation required in paragraph (b) of this subsection.]
"(b) The commission shall designate the amount of moneys deposited annually in the universal service fund to be used to ensure basic telephone service. The amount designated under this paragraph may not exceed $28 million per year.
"(c) The commission may:
(A) Adopt rules to conform the universal service fund to section 254 of the federal Telecommunications Act of 1996 (P.L. 104-104), and to related regulations adopted by the Federal Communications Commission, to the extent that the Public Utility Commission determines conforming the rules is appropriate; and
(B) In addition to using the universal service fund to ensure basic telephone service, use the universal service fund to encourage broadband service availability and to provide support to telecommunications carriers that provide both basic telephone service and broadband service.
"(2)(a) The commission shall establish the price a telecommunications utility may charge its customers for basic telephone service. The commission shall periodically review and evaluate the status of telecommunications services in the state and designate the services included in basic telephone service. The commission shall periodically review and adjust as necessary the price a telecommunications utility may charge for basic telephone service.
"(b) The provisions of this subsection do not apply to the basic telephone service provided by a telecommunications utility described in ORS 759.040.
"(3)(a) The commission shall establish a benchmark for basic telephone service as necessary for
the administration and distribution of the universal service fund. The universal service fund shall
provide explicit support to an eligible telecommunications carrier that is equal to the difference
between the cost of providing basic telephone service and the benchmark, less any explicit com-
ensation received by the telecommunications carrier from federal sources specifically used to re-
cover local loop costs and less any explicit support received by the telecommunications carrier from
a federal universal service program.

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

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

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

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

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

“(4)(a) There is imposed a universal service surcharge on the sale in this state of all:

“(A) Retail telecommunications services;

“(B) Retail commercial mobile radio services; and

“(C) Retail interconnected voice over internet protocol services.

“(b) A retail commercial mobile radio service provider shall identify the intrastate revenues
subject to the universal service surcharge based on the inverse of the percentage of interstate re-
venues utilized for purposes of federal universal service contributions or based on any other method
approved by the Public Utility Commission. A retail commercial mobile radio service provider may
rely upon the sourcing rules set forth in the Mobile Telecommunications Sourcing Act (P.L. 106-252)
to identify revenues attributable to Oregon.

“(c) A retail interconnected voice over internet protocol service provider may identify, in ac-
cordance with federal guidelines, the intrastate revenues subject to the universal service surcharge
based on any one of the following:

“(A) The inverse of the interstate safe harbor percentage established by the Federal Communica-
tions Commission for interconnected voice over internet protocol service for federal universal
service contribution purposes, as the interstate safe harbor percentage may be revised from time to
time;

“(B) A traffic study specific to the interconnected voice over internet protocol service provider
that allocates revenues between federal and state jurisdictions; or

“(C) Another methodology for accurately apportioning interconnected voice over internet proto-
col service revenues between federal and state jurisdictions.

“(d) For any service provider subject to the universal service surcharge that provides, to mul-
tiple locations, shared simultaneous voice channel capacity configured to provide local dial in dif-
ferent states, the revenue subject to the surcharge shall be only the portion of the shared capacity
in this state as identified:

“(A) By information itemizing, on the billing statements provided to customers, the charges
subject to the surcharge, as may be identified by individual end-user location, the total number of
end users and the number of end users at each end-user location; or

“(B) If information described in subparagraph (A) of this paragraph does not exist, by the service
provider’s billing system books and records.

“(e) Unless otherwise provided by the Public Utility Commission by rule, the universal service
surcharge must be a uniform percentage of the sale of services subject to the surcharge in an amount sufficient to support the purposes of the universal service fund established under subsection (1) of this section, provided that the percentage does not exceed six percent of the sale of services subject to the surcharge.

“(f) The universal service surcharge may be listed by a telecommunications carrier as a separate line item in billing statements provided to customers, as prescribed by the commission by rule or order. The commission may not prescribe whether, or the manner by which, a commercial mobile radio services provider or an interconnected voice over internet protocol services provider may list the surcharge in billing statements provided to customers.

“(g) A service provider required to collect the universal service surcharge shall:

“(A) Transmit amounts collected pursuant to this section to the commission in accordance with a schedule adopted by the commission; and

“(B) Provide the commission with information requested by the commission as necessary for the commission to implement this section.

“(5) The commission shall deposit moneys transmitted to the commission pursuant to subsection (4) of this section in the universal service fund established under subsection (1) of this section.

“(6) The universal service fund established under subsection (1) of this section is separate and distinct from the General Fund. The universal service fund shall consist of all universal service surcharge moneys collected by service providers required to collect the surcharge and transmitted to the commission for deposit in the universal service fund. The universal service fund may be used only for the purposes described in this section and for payment of expenses incurred by the commission or a third party appointed by the commission to administer this section. All moneys in the universal service fund are continuously appropriated to the commission to carry out the provisions of this section. Interest on moneys deposited in the universal service fund shall accrue to the universal service fund.

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

“(8) Nothing in this section is intended to grant the commission the authority to impose any requirement or condition, or to exercise any regulatory authority, with respect to commercial mobile radio services or interconnected voice over internet protocol services other than as expressly provided for in this section.”.

On page 8, delete lines 8 through 16 and insert:

“(4) In making broadband service infrastructure grant or loan award decisions under the program, the department shall apply the following preferences:

“(a) Regarding the geographic area that a proposed project will serve, the department shall:

“(A) Give first preference to proposed projects that will serve unserved areas; and

“(B) Give second preference to proposed projects that will serve underserved areas.

“(b) Regarding the customers that a proposed project will serve, the department shall:

“(A) Give first preference to proposed projects that are eligible to receive funds from the Connecting Oregon Schools Fund established under ORS 276A.424;

“(B) Give second preference to proposed projects that will provide broadband service access to public libraries; and

“(C) Give third preference to proposed projects that will provide broadband service access to residential customers.”.