

Requested by Representative MARSH

**PROPOSED AMENDMENTS TO
HOUSE BILL 4079**

1 On page 2 of the printed bill, line 20, delete the colon.

2 In line 21, restore the bracketed material and delete the boldfaced mate-
3 rial.

4 Delete line 22.

5 On page 4, delete lines 30 through 45 and delete pages 5 and 6.

6 On page 7, delete lines 1 through 3 and insert:

7 **“SECTION 3.** ORS 759.425, as amended by section 2 of this 2020 Act, is
8 amended to read:

9 “759.425. (1)(a) The Public Utility Commission shall establish and imple-
10 ment a competitively neutral and nondiscriminatory universal service fund.
11 The commission shall[:]

12 “[A)] use the universal service fund to ensure basic telephone service is
13 available at a reasonable and affordable rate.[:; and]

14 “[B) *Transfer from the universal service fund to the Oregon Business De-*
15 *velopment Department for deposit in the Broadband Fund established under*
16 *section 4 of this 2020 Act an amount per year that is equal to the lesser of:]*

17 “[i) \$5 million; or]

18 “[ii) *The remainder of moneys deposited in the universal service fund that*
19 *are unobligated after making the designation required in paragraph (b) of this*
20 *subsection.]*

21 “(b) The commission shall designate the amount of moneys deposited an-

1 nually in the universal service fund to be used to ensure basic telephone
2 service. The amount designated under this paragraph may not exceed \$28
3 million per year.

4 “(c) The commission may:

5 “(A) Adopt rules to conform the universal service fund to section 254 of
6 the federal Telecommunications Act of 1996 (P.L. 104-104), and to related
7 regulations adopted by the Federal Communications Commission, to the ex-
8 tent that the Public Utility Commission determines conforming the rules is
9 appropriate; and

10 “(B) In addition to using the universal service fund to ensure basic tele-
11 phone service, use the universal service fund to encourage broadband service
12 availability and to provide support to telecommunications carriers that pro-
13 vide both basic telephone service and broadband service.

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

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

23 “(3)(a) The commission shall establish a benchmark for basic telephone
24 service as necessary for the administration and distribution of the universal
25 service fund. The universal service fund shall provide explicit support to an
26 eligible telecommunications carrier that is equal to the difference between
27 the cost of providing basic telephone service and the benchmark, less any
28 explicit compensation received by the telecommunications carrier from fed-
29 eral sources specifically used to recover local loop costs and less any explicit
30 support received by the telecommunications carrier from a federal universal

1 service program.

2 “(b) The commission shall periodically review the benchmark established
3 under paragraph (a) of this subsection and adjust the benchmark as neces-
4 sary 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
9 commission shall seek to limit the difference between the price a telecom-
10 munications utility may charge for basic telephone service and the
11 benchmark.

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

14 “(A) Retail telecommunications services;

15 “(B) Retail commercial mobile radio services; and

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

17 “(b) A retail commercial mobile radio service provider shall identify the
18 intrastate revenues subject to the universal service surcharge based on the
19 inverse of the percentage of interstate revenues utilized for purposes of fed-
20 eral universal service contributions or based on any other method approved
21 by the Public Utility Commission. A retail commercial mobile radio service
22 provider may rely upon the sourcing rules set forth in the Mobile Telecom-
23 munications Sourcing Act (P.L. 106-252) to identify revenues attributable to
24 Oregon.

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

28 “(A) The inverse of the interstate safe harbor percentage established by
29 the Federal Communications Commission for interconnected voice over
30 internet protocol service for federal universal service contribution purposes,

1 as the interstate safe harbor percentage may be revised from time to time;

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

5 “(C) Another methodology for accurately apportioning interconnected
6 voice over internet protocol service revenues between federal and state ju-
7 risdictions.

8 “(d) For any service provider subject to the universal service surcharge
9 that provides, to multiple locations, shared simultaneous voice channel ca-
10 pacity configured to provide local dial in different states, the revenue subject
11 to the surcharge shall be only the portion of the shared capacity in this state
12 as identified:

13 “(A) By information itemizing, on the billing statements provided to cus-
14 tomers, the charges subject to the surcharge, as may be identified by indi-
15 vidual end-user location, the total number of end users and the number of
16 end users at each end-user location; or

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

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

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

1 customers.

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

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

6 “(B) Provide the commission with information requested by the commis-
7 sion as necessary for the commission to implement this section.

8 “(5) The commission shall deposit moneys transmitted to the commission
9 pursuant to subsection (4) of this section in the universal service fund es-
10 tablished under subsection (1) of this section.

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

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

26 “(8) Nothing in this section is intended to grant the commission the au-
27 thority to impose any requirement or condition, or to exercise any regulatory
28 authority, with respect to commercial mobile radio services or intercon-
29 nected voice over internet protocol services other than as expressly provided
30 for in this section.”

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

2 “(4) In making broadband service infrastructure grant or loan award de-
3 cisions under the program, the department shall apply the following prefer-
4 ences:

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

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

9 “(B) Give second preference to proposed projects that will serve under-
10 served areas.

11 “(b) Regarding the customers that a proposed project will serve, the de-
12 partment shall:

13 “(A) Give first preference to proposed projects that are eligible to receive
14 funds from the Connecting Oregon Schools Fund established under ORS
15 276A.424;

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

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

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