

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 215

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO THE TELECOMMUNICATIONS ACT OF 1988; AMENDING SECTION
 2 62-610, IDAHO CODE, TO REVISE CERTAIN ELIGIBILITY REQUIREMENTS,
 3 TO PROVIDE A CODE REFERENCE, TO PROVIDE DISTRIBUTION
 4 FROM THE UNIVERSAL SERVICE FUND TO INDIVIDUAL ELIGIBLE
 5 TELECOMMUNICATIONS CARRIERS THAT MEET CERTAIN RESIDUAL
 6 REVENUE REQUIREMENTS, TO PROVIDE PURPOSES FOR DISTRIBUTIONS
 7 FROM THE FUND, TO PROVIDE DISTRIBUTIONS FROM THE FUND TO
 8 AN ELIGIBLE TELECOMMUNICATIONS CARRIER THAT MEETS CERTAIN
 9 REQUIREMENTS AND TO MAKE TECHNICAL CORRECTIONS.
 10

11 Be It Enacted by the Legislature of the State of Idaho:

12 SECTION 1. That Section 62-610, Idaho Code, be, and the same is hereby amended to
 13 read as follows:

14 62-610. UNIVERSAL SERVICE FUND. (1) The commission shall establish a universal
 15 service fund (USF) for the purpose of maintaining the universal availability of local exchange
 16 service at reasonable rates and to promote the availability of message telecommunications
 17 service (MTS) at reasonably comparable prices throughout the state of Idaho.

18 (2) The USF shall be funded by imposing a statewide end user surcharge on local
 19 exchange service and MTS and WATS type services.

20 (a) The local exchange surcharge shall be a cents per line charge with a
 21 business-residential differential equal to the statewide average business-residential
 22 price ratio. Providers of local exchange service shall remit the local exchange surcharge
 23 revenues to the fund administrator on a monthly basis, unless less frequent remittances are
 24 authorized by order or rule of the commission.

25 (b) The MTS and WATS surcharge shall be recovered on a percentage basis through a
 26 surcharge applied to the monthly bill of each end user or by a cents per minute charge
 27 applied to the bills of all end users. Providers of MTS or WATS services shall remit the
 28 revenues derived from such surcharge to the fund administrator on a monthly basis, unless
 29 less frequent remittances are authorized by order or rule of the commission.

30 (c) The surcharges set forth in paragraphs (a) and (b) of this subsection shall be collected
 31 by all telephone corporations, including telephone corporations subject to the provisions
 32 of this chapter and mutual nonprofit and cooperative telephone corporations, providing the
 33 services upon which the surcharge is levied.

34 (3) Eligible telecommunications carriers that provide local exchange service and access
 35 service for MTS/WATS providers and that have state regulated rates for these respective
 36 services that meet both of the following criteria shall be eligible for distributions from the USF
 37 in accordance with the provisions of subsection (4) of this section:

1 (a) The eligible telecommunications carrier's average residence and business local
 2 exchange service rates for one-party single line service are in excess of one hundred ~~and~~
 3 twenty-five percent (125%) of the weighted statewide average rates for residence and
 4 business local exchange service rates for one-party single line service respectively; and

5 (b) The eligible telecommunications carrier's average per minute charge for MTS/WATS
 6 access services it provides is in excess of one hundred percent (100%) of the weighted
 7 statewide average for the same or similar MTS/WATS access services.

8 (4) Distributions from the fund shall be available to the individual eligible
 9 telecommunications carrier in Idaho providing basic local exchange service to meet
 10 residual revenue requirements remaining after deducting the revenue generated by all intrastate
 11 telecommunication services, from the eligible telecommunications carrier's total intrastate
 12 telecommunication service revenue requirement as determined by the commission, including
 13 local exchange priced at one hundred twenty-five percent (125%) or more of the weighted
 14 statewide average and MTS/WATS access services priced at one hundred percent (100%) or
 15 more of the statewide average and contributions from the federal universal service fund. The
 16 commission shall provide, by order, for not less than seventy-five percent (75%) nor more
 17 than one hundred percent (100%) of the residual revenue requirement of the individual eligible
 18 telecommunications carrier to be funded by the universal service fund. The commission shall
 19 retain its authority to approve rate design consistent with this subsection, but notwithstanding
 20 such authority, the commission shall supply full funding for any commission determined
 21 revenue requirement. Distributions from the fund to individual eligible telecommunications
 22 carriers to meet residual revenue requirements, as set forth herein, shall be made monthly.

23 (5) Distributions from the fund shall be made available to provide the financial assistance
 24 necessary to enable the extension of facilities that the commission determines would be in the
 25 public interest and that are necessary to initiate basic local exchange service to residents within
 26 geographic support areas designated by the commission pursuant to section 62-610E, Idaho
 27 Code. Distributions from the fund pursuant to this subsection may be made to an eligible
 28 telecommunications carrier that:

29 (a) Is providing basic local exchange service within the geographic service area in which
 30 the geographic support area is located;

31 (b) Is not eligible to receive distributions from the fund pursuant to subsections (3) and
 32 (4) of this section; and

33 (c) Has entered into an agreement with the commission to extend the facilities necessary
 34 to initiate basic local exchange service to the geographical support area, which agreement
 35 shall provide for the construction and installation of such facilities for an amount
 36 not exceeding the actual cost of such line extension, less allowable customer credits
 37 against the cost of the line extension, as set forth in price or catalog lists filed with the
 38 commission by such eligible telecommunications carrier.

39 (6) The commission shall:

40 (a) Adopt rules for the implementation and administration of the universal service fund
 41 established in this section;

42 (b) Determine which telephone corporations meet the eligibility standards;

43 (c) Provide for the receipt and collection of the surcharge for the universal service fund;
 44 and

45 (d) Provide for the administration and distribution of the fund to eligible
 46 telecommunications carriers in a manner determined by the commission.

1 (67) "Local Exchange Service," as used in this section ~~62-610, Idaho Code~~, means the
2 provision of access lines to customers with the associated transmission of two-way interactive
3 switched voice communication within a local exchange area.