

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 408

BY ERPELDING

AN ACT

1 RELATING TO UNIVERSAL SERVICE FUND; REPEALING SECTION 62-610, IDAHO CODE,  
2 RELATING TO A UNIVERSAL SERVICE FUND; AMENDING SECTION 62-610A, IDAHO  
3 CODE, TO REVISE PURPOSE; AMENDING SECTION 62-610B, IDAHO CODE, TO RE-  
4 VISE DEFINITIONS; AMENDING SECTION 62-610C, IDAHO CODE, TO REVISE UNI-  
5 VERSAL SERVICE PROVISIONS; AMENDING SECTION 62-610D, IDAHO CODE, TO RE-  
6 VISE ELIGIBLE COMMUNICATIONS CARRIERS; AMENDING SECTION 62-610E, IDAHO  
7 CODE, TO REVISE PROVISIONS REGARDING DESIGNATING SERVICE AND SUPPORT  
8 AREAS; AMENDING SECTION 62-610F, IDAHO CODE, TO REVISE PROVISIONS FOR  
9 HIGH-COST SUPPORT AND TO CAP THE AMOUNT OF THE SURCHARGE; AND PROVIDING  
10 AN EFFECTIVE DATE.  
11

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

13 SECTION 1. That Section 62-610, Idaho Code, be, and the same is hereby  
14 repealed.

15 SECTION 2. That Section 62-610A, Idaho Code, be, and the same is hereby  
16 amended to read as follows:

17 62-610A. PURPOSE. The purpose of this act is to authorize the Idaho  
18 public utilities commission to establish a competitively and technolog-  
19 ically neutral funding mechanism which will operate in coordination with  
20 federal universal service support mechanisms. All consumers in this state,  
21 without regard to their location, should have comparable accessibility to  
22 basic ~~telecommunication~~ communication services, both voice and data, at  
23 just and reasonable rates.

24 SECTION 3. That Section 62-610B, Idaho Code, be, and the same is hereby  
25 amended to read as follows:

26 62-610B. DEFINITIONS. For purposes of ~~section 62-610, Idaho Code,~~  
27 ~~and~~ sections 62-610A through 62-610F, Idaho Code, the following words and  
28 phrases shall have the following meanings:

29 (1) "Communications service" means the provision of cable service,  
30 video service, telecommunication service, broadband, or high-speed inter-  
31 net access service to the public, or any sector of the public, for a fee,  
32 regardless of the technology used to deliver the service. The terms "cable  
33 service," and "video service" have the same meanings as set forth in section  
34 50-3002, Idaho Code. The term "telecommunication service" has the same  
35 meaning as set forth in section 62-603, Idaho Code.

36 (2) "Eligible telecommunications communications carrier" means a  
37 telecommunications carrier provider of communications service designated  
38 by the commission who has the obligation to provide universal service  
39 throughout the service area for which the designation is received.

1 (23) "Fund" means the Idaho ~~telecommunications~~ communications univer-  
2 sal service fund established by the commission pursuant to sections 62-610A  
3 and 62-610F, Idaho Code.

4 (4) "High-speed internet access service" means internet access service  
5 with transmission speeds that are equal to or greater than the requirements  
6 for basic broadband tier 1 service as defined by the federal communications  
7 commission for broadband data gathering and reporting.

8 (35) "Service area" means a geographic area designated by the commis-  
9 sion for the purpose of determining universal service obligations of eli-  
10 gible ~~telecommunications~~ communications carriers. In the case of a rural  
11 telephone company "service area" means the company's "study area(s)" as es-  
12 tablished by the federal communications commission and the public utilities  
13 commission.

14 (46) "Support area" means a geographic area designated by the  
15 commission as a high-cost area for which eligible ~~telecommunications~~  
16 communications carrier(s) serving such area may receive financial as-  
17 sistance from the universal service fund. The commission shall consider  
18 population distribution, geographic factors, cost model capabilities and  
19 other relevant considerations in making such a determination.

20 (57) "Telecommunications carrier" means a telephone corporation pro-  
21 viding telecommunication services for compensation within this state, and  
22 shall, for the purposes of sections 62-610A through 62-610F, Idaho Code, in-  
23 clude municipal, cooperative or mutual telephone companies and telecommu-  
24 nications companies providing wireless, cellular, personal communications  
25 services and mobile radio services for compensation.

26 (68) "Universal service" means basic local exchange ~~service~~ and broad-  
27 band or high-speed internet access services to the public and such other  
28 telecommunication communication services designated by the commission as  
29 services which should be widely available to consumers in all regions of the  
30 state at just and reasonable rates.

31 (79) All other terms, words or phrases shall have the meaning set forth  
32 in section 62-603, Idaho Code.

33 SECTION 4. That Section 62-610C, Idaho Code, be, and the same is hereby  
34 amended to read as follows:

35 62-610C. UNIVERSAL SERVICE. (1) Universal service is an evolving  
36 level of ~~telecommunication~~ communication services to which consumers in all  
37 regions of the state should have access.

38 (2) The commission shall review the level of ~~telecommunication~~  
39 communication services within the state on a periodic basis and designate  
40 those service(s) which should be made available to consumers by eligible  
41 ~~telecommunications~~ communication service carriers to meet their obligation  
42 to provide universal service. The commission shall, if services in addi-  
43 tion to basic local exchange service and broadband or high-speed internet  
44 access service are to be designated, consider the extent to which such other  
45 ~~telecommunication~~ communication services:

46 (a) Have, through the operation of market choices by customers, been  
47 subscribed to by a substantial majority of residential customers;

48 (b) Are being deployed in public ~~telecommunications~~ communications  
49 networks by ~~telecommunications~~ communications carriers; and

- 1 (c) Are consistent with the public interest, convenience and neces-  
 2 sity.  
 3 (d) The commission shall also consider definitions of universal ser-  
 4 vice adopted by the federal communications commission pursuant to the  
 5 telecommunications act of 1996.

6 SECTION 5. That Section 62-610D, Idaho Code, be, and the same is hereby  
 7 amended to read as follows:

8 62-610D. ELIGIBLE TELECOMMUNICATIONS COMMUNICATIONS CARRIERS. (1)  
 9 Only a ~~telecommunications~~ communications carrier designated as an eligible  
 10 ~~telecommunications~~ communications carrier by the commission shall be eligi-  
 11 ble to receive universal service fund support.

12 (2) The commission shall, ~~upon its own motion or~~ upon request, desig-  
 13 nate a telecommunications communications carrier that meets the require-  
 14 ments of subsection (3) of this section as an eligible ~~telecommunications~~  
 15 communications carrier for a service area designated by the commission.  
 16 Upon request and consistent with the public interest, convenience and neces-  
 17 sity, the commission may, ~~in the case of an area served by a rural telephone~~  
 18 ~~company, and shall, in the case of all other areas, designate more than~~  
 19 ~~one (1) telecommunications shall designate a communications carrier as~~  
 20 ~~an eligible telecommunications communications carrier for a service area~~  
 21 ~~designated by the commission, so long as the requesting telecommunications~~  
 22 ~~communications carrier meets the requirements set forth in this section and~~  
 23 ~~the commission finds that the designation is in the public interest. Before~~  
 24 ~~designating an additional eligible telecommunications carrier for an area~~  
 25 ~~served by a rural telephone company, the commission shall find that the des-~~  
 26 ~~ignation is in the public interest.~~

27 (3) A ~~telecommunications communications~~ carrier requesting desig-  
 28 nation as an eligible ~~telecommunications communications~~ carrier shall,  
 29 throughout the service area for which the designation is made:

30 (a) Offer the services which are within the definition of universal  
 31 service adopted by the commission, using its own facilities or a combi-  
 32 nation of its own facilities and resale of another ~~telecommunications~~  
 33 communications carrier's services (including the services offered by  
 34 another eligible ~~telecommunications communications~~ carrier); and

35 (b) Advertise the availability of such services and the charges there-  
 36 for using media of general distribution.

37 (c) For the purpose of being eligible to receive support from the fund,  
 38 the eligible telecommunications carrier shall also offer low-income  
 39 telecommunication services pursuant to chapter 9, title 56, Idaho Code.

40 (4) The commission shall permit an eligible ~~telecommunications~~  
 41 communications carrier to relinquish its designation as such a carrier  
 42 in any area served by more than one (1) eligible ~~telecommunications~~  
 43 communications carrier. An eligible ~~telecommunications communications~~  
 44 carrier that seeks to relinquish its eligible ~~telecommunications~~  
 45 communications carrier designation for an area served by more than one (1)  
 46 eligible ~~telecommunications communications~~ carrier shall give no less than  
 47 thirty (30) days notice to the commission of its intent to relinquish such  
 48 designation. Prior to permitting a ~~telecommunications communications~~ car-  
 49 rier designated as an eligible ~~telecommunications communications~~ carrier

1 to cease providing universal service in an area served by more than one (1)  
 2 eligible ~~telecommunications~~ communications carrier, the commission shall  
 3 require the remaining eligible ~~telecommunications~~ communications carrier  
 4 or carriers to ensure that all customers served by the relinquishing carrier  
 5 will continue to be served.

6 SECTION 6. That Section 62-610E, Idaho Code, be, and the same is hereby  
 7 amended to read as follows:

8 62-610E. DESIGNATING SERVICE AND SUPPORT AREAS. The commission shall  
 9 designate geographic service areas for the purpose of determining uni-  
 10 versal service obligations of eligible ~~telecommunications~~ communications  
 11 carriers. The commission shall also designate geographic support areas  
 12 for the purpose of determining areas for which financial assistance shall  
 13 be made available from the fund to assist eligible ~~telecommunications~~  
 14 communications carriers to meet universal service obligations.

15 SECTION 7. That Section 62-610F, Idaho Code, be, and the same is hereby  
 16 amended to read as follows:

17 62-610F. HIGH-COST SUPPORT -- ADMINISTRATION -- TRANSITION. (1)  
 18 The commission shall establish a universal service fund to enable eligi-  
 19 ble ~~telecommunications~~ communications carriers to make universal service  
 20 widely available to all persons within the state of Idaho at reasonable  
 21 rates. Eligible ~~telecommunication~~ communication carriers receiving finan-  
 22 cial support shall use that support only for the provision, maintenance and  
 23 upgrading of services and facilities for which the support is intended.

24 (2) The commission shall initiate a proceeding to determine and adopt  
 25 the appropriate methodology and mechanisms to collect and distribute fi-  
 26 nancial assistance which are specific, predictable and sufficient in  
 27 conjunction with federal universal service support mechanisms to preserve  
 28 and advance universal service within the state of Idaho. Revenue for the  
 29 fund shall be collected through a uniform universal service fund surcharge  
 30 as calculated by the commission. The surcharge that shall not exceed the  
 31 sum of twenty cents (20¢) per month shall be imposed on end users of all  
 32 retail ~~telecommunication~~ communication services originating and termi-  
 33 nating within the state of Idaho and collected by the ~~telecommunications~~  
 34 communications carrier providing ~~telecommunication~~ communication  
 35 services to such end user. Disbursements from the fund shall be used to defray the  
 36 costs, as determined by the commission, of providing universal service to  
 37 customers within a geographic support area. Those costs shall be calculated  
 38 using a forward-looking cost methodology. When providing disbursements  
 39 from the fund, the commission shall take such actions as may be necessary to  
 40 prevent redundant cost recovery by recipients of such funds ~~including the~~  
 41 ~~reduction of access charges subject to title 61 or 62, Idaho Code.~~

42 (3) The commission shall establish procedures to administer the uni-  
 43 versal service fund and shall contract with a neutral third party for ad-  
 44 ministration of the fund. The administrator shall perform the duties re-  
 45 quired by the commission including data gathering, collecting the surcharge  
 46 revenues, disbursing funds, and notifying the commission of any fund viola-  
 47 tions.

1           (4) The commission shall develop procedures and provide for a transi-  
2 tion period to ~~begin no earlier than January 1, 2001~~ be completed no later  
3 than January 1, 2018, for rural telephone companies to replace funding  
4 available pursuant to section 62-610, Idaho Code, with the funding mechanism  
5 established pursuant to this section for the support of universal service if  
6 such funding is determined to be necessary.

7           SECTION 8. Section 1 of this act shall be in full force and effect on and  
8 after January 1, 2018.