

Senate Bill 894

Sponsored by Senators DEVLIN, NELSON, Representative BUTLER; Representative ROSENBAUM

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**.

Allows Public Utility Commission to adopt rules to conform universal service fund to federal law to extent that commission determines is appropriate.

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) The Public Utility Commission shall establish and implement a competitively neutral
6 and nondiscriminatory universal service fund to ensure basic telephone service is available at a
7 reasonable and affordable rate. [*The universal service fund shall conform to section 254 of the federal*
8 *Telecommunications Act of 1996 (Public Law 104-104).*] **The commission may adopt rules to con-**
9 **form the universal service fund to section 254 of the federal Telecommunications Act of 1996**
10 **(Public Law 104-104) to the extent that the commission determines is appropriate.** The com-
11 mission may delay implementation for rural telecommunications carriers, as defined in the federal
12 Act, for up to six months after the date the Federal Communications Commission adopts a cost
13 methodology for rural carriers.

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

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

22 (3)(a) The Public Utility Commission shall establish a benchmark for basic telephone service as
23 necessary for the administration and distribution of the universal service fund. The universal service
24 fund shall provide explicit support to an eligible telecommunications carrier that is equal to the
25 difference between the cost of providing basic telephone service and the benchmark, less any ex-
26 plicit compensation received by the carrier from federal sources specifically targeted to recovery
27 of local loop costs and less any explicit support received by the carrier from a federal universal
28 service program.

29 (b) The commission in its discretion shall periodically review the benchmark and adjust it as
30 necessary to reflect:

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

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 (B) Changes in federal universal service support; and

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

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

6 (4) Except as provided in subsections (6) and (7) of this section, there is imposed on the sale of
7 all retail telecommunications services sold in this state a universal service surcharge. The surcharge
8 shall be established by the commission as a uniform percentage of the sale of retail telecommuni-
9 cations services in an amount sufficient to support the purpose of the universal service fund. The
10 surcharge may be shown as a separate line item by all telecommunications carriers using language
11 prescribed by the commission. A telecommunications carrier shall deposit amounts collected into the
12 universal service fund according to a schedule adopted by the commission.

13 (5) The commission is authorized to establish a universal service fund, separate and distinct from
14 the General Fund. The fund shall consist of all universal service surcharge moneys collected by
15 telecommunications carriers and paid into the fund. The fund shall be used only for the purpose
16 described in this section, and for payment of expenses incurred by the commission or a third party
17 appointed by the commission to administer this section. All moneys in the fund are continuously
18 appropriated to the commission to carry out the provisions of this section. Interest on moneys de-
19 posited in the fund shall accrue to the fund.

20 (6) For purposes of this section, "retail telecommunications service" does not include radio
21 communications service, radio paging service, commercial mobile radio service, personal communi-
22 cations service or cellular communications service.

23 (7)(a) Notwithstanding subsection (6) of this section, a person who primarily provides radio
24 communications service, radio paging service, commercial mobile radio service, personal communi-
25 cations service or cellular communications service may request designation as an eligible telecom-
26 munications carrier by the Public Utility Commission for purposes of participation in the universal
27 service fund.

28 (b) In the event a person who primarily provides radio communications service, radio paging
29 service, commercial mobile radio service, personal communications service or cellular communi-
30 cations service seeks designation as an eligible telecommunications carrier for purposes of partic-
31 ipation in the universal service fund, the person shall provide written notice to the Public Utility
32 Commission requesting designation as an eligible telecommunications carrier within 60 days of the
33 date the commission establishes the fund. Upon receiving notice, the commission may designate the
34 person as an eligible telecommunications carrier for purposes of participation in the fund.

35 (c) A person who primarily provides radio communications service, radio paging service, com-
36 mercial mobile radio service, personal communications service or cellular communications service
37 who fails to request designation as an eligible telecommunications carrier within 60 days of the date
38 the universal service fund is established by the Public Utility Commission may not be designated
39 as an eligible telecommunications carrier unless the person has contributed to the fund for at least
40 one year immediately prior to requesting designation.

41 (8) A pay telephone provider may apply to the Public Utility Commission, on a form developed
42 by the commission, for a refund of the universal service surcharge imposed on the provider under
43 subsection (4) of this section for the provision of pay telephone service.

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