

Representative Francis D. Gibson proposes the following substitute bill:

UNIVERSAL SERVICE FUND AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David P. Hinkins

House Sponsor: Francis D. Gibson

LONG TITLE

General Description:

This bill amends provisions related to the Universal Public Telecommunications Service Support Fund.

Highlighted Provisions:

This bill:

- ▶ provides that a telecommunications provider that establishes and maintains a network capable of providing access lines, connections, or wholesale broadband Internet access service may qualify for payments from the Universal Public Telecommunications Service Support Fund for use in carrier of last resort areas;
- ▶ requires each access line or connection provider in the state to contribute to the Universal Public Telecommunications Service Support Fund;
- ▶ requires the Public Service Commission to develop a method for calculating the amount of each contribution charge assessed to an access line or connection provider;
- ▶ combines a surcharge and funding for administering the hearing and speech impaired program with the Universal Public Telecommunications Service Support Fund and surcharge;
- ▶ provides for a depreciation method and rate-of-return for a carrier of last resort that



26 receives support from the Universal Public Telecommunications Service Support Fund;
 27 ▶ provides that a wireless telecommunications provider is eligible for a distribution
 28 from the Universal Public Telecommunications Service Support Fund for providing
 29 lifeline service under certain circumstances; and
 30 ▶ defines terms.

31 **Money Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 This bill provides a special effective date.

35 **Utah Code Sections Affected:**

36 AMENDS:

- 37 **54-8b-2**, as last amended by Laws of Utah 2005, Chapter 5
- 38 **54-8b-10**, as last amended by Laws of Utah 2016, Chapter 271
- 39 **54-8b-15**, as last amended by Laws of Utah 2013, Chapter 400
- 40 **63J-1-602.3**, as last amended by Laws of Utah 2016, Chapters 52 and 271



42 *Be it enacted by the Legislature of the state of Utah:*

43 Section 1. Section **54-8b-2** is amended to read:

44 **54-8b-2. Definitions.**

45 As used in this chapter:

46 (1) "Access line" means a circuit-switched connection, or the functional equivalent of a
 47 circuit-switched connection, from an end-user to the public switched network.

48 ~~(1)~~ (2) (a) "Aggregator" means any person or entity that:

- 49 (i) is not a telecommunications corporation;
- 50 (ii) in the ordinary course of its business makes operator assisted services available to
 51 the public or to customers and transient users of its business or property through an operator
 52 service provider; and
- 53 (iii) receives from an operator service provider by contract, tariff, or otherwise,
 54 commissions or compensation for calls delivered from the aggregator's location to the operator
 55 service provider.

56 (b) "Aggregator" may include any hotel, motel, hospital, educational institution,

57 government agency, or coin or coinless telephone service provider so long as that entity
58 qualifies under Subsection ~~[(1)]~~ (2)(a).

59 ~~[(2)]~~ (3) "Basic residential service" means a local exchange service for a residential
60 customer consisting of:

- 61 (a) a single line with access to the public switched network;
- 62 (b) touch-tone or the functional equivalent;
- 63 (c) local flat-rate unlimited usage, exclusive of extended area service;
- 64 (d) single-party service;
- 65 (e) a free phone number listing in directories received for free;
- 66 (f) access to operator services;
- 67 (g) access to directory assistance;
- 68 (h) access to lifeline and telephone relay assistance;
- 69 (i) access to 911 and E911 emergency services;
- 70 (j) access to long-distance carriers;
- 71 (k) access to toll limitations services;
- 72 (l) other services as may be determined by the commission; and
- 73 (m) no feature.

74 ~~[(3)]~~ (4) "Certificate" means a certificate of public convenience and necessity issued by
75 the commission authorizing a telecommunications corporation to provide specified public
76 telecommunications services within a defined geographic service territory in the state.

77 ~~[(4)]~~ (5) "Division" means the Division of Public Utilities established in Section
78 [54-4a-1](#).

79 ~~[(5)]~~ (6) "Essential facility or service" means any portion, component, or function of
80 the network or service offered by a provider of local exchange services:

- 81 (a) that is necessary for a competitor to provide a public telecommunications service;
- 82 (b) that cannot be reasonably duplicated; and
- 83 (c) for which there is no adequate economic alternative to the competitor in terms of
84 quality, quantity, and price.

85 ~~[(6)]~~ (7) (a) "Feature" means a custom calling service available from the central office
86 switch, including call waiting, call forwarding, three-way calling, and similar services.

87 (b) "Feature" does not include long distance calling.

88 ~~[(7)]~~ (8) "Federal Telecommunications Act" means the Communications Act of 1934,
89 as amended, and the Federal Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat.
90 56.

91 ~~[(8)]~~ (9) "Incumbent telephone corporation" means a telephone corporation, its
92 successors or assigns, which, as of May 1, 1995, held a certificate to provide local exchange
93 services in a defined geographic service territory in the state.

94 ~~[(9)]~~ (10) "Intrastate telecommunications service" means any public
95 telecommunications service in which the information transmitted originates and terminates
96 within the boundaries of this state.

97 ~~[(10)]~~ (11) "Local exchange service" means the provision of telephone lines to
98 customers with the associated transmission of two-way interactive, switched voice
99 communication within the geographic area encompassing one or more local communities as
100 described in maps, tariffs, or rate schedules filed with and approved by the commission.

101 ~~[(11)]~~ (12) "Mobile telecommunications service" means a mobile telecommunications
102 service:

103 (a) that is defined as a mobile telecommunications service in the Mobile
104 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124; and

105 (b) in which the information transmitted originates and terminates in one state.

106 ~~[(12)]~~ (13) (a) "New public telecommunications service" means a service offered by a
107 telecommunications corporation which that corporation has never offered before.

108 (b) "New public telecommunications service" does not include:

109 (i) a tariff, price list, or competitive contract that involves a new method of pricing any
110 existing public telecommunications service;

111 (ii) a package of public telecommunications services that includes an existing public
112 telecommunications service; or

113 (iii) a public telecommunications service that is a direct replacement for:

114 (A) a fully regulated service;

115 (B) an existing service offered pursuant to a tariff, price list, or competitive contract; or

116 (C) an essential facility or an essential service.

117 ~~[(13)]~~ (14) "Operator assisted services" means services which assist callers in the
118 placement or charging of a telephone call, either through live intervention or automated

119 intervention.

120 ~~[(14)]~~ (15) "Operator service provider" means any person or entity that provides, for a
121 fee to a caller, operator assisted services.

122 ~~[(15)]~~ (16) "Price-regulated service" means any public telecommunications service
123 governed by Section [54-8b-2.3](#).

124 (17) "Public switched network" means the same as that term is defined in 47 C.F.R.
125 Sec. 20.3.

126 ~~[(16)]~~ (18) "Public telecommunications service" means the two-way transmission of
127 signs, signals, writing, images, sounds, messages, data, or other information of any nature by
128 wire, radio, lightwaves, or other electromagnetic means offered to the public generally.

129 ~~[(17)]~~ (19) "Substantial compliance" with reference to a rule or order of the
130 commission means satisfaction of all material obligations in a manner consistent with the rule
131 or order.

132 ~~[(18)]~~ (20) "Telecommunications corporation" means any corporation or person, and
133 their lessees, trustees, receivers, or trustees appointed by any court, owning, controlling,
134 operating, managing, or reselling a public telecommunications service.

135 ~~[(19)]~~ (21) (a) "Total service long-run incremental cost" means the forward-looking
136 incremental cost to a telecommunications corporation caused by providing the entire quantity
137 of a public telecommunications service, network function, or group of public
138 telecommunications services or network functions, by using forward-looking technology,
139 reasonably available, without assuming relocation of existing plant and equipment.

140 (b) The "long-run" means a period of time long enough so that cost estimates are based
141 on the assumption that all inputs are variable.

142 Section 2. Section **54-8b-10** is amended to read:

143 **54-8b-10. Imposing a surcharge to provide hearing and speech impaired persons**
144 **with telecommunication devices -- Definitions -- Procedures for establishing program --**
145 **Surcharge -- Administration and disposition of surcharge money.**

146 (1) As used in this section:

147 (a) "Certified deaf or severely hearing or speech impaired person" means any state
148 resident who:

149 (i) is so certified by:

- 150 (A) a licensed physician;
- 151 (B) an otolaryngologist;
- 152 (C) a speech language pathologist;
- 153 (D) an audiologist; or
- 154 (E) a qualified state agency; and
- 155 (ii) qualifies for assistance under any low income public assistance program
- 156 administered by a state agency.
- 157 (b) "Certified interpreter" means a person who is a certified interpreter under Title
- 158 35A, Chapter 13, Part 6, Interpreter Services for the Deaf and Hard of Hearing Act.
- 159 (c) (i) "Telecommunication device" means any mechanical adaptation device that
- 160 enables a deaf or severely hearing or speech impaired person to use the telephone.
- 161 (ii) "Telecommunication device" includes:
- 162 (A) telecommunication devices for the deaf (TDD);
- 163 (B) telephone amplifiers;
- 164 (C) telephone signal devices;
- 165 (D) artificial larynxes; and
- 166 (E) adaptive equipment for TDD keyboard access.
- 167 (2) The commission shall [~~hold hearings to~~] establish a program whereby a certified
- 168 deaf or severely hearing or speech impaired customer of a telecommunications corporation that
- 169 provides service through a local exchange or of a wireless telecommunications provider may
- 170 obtain a telecommunication device capable of serving the customer at no charge to the
- 171 customer beyond the rate for basic service.
- 172 (3) (a) The program described in Subsection (2) shall provide a dual party relay system
- 173 using third party intervention to connect a certified deaf or severely hearing or speech impaired
- 174 person with a normal hearing person by way of telecommunication devices designed for that
- 175 purpose.
- 176 (b) The commission may, by rule, establish the type of telecommunications device to
- 177 be provided to ensure functional equivalence.
- 178 [~~(4) (a) The commission shall impose a surcharge on each residential and business~~
- 179 ~~access line of each customer of local-exchange telephone service in this state, and each~~
- 180 ~~residential and business telephone number of each customer of mobile telephone service in this~~

181 ~~state, not including a telephone number used exclusively to transfer data to and from a mobile~~
182 ~~device, which shall be collected by the telecommunications corporation providing public~~
183 ~~telecommunications service to the customer, to cover the costs of:]~~

184 ~~[(i) the program described in Subsection (2); and]~~

185 ~~[(ii) payments made under Subsection (5).]~~

186 ~~[(b) The commission shall establish by rule the amount to be charged under this~~
187 ~~section, provided that:]~~

188 ~~[(i) the surcharge does not exceed 20 cents per month for each residential and business~~
189 ~~access line for local-exchange telephone service, and for each residential and business~~
190 ~~telephone number for mobile telephone service, not including a telephone number used~~
191 ~~exclusively to transfer data to and from a mobile device; and]~~

192 ~~[(ii) if the surcharge is related to a mobile telecommunications service, the surcharge~~
193 ~~may be imposed, billed, and collected only to the extent permitted by the Mobile~~
194 ~~Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.]~~

195 ~~[(c) The telecommunications corporation shall collect the surcharge from its customers~~
196 ~~and transfer the money collected to the commission under rules adopted by the commission.]~~

197 ~~[(d) The surcharge shall be separately identified on each bill to a customer.]~~

198 ~~[(5) (a) Money collected from the surcharge imposed under Subsection (4) shall be~~
199 ~~deposited in the state treasury as dedicated credits to be administered as determined by the~~
200 ~~commission.]~~

201 ~~[(b) These dedicated credits may be used only:]~~

202 ~~(4) The commission shall cover the costs of the program described in this section from~~
203 ~~the Universal Public Telecommunications Service Support Fund created in Section [54-8b-15](#).~~

204 ~~(5) In administering the program described in this section, the commission may use~~
205 ~~funds from the Universal Public Telecommunications Support Fund:~~

206 ~~[(i) (a) for the purchase, maintenance, repair, and distribution of telecommunication~~
207 ~~devices;~~

208 ~~[(ii) (b) for the acquisition, operation, maintenance, and repair of a dual party relay~~
209 ~~system;~~

210 ~~[(iii) to reimburse telephone corporations for the expenses incurred in collecting and~~
211 ~~transferring to the commission the surcharge imposed by the commission;]~~

212 ~~[(iv)]~~ (c) for the general administration of the program;
 213 ~~[(v)]~~ (d) to train ~~[persons]~~ individuals in the use of telecommunications devices; and
 214 ~~[(vi)]~~ (e) ~~[by the commission]~~ to contract, in compliance with Title 63G, Chapter 6a,
 215 Utah Procurement Code, with:

216 ~~[(A)]~~ (i) an institution within the state system of higher education listed in Section
 217 53B-1-102 for a program approved by the Board of Regents that trains persons to qualify as
 218 certified interpreters; or

219 ~~[(B)]~~ (ii) the Utah State Office of Rehabilitation created in Section 35A-1-202 for a
 220 program that trains persons to qualify as certified interpreters.

221 ~~[(c)]~~ (i) (6) The commission ~~[shall make rules]~~ may create disbursement criteria and
 222 procedures by rule made under Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
 223 ~~[the administration of money under Subsection (5)(b)(vi)]~~ administering funds under
 224 Subsection (5).

225 ~~[(ii)]~~ ~~In the initial rulemaking to determine the administration of money under~~
 226 ~~Subsection (5)(b)(vi), the commission shall give notice and hold a public hearing.]~~

227 ~~[(d)]~~ ~~Money received by the commission under Subsection (4) is nonlapsing.]~~

228 ~~[(6)]~~ (a) ~~The telephone surcharge need not be collected by a telecommunications~~
 229 ~~corporation if the amount collected would be less than the actual administrative costs of the~~
 230 ~~collection.]~~

231 ~~[(b)]~~ ~~If Subsection (6)(a) applies, the telecommunications corporation shall submit to~~
 232 ~~the commission, in lieu of the revenue from the surcharge collection, a breakdown of the~~
 233 ~~anticipated costs and the expected revenue from the collection, showing that the costs exceed~~
 234 ~~the revenue.]~~

235 (7) The commission shall solicit ~~[the]~~ advice, counsel, and physical assistance ~~[of~~
 236 ~~severely hearing or speech impaired persons and the organizations serving them]~~ from deaf,
 237 hard of hearing, or severely speech impaired individuals and the organizations serving deaf,
 238 hard of hearing, or severely speech impaired individuals in the design and implementation of
 239 the program.

240 Section 3. Section **54-8b-15** is amended to read:

241 **54-8b-15. Universal Public Telecommunications Service Support Fund --**
 242 **Established.**

243 (1) For purposes of this section:

244 [~~(a) "Basic telephone service" means local exchange service and may include such~~
245 ~~other functions and elements, if any, as the commission determines to be eligible for support by~~
246 ~~the fund.~~]

247 (a) "Broadband Internet access service" means the same as that term is defined in 47
248 C.F.R. Sec. 8.2.

249 (b) "Carrier of last resort" means:

250 (i) an incumbent telephone corporation; or

251 (ii) a telecommunications corporation that, under Section [54-8b-2.1](#):

252 (A) has a certificate of public convenience and necessity to provide local exchange
253 service; and

254 (B) has an obligation to provide public telecommunications service to any customer or
255 class of customers that requests service within the local exchange.

256 (c) "Connection" means an authorized session that uses Internet protocol or a
257 functionally equivalent technology standard to enable an end-user to initiate or receive a call
258 from the public switched network.

259 ~~[(b)]~~ (d) "Fund" means the Universal Public Telecommunications Service Support
260 Fund established in this section.

261 (e) "Non-rate-of-return regulated" means having price flexibility under Section
262 [54-8b-2.3](#).

263 (f) "Rate-of-return regulated" means subject to regulation under Section [54-4-4](#).

264 (g) "Wholesale broadband Internet access service" means the end-user loop component
265 of Internet access provided by a rate-of-return regulated carrier of last resort that is used to
266 provide, at retail:

267 (i) combined consumer voice and broadband Internet access; or

268 (ii) stand-alone, consumer, broadband-only Internet access.

269 ~~[(2) The commission shall establish]~~

270 (2) (a) There is established an expendable special revenue fund known as the
271 "Universal Public Telecommunications Service Support Fund[;]." ~~[which is to be implemented~~
272 ~~by January 1, 1998.]~~

273 (b) The fund shall provide a mechanism for a qualifying carrier of last resort to obtain

274 specific, predictable, and sufficient funds to deploy and manage, for the purpose of providing
275 service to end-users, networks capable of providing:

- 276 (i) access lines;
- 277 (ii) connections; or
- 278 (iii) wholesale broadband Internet access service.

279 (c) The commission shall develop, by rule made in accordance with Title 63G, Chapter
280 3, Utah Administrative Rulemaking Act and consistent with this section, policies and
281 procedures to govern the administration of the fund.

282 ~~[(3) The commission shall:]~~

283 ~~[(a) institute a proceeding within 30 days of the effective date of this section to~~
284 ~~establish rules governing the administration of the fund; and]~~

285 ~~[(b) issue those rules by October 1, 1997.]~~

286 ~~[(4) The rules in Subsection (3) shall be consistent with the Federal~~
287 ~~Telecommunications Act.]~~

288 ~~[(5) Operation of the fund shall be nondiscriminatory and competitively and~~
289 ~~technologically neutral in the collection and distribution of funds, neither providing a~~
290 ~~competitive advantage for, nor imposing a competitive disadvantage upon, any~~
291 ~~telecommunications provider operating in the state.]~~

292 ~~[(6) The fund shall be designed to:]~~

293 ~~[(a) promote equitable cost recovery of basic telephone service through the imposition~~
294 ~~of just and reasonable rates for telecommunications access and usage; and]~~

295 ~~[(b) preserve and promote universal service within the state by ensuring that customers~~
296 ~~have access to affordable basic telephone service.]~~

297 ~~[(7) To the extent not funded by a federal universal service fund or other federal~~
298 ~~jurisdictional revenues, the fund shall be used to defray the costs, as determined by the~~
299 ~~commission, of any qualifying telecommunications corporation in providing public~~
300 ~~telecommunications services to:]~~

301 ~~[(a) customers that qualify for a commission-approved lifeline program; and]~~

302 ~~[(b) customers, where]~~

303 ~~[the basic telephone service rate considered affordable by the commission in a~~
304 ~~particular geographic area is less than the costs, as determined by the commission for that~~

305 ~~geographic area, of basic telephone service.]~~

306 ~~[(8) The fund shall be portable among qualifying telecommunications corporations.~~

307 ~~Requirements to qualify for funds under this section shall be defined by rules established by the~~
308 ~~commission.]~~

309 (3) Subject to this section, the commission shall use funds in the Universal Public
310 Telecommunications Service Support Fund to:

311 (a) fund the hearing and speech impaired program described in Section [54-8b-10](#);

312 (b) fund a lifeline program that covers the reasonable cost to an eligible
313 telecommunications carrier, as determined by the commission, to offer lifeline service
314 consistent with the Federal Communications Commission's lifeline program for low-income
315 consumers;

316 (c) fund, for the purpose of providing service to end-users, a rate-of-return regulated or
317 non-rate-of-return regulated carrier of last resort's deployment and management of networks
318 capable of providing:

319 (i) access lines;

320 (ii) connections; or

321 (iii) wholesale broadband Internet access service that is consistent with Federal
322 Communications Commission rules; and

323 (d) fund one-time distributions from the Universal Public Telecommunications Service
324 Support Fund for a non-rate-of-return regulated carrier of last resort's deployment and
325 management of networks capable of providing:

326 (i) access lines;

327 (ii) connections; or

328 (iii) broadband Internet access service.

329 (4) (a) A rate-of-return regulated carrier of last resort is eligible for payment from the
330 Universal Public Telecommunications Service Support Fund if:

331 (i) the rate-of-return regulated carrier of last resort provides the services described in
332 Subsections (3)(c)(i) through (iii); and

333 (ii) the rate-of-return regulated carrier of last resort's reasonable costs, as determined by
334 the commission, to provide public telecommunications service and wholesale broadband
335 Internet access service are greater than the sum of:

336 (A) the rate-of-return regulated carrier of last resort's revenue from basic residential
337 service considered affordable by the commission;

338 (B) the rate-of-return regulated carrier of last resort's regulated revenue derived from
339 providing other public telecommunications service;

340 (C) the rate-of-return regulated carrier of last resort's revenue from rates approved by
341 the Federal Communications Commission for wholesale broadband Internet access service; and

342 (D) the amount the rate-of-return regulated carrier of last resort receives from federal
343 universal service funds.

344 (b) A non-rate-of-return regulated carrier of last resort is eligible for payment from the
345 Universal Public Telecommunications Service Support Fund for reimbursement of reasonable
346 costs as determined by the commission if the non-rate-of-return regulated carrier meets criteria
347 that are:

348 (i) consistent with Subsections (2) and (3); and

349 (ii) developed by the commission by rule made in accordance with Title 63G, Chapter
350 3, Utah Administrative Rulemaking Act.

351 (5) A rate-of-return regulated carrier of last resort that qualifies for funds under this
352 section:

353 (a) is entitled to a rate of return equal to the weighted average cost of capital rate of
354 return prescribed by the Federal Communications Commission for rate-of-return regulated
355 carriers; and

356 (b) may use any depreciation method allowed by the Federal Communications
357 Commission.

358 (6) (a) The commission shall determine if a rate-of-return regulated carrier of last resort
359 is correctly applying a depreciation method described in Subsection (5)(b).

360 (b) If the commission determines under Subsection (6)(a) that a rate-of-return regulated
361 carrier of last resort is incorrectly applying a depreciation method or that the rate-of-return
362 regulated carrier of last resort is not using a depreciation method allowed by the Federal
363 Communications Commission, the commission shall issue an order that provides corrections to
364 the rate-of-return regulated carrier of last resort's method of depreciation.

365 ~~[(9) As necessary to accomplish the purposes of this section, the fund shall provide a~~
366 ~~mechanism for specific, predictable, and sufficient funds in addition to those provided under~~

367 ~~the federal universal service fund.]~~

368 (7) A carrier of last resort that receives funds from the Universal Public
369 Telecommunications Service Support Fund may only use the funds in accordance with this
370 section within the area for which the carrier of last resort has a carrier of last resort obligation.

371 (8) Each access line provider and each connection provider shall contribute to the
372 Universal Public Telecommunications Service Support Fund through an explicit charge
373 assessed by the commission on the access line provider or connection provider.

374 (9) The commission shall calculate the amount of each explicit charge described in
375 Subsection (8) using a method developed by the commission by rule made in accordance with
376 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

377 (a) does not discriminate against:

378 (i) any access line or connection provider; or

379 (ii) the technology used by any access line or connection provider;

380 (b) is competitively neutral; and

381 (c) is a function of an access line or connection provider's:

382 (i) annual intrastate revenue;

383 (ii) number of access lines or connections in the state; or

384 (iii) a combination of an access line or connection provider's annual intrastate revenue
385 and number of access lines or connections in the state.

386 (10) The commission shall develop the method described in Subsection (9) before
387 January 1, 2018.

388 ~~[(10) (a) Subject to Subsection (10) (b):]~~

389 ~~[(i) each telecommunications corporation that provides intrastate public~~
390 ~~telecommunication service shall contribute to the fund on an equitable and nondiscriminatory~~
391 ~~basis;]~~

392 ~~[(ii) for purposes of funding the fund, the commission shall have the authority to~~
393 ~~require all corporations that provide intrastate telecommunication services in this state to~~
394 ~~contribute money to the fund through explicit charges determined by the commission;]~~

395 ~~[(iii) any charge described in Subsection (10)(a)(ii) may not apply to wholesale~~
396 ~~services, including access and interconnection; and]~~

397 ~~[(iv) charges associated with being a provider of public telecommunications service~~

398 ~~shall be in the form of end-user surcharges applied to intrastate retail rates.]~~

399 ~~[(b) A telecommunications corporation]~~ (11) An access line or connection provider
400 that provides mobile telecommunications service shall contribute to the [fund] Universal
401 Public Telecommunications Service Support Fund only to the extent permitted by the Mobile
402 Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.

403 ~~[(H)]~~ (12) Nothing in this section shall be construed to enlarge or reduce the
404 commission's jurisdiction or authority, as provided in other provisions of this title.

405 ~~[(12) Any telecommunications corporation failing to make contributions to this fund or~~
406 ~~failing]~~

407 (13) A person that fails to make a required contribution to the fund created by this
408 section, or that fails to comply with [the directives of the] a commission directive concerning
409 [its] the person's books, records, or other information required by the commission to administer
410 this section [shall be], is subject to applicable penalties.

411 ~~[(13) The commission shall have a bill prepared for the 1998 General Session of the~~
412 ~~Legislature to place in statute as much of the regulation implemented by rule pursuant to the act~~
413 ~~the commission believes is practicable.]~~

414 (14) Nothing in this section gives the commission the authority:

415 (a) to regulate broadband Internet access service;

416 (b) to require a carrier of last resort to provide broadband Internet access service; or

417 (c) assess a contribution in violation of the Internet Tax Freedom Act, 47 U.S.C. Sec.

418 151 note.

419 (15) (a) A facilities-based or nonfacilities-based wireless telecommunication provider
420 is eligible for distributions from the Universal Telecommunications Service Support Fund
421 under the lifeline program described in Subsection (3)(b) for providing lifeline service that is
422 consistent with the Federal Communications Commission's lifeline program for low-income
423 consumers.

424 (b) Except as provided in Subsection (15)(c), the commission may impose reasonable
425 conditions for providing a distribution to a wireless telecommunication provider under the
426 lifeline program described in Subsection (3)(b).

427 (c) The commission may not require a wireless telecommunication provider to offer
428 unlimited local calling to a lifeline customer as a condition of receiving a distribution under the

429 lifeline program described in Subsection (3)(b).

430 (16) The commission shall report to the Public Utilities, Energy, and Technology

431 Interim Committee each year before November 1 regarding:

432 (a) the contribution method described in Subsection (9);

433 (b) the amount of distributions from and contributions to the Universal Public

434 Telecommunications Service Support Fund during the last fiscal year;

435 (c) the availability of services for which Subsection (3) permits Universal Public

436 Telecommunications Service Support Fund funds to be used; and

437 (d) the effectiveness and efficiency of the Universal Public Telecommunications

438 Service Support Fund.

439 Section 4. Section **63J-1-602.3** is amended to read:

440 **63J-1-602.3. List of nonlapsing funds and accounts -- Title 46 through Title 60.**

441 (1) The Utah Law Enforcement Memorial Support Restricted Account created in
442 Section [53-1-120](#).

443 (2) Funding for the Search and Rescue Financial Assistance Program, as provided in
444 Section [53-2a-1102](#).

445 (3) Appropriations made to the Division of Emergency Management from the State
446 Disaster Recovery Restricted Account, as provided in Section [53-2a-603](#).

447 (4) Appropriations made to the Department of Public Safety from the Department of
448 Public Safety Restricted Account, as provided in Section [53-3-106](#).

449 (5) Appropriations to the Motorcycle Rider Education Program, as provided in Section
450 [53-3-905](#).

451 (6) Appropriations from the Utah Highway Patrol Aero Bureau Restricted Account
452 created in Section [53-8-303](#).

453 (7) Appropriations from the DNA Specimen Restricted Account created in Section
454 [53-10-407](#).

455 (8) The Canine Body Armor Restricted Account created in Section [53-16-201](#).

456 (9) The School Readiness Restricted Account created in Section [53A-1b-104](#).

457 (10) Appropriations to the State Board of Education, as provided in Section
458 [53A-17a-105](#).

459 (11) Money received by the Utah State Office of Rehabilitation for the sale of certain

460 products or services, as provided in Section 35A-13-202.

461 (12) Certain funds appropriated from the General Fund to the State Board of Regents
462 for teacher preparation programs, as provided in Section 53B-6-104.

463 (13) Funding for the Medical Education Program administered by the Medical
464 Education Council, as provided in Section 53B-24-202.

465 (14) A certain portion of money collected for administrative costs under the School
466 Institutional Trust Lands Management Act, as provided under Section 53C-3-202.

467 [~~15~~] ~~Certain surcharges on residential and business telephone numbers imposed by the~~
468 ~~Public Service Commission, as provided in Section 54-8b-10.~~]

469 [~~16~~] (15) Certain fines collected by the Division of Occupational and Professional
470 Licensing for violation of unlawful or unprofessional conduct that are used for education and
471 enforcement purposes, as provided in Section 58-17b-505.

472 [~~17~~] (16) Certain fines collected by the Division of Occupational and Professional
473 Licensing for use in education and enforcement of the Security Personnel Licensing Act, as
474 provided in Section 58-63-103.

475 [~~18~~] (17) Appropriations from the Relative Value Study Restricted Account created
476 in Section 59-9-105.

477 [~~19~~] (18) The Cigarette Tax Restricted Account created in Section 59-14-204.

478 Section 5. **Effective date.**

479 This bill takes effect on July 1, 2017.