

House Bill 556

By: Representative Parsons of the 44th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 4 of Chapter 5 of Title 46 of the Official Code of Georgia Annotated,
2 relating to telecommunications and competition development, so as to change certain
3 provisions relating to the authority of the Public Service Commission to order certain
4 contributions and distributions to the Universal Access Fund; to provide for related matters;
5 to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 4 of Chapter 5 of Title 46 of the Official Code of Georgia Annotated, relating to
9 telecommunications and competition development, is amended by revising Code Section
10 46-5-167, relating to the Universal Access Fund, as follows:

11 "46-5-167.

12 (a) The commission shall administer a Universal Access Fund to assure the provision of
13 reasonably priced access to basic local exchange services throughout Georgia. The fund
14 shall be administered by the commission pursuant to this Code section and under rules to
15 be promulgated by the commission as needed to assure that the fund operates in a
16 competitively neutral manner between competing telecommunications providers.

17 (b) All telecommunications companies holding a certificate of authority issued by the
18 commission to provide services within Georgia shall contribute quarterly to the fund as
19 provided in this subsection. The commission shall determine the manner of contribution
20 using either one or a combination of the following two contribution methodologies:

21 (1) A charge for each working telephone number; or

22 (2) A proportionate amount based on each company's gross intrastate revenues from the
23 provision of telecommunications services to end users.

24 In calculating such contributions, the commission shall allow a local exchange company
25 holding a certificate of authority issued by the commission after July 1, 1995, and before
26 January 1, 2010, with primary headquarters in Georgia and more than 750 full-time

27 employees working in Georgia as of January 1, 2010, to utilize accumulated unexpired
28 Georgia net operating losses for taxable years ending prior to January 1, 2010, on a full
29 dollar-for-dollar basis to reduce up to 50 percent of its contribution to the Universal Access
30 Fund. Within the same tax year of the election, companies making such election shall
31 formally notify the Department of Revenue that the company agrees to forego any rights
32 or claims to the Georgia net operating losses so used. The commission may allow any
33 telecommunications company certified as a competitive local exchange carrier to request
34 a hearing seeking relief from this contribution requirement upon application,
35 demonstration, and good cause shown that such competitive local exchange carrier does
36 not receive a benefit from the reduction in intrastate switched access charges pursuant to
37 subsection (c) of Code Section 46-5-166.

38 (c) Contributions to the fund shall be determined if, after notice and opportunity for
39 hearing, the commission calculates the difference in the reasonable actual costs of basic
40 local exchange services throughout Georgia and the maximum amounts that may be
41 charged for such services and shall also account for reductions in intrastate switched access
42 charges pursuant to subsection (c) of Code Section 46-5-166.

43 (d)(1) Nothing in this subsection shall require any Tier 2 local exchange company to
44 raise any of its rates. Nothing in this subsection shall authorize any Tier 2 local exchange
45 company to receive any subsidy from the Universal Access Fund. For purposes of this
46 subsection, the term 'subsidy' means any payment authorized by paragraph (2) of this
47 subsection in excess of the intrastate access charge reductions pursuant to subsection (c)
48 of Code Section 46-5-166.

49 (2) After notice and opportunity for hearing, the commission shall determine the amount
50 of moneys in the fund that shall be distributed quarterly. Such determination shall be
51 made as follows:

52 (A) Distributions to carriers that have reduced intrastate switched access charges
53 pursuant to subsection (c) of Code Section 46-5-166 shall be limited to an amount
54 reflective of such access charge reductions and shall also be reduced by the amount per
55 access line, which if added to the carrier's basic local exchange service rate, in
56 accordance with a schedule established by the commission, results in an amount that
57 would be equal to 110 percent of the July 1, 2009, residential state-wide weighted
58 average rate for basic local exchange services imputed across all access lines and
59 adjusted annually for inflation measured by the change in GDP-PI. Any distributions
60 pursuant to this subparagraph shall be limited to a period of no more than ten years; and
61 (B) Except for those distributions to Tier 2 local exchange companies that have
62 reduced intrastate switched access charges pursuant to subsection (c) of Code
63 Section 46-5-166, distributions to a Tier 2 local exchange carrier subject to rate of

64 return regulation shall also be reduced by the amount per access line, which if added
65 to the carrier's basic local exchange service rate, in accordance with a schedule
66 established by the commission, results in an amount that would be equal to 110 percent
67 of the July 1, 2009, residential state-wide weighted average rate for basic local
68 exchange services imputed across all access lines and adjusted annually for inflation
69 measured by the change in GDP-PI. The commission shall determine any such
70 distributions upon application, demonstration, and good cause shown that the
71 reasonable actual costs to provide basic local exchange services exceed the maximum
72 fixed price permitted for such basic local exchange services; any distributions pursuant
73 to this subparagraph shall be limited to a period of no more than 20 years.

74 (e) The commission shall require any local exchange company seeking reimbursement
75 from the fund pursuant to subparagraph (d)(2)(B) of this Code section to file the
76 information reasonably necessary to determine the actual and reasonable costs of providing
77 basic local exchange services.

78 (f) The commission shall have the authority to make adjustments to the contribution or
79 distribution levels based on yearly reconciliations ~~and to order further contributions or~~
80 ~~distributions as needed between companies to equalize reasonably the burdens of providing~~
81 ~~basic local exchange service throughout Georgia.~~

82 (g) A local exchange company or other company shall not establish a surcharge on
83 customers' bills to collect contributions required under this Code section without first
84 submitting to the Public Service Commission the methodology and data used by such
85 company for approval by the commission and upon a showing to the commission that the
86 surcharge does not result in an increase in the company's service rates; provided, however,
87 that such company shall not be required to submit for approval separate line items or
88 surcharges that are specifically authorized or required by federal law or other provisions
89 of state law."

90

SECTION 2.

91 All laws and parts of laws in conflict with this Act are repealed.