

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 522**

Introduced by Walz, 15.

Read first time January 18, 2017

Committee:

- 1 A BILL FOR AN ACT relating to telecommunications; to amend section
- 2 86-324, Reissue Revised Statutes of Nebraska; to eliminate
- 3 terminated provisions relating to fund transfers; and to repeal the
- 4 original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 86-324, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 86-324 (1) The Nebraska Telecommunications Universal Service Fund is  
4 hereby created. The fund shall provide the assistance necessary to make  
5 universal access to telecommunications services available to all persons  
6 in the state consistent with the policies set forth in the Nebraska  
7 Telecommunications Universal Service Fund Act. Only eligible  
8 telecommunications companies designated by the commission shall be  
9 eligible to receive support to serve high-cost areas from the fund. A  
10 telecommunications company that receives such support shall use that  
11 support only for the provision, maintenance, and upgrading of facilities  
12 and services for which the support is intended. Any such support should  
13 be explicit and sufficient to achieve the purpose of the act.

14 (2) Notwithstanding the provisions of section 86-124, in addition to  
15 other provisions of the act, and to the extent not prohibited by federal  
16 law, the commission:

17 (a) Shall have authority and power to subject eligible  
18 telecommunications companies to service quality, customer service, and  
19 billing regulations. Such regulations shall apply only to the extent of  
20 any telecommunications services or offerings made by an eligible  
21 telecommunications company which are eligible for support by the fund.  
22 The commission shall be reimbursed from the fund for all costs related to  
23 drafting, implementing, and enforcing the regulations and any other  
24 services provided on behalf of customers pursuant to this subdivision;

25 (b) Shall have authority and power to issue orders carrying out its  
26 responsibilities and to review the compliance of any eligible  
27 telecommunications company receiving support for continued compliance  
28 with any such orders or regulations adopted pursuant to the act;

29 (c) May withhold all or a portion of the funds to be distributed  
30 from any telecommunications company failing to continue compliance with  
31 the commission's orders or regulations;

1 (d) Shall require every telecommunications company to contribute to  
2 any universal service mechanism established by the commission pursuant to  
3 state law. The commission shall require, as reasonably necessary, an  
4 annual audit of any telecommunications company to be performed by a  
5 third-party certified public accountant to insure the billing,  
6 collection, and remittance of a surcharge for universal service. The  
7 costs of any audit required pursuant to this subdivision shall be paid by  
8 the telecommunications company being audited;

9 (e) Shall require an audit of information provided by a  
10 telecommunications company to be performed by a third-party certified  
11 public accountant for purposes of calculating universal service fund  
12 payments to such telecommunications company. The costs of any audit  
13 required pursuant to this subdivision shall be paid by the  
14 telecommunications company being audited; and

15 (f) May administratively fine pursuant to section 75-156 any person  
16 who violates the Nebraska Telecommunications Universal Service Fund Act.

17 (3) Any money in the fund available for investment shall be invested  
18 by the state investment officer pursuant to the Nebraska Capital  
19 Expansion Act and the Nebraska State Funds Investment Act.

20 ~~(4)(a) The State Treasurer shall transfer funds from the Nebraska~~  
21 ~~Telecommunications Universal Service Fund to the General Fund upon~~  
22 ~~certification by the Director of Administrative Services that the current~~  
23 ~~cash balances in the General Fund and the Cash Reserve Fund are~~  
24 ~~inadequate to meet current obligations. Such certification shall include~~  
25 ~~the dollar amount to be transferred which shall not exceed the amount by~~  
26 ~~which the General Fund and Cash Reserve Fund are inadequate to meet~~  
27 ~~current obligations. The total of such transfers shall not reduce the~~  
28 ~~Nebraska Telecommunications Universal Service Fund balance below an~~  
29 ~~amount sufficient to meet the obligations on the fund for the next sixty~~  
30 ~~days. Any transfers made pursuant to this subsection shall be reversed~~  
31 ~~upon notification by the Director of Administrative Services that~~

1 ~~sufficient funds are available or on June 30, 2007, whichever occurs~~  
2 ~~first.~~

3 ~~(b) Any transfer under this subsection not reversed within thirty~~  
4 ~~days after the initial transfer shall accrue interest in the amount of~~  
5 ~~five percent annually. Interest shall be calculated beginning on the~~  
6 ~~thirty-first day after the initial transfer and continue until the~~  
7 ~~transfer is completely reversed. The interest calculated shall be~~  
8 ~~credited to the Nebraska Telecommunications Universal Service Fund.~~

9 ~~(c) Any transfer of funds which has not been reversed as provided in~~  
10 ~~this subsection, with accrued interest, shall be considered an~~  
11 ~~encumbrance against the General Fund.~~

12 ~~(d) This subsection terminates on June 30, 2007.~~

13 Sec. 2. Original section 86-324, Reissue Revised Statutes of  
14 Nebraska, is repealed.