

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 501

By: Griffin

4
5
6 AS INTRODUCED

7 An Act relating to telecommunications; amending 17
8 O.S. 2011, Section 139.102, as last amended by
9 Section 3, Chapter 270, O.S.L. 2016 (17 O.S. Supp.
10 2016, Section 139.102), which relates to definitions;
11 defining 2-1-1 Call Center; conforming language;
12 amending 17 O.S. 2011, Section 139.106, as amended by
13 Section 4, Chapter 270, O.S.L. 2016 (17 O.S. Supp.
14 2016, Section 139.106), which relates to the Oklahoma
15 Universal Service Fund; authorizing monies from OUSF
16 to 2-1-1 Call Centers; modifying applicability of act
17 to 2-1-1 Call Centers; restricting monies given to 2-
18 1-1 Call Centers; requiring and establishing certain
19 standards of eligibility for funding for 2-1-1 Call
20 Centers from OUSF; authorizing Corporation Commission
21 to investigate and approve certain funding requests;
22 prohibiting OUSF funding certain call centers, with
23 exceptions; specifying the OUSF funding distribution
24 process for 2-1-1 Call Centers; requiring certain
reporting for changes in funding; and providing an
effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 17 O.S. 2011, Section 139.102, as
last amended by Section 3, Chapter 270, O.S.L. 2016 (17 O.S. Supp.
2016, Section 139.102), is amended to read as follows:

Section 139.102. As used in the Oklahoma Telecommunications Act
of 1997:

1 1. "2-1-1 Call Center" means a free, 24-hour telephone
2 information and referral service for a specified geographical area
3 or region that connects people in need with health and human service
4 agencies and programs that can provide assistance;

5 2. "Access line" means the facilities provided and maintained
6 by a telecommunications service provider which permit access to or
7 from the public switched network or its functional equivalent
8 regardless of the technology or medium used;

9 ~~2.~~ 3. "Administrative process" means an administrative
10 application process which allows eligible local exchange
11 telecommunications providers and eligible providers to request
12 funding and an administrative submission process that allows
13 Oklahoma Universal Service Fund Beneficiaries to submit a
14 preapproval request directly with the Administrator. Both of the
15 administrative processes shall not require an order from the
16 Commission to determine eligibility for, allocate or disburse funds
17 unless a request for reconsideration is filed;

18 ~~3.~~ 4. "Administrator" means the Director of the Public Utility
19 Division of the Corporation Commission;

20 4. 5. "Commission" means the Corporation Commission of this
21 state;

22 ~~5.~~ 6. "Competitive local exchange carrier" or "CLEC" means,
23 with respect to an area or exchange, a telecommunications service
24 provider that is certificated by the Commission to provide local

1 exchange services in that area or exchange within the state after
2 July 1, 1995;

3 ~~6.~~ 7. "Competitively neutral" means not advantaging or favoring
4 one person or technology over another;

5 ~~7.~~ 8. "Consortium" means, as used in Section 6 of this act, two
6 or more Oklahoma Universal Service Fund Beneficiaries that choose to
7 request support under the Federal Universal Service Support
8 Mechanism or successor program or programs as a single entity;

9 ~~8.~~ 9. "Contributing providers" means providers, including but
10 not limited to providers of intrastate telecommunications, providers
11 of intrastate telecommunications for a fee on a non-common-carrier
12 basis, providers of wireless telephone service and providers of
13 interconnected Voice over Internet Protocol (VoIP). Contributing
14 providers shall contribute to the Oklahoma Universal Service Fund
15 and Oklahoma Lifeline Fund. VoIP providers shall be assessed only
16 as provided for in the decision of the Federal Communications
17 Commission, FCC 10-185, released November 5, 2010, or such other
18 assessment methodology that is not inconsistent with federal law.
19 Entities exempt from contributing to the Federal Universal Service
20 Support Mechanisms are also exempt from contributing to the Oklahoma
21 Universal Service Fund and Oklahoma Lifeline Fund consistent with 47
22 C.F.R., Section 54.706(d). The term "contributing providers" may be
23 modified to conform to the definition of contributors as defined by
24 the FCC if adopted by the Commission, after notice and hearing;

1 ~~9.~~ 10. "Eligible healthcare entity" means a not-for-profit
2 hospital, county health department, city-county health department,
3 not-for-profit mental health and substance abuse facility or
4 Federally Qualified Health Center in Oklahoma. Eligible healthcare
5 entity shall also include telemedicine services provided by the
6 Oklahoma Department of Corrections at facilities identified in
7 Section 509 of Title 57 of the Oklahoma Statutes;

8 ~~10.~~ 11. "Eligible local exchange telecommunications service
9 provider" means ILEC, CLEC and commercial radio mobile service
10 provider as those terms are used in the Oklahoma Telecommunications
11 Act of 1997;

12 ~~11.~~ 12. "Eligible provider" means, for purposes of Special
13 Universal Services, providers of telecommunications services which
14 hold a certificate of convenience and necessity and OneNet;

15 ~~12.~~ 13. "End User Common Line Charge" means the flat-rate
16 monthly interstate access charge required by the Federal
17 Communications Commission that contributes to the cost of local
18 service;

19 ~~13.~~ 14. "Enhanced service" means a service that is delivered
20 over communications transmission facilities and that uses computer
21 processing applications to:

22 a. change the content, format, code, or protocol of
23 transmitted information,

24

- 1 b. provide the customer new or restructured information,
2 or
3 c. involve end-user interaction with information stored
4 in a computer;

5 ~~14.~~ 15. "Exchange" means a geographic area established by an
6 incumbent local exchange telecommunications provider as filed with
7 or approved by the Commission for the administration of local
8 telecommunications service in a specified area which usually
9 embraces a city, town, or village and its environs and which may
10 consist of one or more central offices together with associated
11 plant used in furnishing telecommunications service in that area;

12 ~~15.~~ 16. "Facilities" means all the plant and equipment of a
13 telecommunications service provider, including all tangible and
14 intangible real and personal property without limitation, and any
15 and all means and instrumentalities in any manner owned, operated,
16 leased, licensed, used, controlled, furnished, or supplied for, by,
17 or in connection with the business of any telecommunications service
18 provider;

19 ~~16.~~ 17. "Federally Qualified Health Center" or "(FQHC)" means
20 an entity which:

- 21 a. is receiving a grant under Section 330 of the Public
22 Health Service (PHS) Act, 42 U.S.C., Section 254b, or
23 is receiving funding from a grant under a contract
24 with the recipient of such a grant and meets the

1 requirements to receive a grant under Section 330 of
2 the PHS Act,

3 b. based on the recommendation of the Health Resources
4 and Services Administration within the Public Health
5 Service, is determined by the Secretary of the
6 Department of Health and Human Services to meet the
7 requirements for receiving a grant as described in
8 subparagraph a of this paragraph,

9 c. was treated by the Secretary of the Department of
10 Health and Human Services, for purposes of part B of
11 Section 330 of the PHS Act, as a comprehensive
12 federally funded health center as of January 1, 1990,
13 or

14 d. is an outpatient health program or facility operated
15 by a tribe or tribal organization under the Indian
16 Self-Determination Act, 25 U.S.C., Section 450f et
17 seq., or by an urban Indian organization receiving
18 funds under Title V of the Indian Health Care
19 Improvement Act, 25 U.S.C., Section 1651 et seq.;

20 ~~17.~~ 18. "Federal Universal Service Support Mechanism" is the
21 support program established by the Telecommunications Act of 1996,
22 47 U.S.C., Section 254(h). The program includes support for
23 schools, libraries and healthcare providers;

1 ~~18.~~ 19. "Funding year" means, for purposes of administering the
2 Oklahoma Universal Service Fund, the period of July 1 through June
3 30;

4 ~~19.~~ 20. "High speed Internet access service" or "broadband
5 service" means, as used in Section 139.110 of this title, those
6 services and underlying facilities that provide upstream, from
7 customer to provider, or downstream, from provider to customer,
8 transmission to or from the Internet in excess of one hundred fifty
9 (150) kilobits per second, regardless of the technology or medium
10 used including, but not limited to, wireless, copper wire, fiber
11 optic cable, or coaxial cable, to provide such service;

12 ~~20.~~ 21. "Hospital" means a healthcare entity that has been
13 granted a license as a hospital by the Oklahoma Department of Health
14 for that particular location;

15 ~~21.~~ 22. "Incumbent local exchange telecommunications service
16 provider" or "ILEC" means, with respect to an area or exchanges, any
17 telecommunications service provider furnishing local exchange
18 service in such area or exchanges within this state on July 1, 1995,
19 pursuant to a certificate of convenience and necessity or
20 grandfathered authority;

21 ~~22.~~ 23. "Installation charge" means any charge for a
22 nonrecurring service charged by an eligible provider necessary to
23 initiate Special Universal Services. Installation charges may not
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1 exceed the cost which would be charged for installation, if the cost
2 were not being paid for by the OUSF;

3 ~~23.~~ 24. "Interexchange telecommunications carrier" or "IXC"
4 means any person, firm, partnership, corporation or other entity,
5 except an incumbent local exchange telecommunications service
6 provider, engaged in furnishing regulated interexchange
7 telecommunications services under the jurisdiction of the
8 Commission;

9 ~~24.~~ 25. "Internet" means the international research-oriented
10 network comprised of business, government, academic and other
11 networks;

12 ~~25.~~ 26. "Local exchange telecommunications service" means a
13 regulated switched or dedicated telecommunications service which
14 originates and terminates within an exchange or an exchange service
15 territory. Local exchange telecommunications service may be
16 terminated by a telecommunications service provider other than the
17 telecommunications service provider on whose network the call
18 originated. The local exchange service territory defined in the
19 originating provider's tariff shall determine whether the call is
20 local exchange service;

21 ~~26.~~ 27. "Local exchange telecommunications service provider"
22 means a company holding a certificate of convenience and necessity
23 from the Commission to provide local exchange telecommunications
24 service;

1 ~~27.~~ 28. "Not-for-profit hospital" means:

2 a. a hospital located in this state which has been
3 licensed as a hospital at that location pursuant to
4 Section 1-701 et seq. of Title 63 of the Oklahoma
5 Statutes for the diagnosis, treatment, or care of
6 patients in order to obtain medical care, surgical
7 care or obstetrical care and which is established as
8 exempt from taxation pursuant to the provisions of the
9 Internal Revenue Code, 26 U.S.C., Section 501(c)(3),
10 or

11 b. a hospital located in this state which is licensed as
12 a hospital at that location pursuant to Section 1-701
13 et seq. of Title 63 of the Oklahoma Statutes and is
14 owned by a municipality, county, the state or a public
15 trust for the diagnosis, treatment, or care of
16 patients in order to obtain medical care, surgical
17 care, or obstetrical care;

18 ~~28.~~ 29. "Not-for-profit mental health and substance abuse
19 facility" means a facility, not for the sole purpose of
20 administration, which is operated by the Department of Mental Health
21 and Substance Abuse Services or a facility certified by the
22 Department of Mental Health and Substance Abuse Services as a
23 Community Mental Health Care Center, a Community-Based Structured
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1 Crisis Center or a Community Comprehensive Addiction Recovery
2 Center;

3 ~~29.~~ 30. "Oklahoma High Cost Fund" means the fund established by
4 the Commission in Cause Nos. PUD 950000117 and 950000119;

5 ~~30.~~ 31. "Oklahoma Lifeline Fund" or "(OLF)" means the fund
6 established and required to be implemented by the Commission
7 pursuant to Section 139.105 of this title;

8 ~~31.~~ 32. "Oklahoma Universal Service Fund" or "(OUSF)" means the
9 fund established and required to be implemented by the Commission
10 pursuant to Section 139.106 of this title;

11 ~~32.~~ 33. "Oklahoma Universal Service Fund Beneficiary" means an
12 entity eligible to receive Special Universal Services support as
13 provided for in subsection A of Section 6 of this act;

14 ~~33.~~ 34. "Prediscount amount" means the total cost of Special
15 Universal Services, selected pursuant to the procedures set out in
16 subparagraph 5 of subsection B of Section 6 of this act, before
17 charges are reduced by federal or state funding support. The
18 prediscount amount shall not include fees or taxes;

19 ~~34.~~ 35. "Person" means any individual, partnership,
20 association, corporation, governmental entity, public or private
21 organization of any character, or any other entity;

22 ~~35.~~ 36. "Primary universal service" means an access line and
23 dial tone provided to the premises of residential or business
24 customers which provides access to other lines for the transmission

1 of two-way switched or dedicated communication in the local calling
2 area without additional, usage-sensitive charges, including:

- 3 a. a primary directory listing,
- 4 b. dual-tone multifrequency signaling,
- 5 c. access to operator services,
- 6 d. access to directory assistance services,
- 7 e. access to telecommunications relay services for the
- 8 deaf or hard-of-hearing,
- 9 f. access to nine-one-one service where provided by a
- 10 local governmental authority or multijurisdictional
- 11 authority, and
- 12 g. access to interexchange long distance services;

13 ~~36.~~ 37. "Public library" means a library or library system that
14 is freely open to all persons under identical conditions and which
15 is supported in whole or in part by public funds. Public library
16 shall not include libraries operated as part of any university,
17 college, school museum, the Oklahoma Historical Society or county
18 law libraries;

19 ~~37.~~ 38. "Public school" means all free schools supported by
20 public taxation, and shall include grades prekindergarten through
21 twelve and technology center schools that provide vocational and
22 technical instruction for high school students who attend the
23 technology center school on a tuition-free basis. Public school
24 shall not include private schools, home schools or virtual schools;

1 ~~38.~~ 39. "Regulated telecommunications service" means the
2 offering of telecommunications for a fee directly to the public
3 where the rates for such service are regulated by the Commission.
4 Regulated telecommunications service does not include the provision
5 of nontelecommunications services, including, but not limited to,
6 the printing, distribution, or sale of advertising in telephone
7 directories, maintenance of inside wire, customer premises
8 equipment, and billing and collection service, nor does it include
9 the provision of wireless telephone service, enhanced service, and
10 other unregulated services, including services not under the
11 jurisdiction of the Commission, and services determined by the
12 Commission to be competitive;

13 ~~39.~~ 40. "Special Universal Services" means the
14 telecommunications services supported by the OUSF which are
15 furnished to public schools, public libraries and eligible health
16 care entities as provided for in Section 6 of this act;

17 ~~40.~~ 41. "Tariff" means all or any part of the body of rates,
18 tolls, charges, classifications, and terms and conditions of service
19 relating to regulated services offered, the conditions under which
20 offered, and the charges therefor, which have been filed with the
21 Commission and have become effective;

22 ~~41.~~ 42. "Telecommunications" means the transmission, between or
23 among points specified by the user, of information of the user's
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1 choosing, without change in the form or content of the information
2 as sent and received;

3 ~~42.~~ 43. "Telecommunications carrier" means a person that
4 provides telecommunications service in this state;

5 ~~43.~~ 44. "Telecommunications service" means the offering of
6 telecommunications for a fee;

7 ~~44.~~ 45. "Telemedicine service" means the practice of health
8 care delivery, diagnosis, consultation and treatment, including but
9 not limited to the transfer of medical data or exchange of medical
10 education information by means of audio, video or data
11 communications. Telemedicine service shall not mean a consultation
12 provided by telephone or facsimile machine;

13 ~~45.~~ 46. "Universal service area" has the same meaning as the
14 term "service area" as defined in 47 U.S.C., Section 214(e)(5);

15 ~~46.~~ 47. "WAN" means a wide-area network that exists over a
16 large-scale geographical area. A WAN connects different smaller
17 networks, including local area networks and metro area networks,
18 which ensures that computers and users in one location can
19 communicate with computers and users in other locations;

20 ~~47.~~ 48. "Wire center" means a geographic area normally served
21 by a central office; and

22 ~~48.~~ 49. "Wireless telephone service" means radio communication
23 service carried on between mobile stations or receivers and land
24 stations and by mobile stations communicating among themselves and

1 which permits a user generally to receive a call that originates or
2 terminates on the public switched network or its functional
3 equivalent regardless of the radio frequencies used.

4 SECTION 2. AMENDATORY 17 O.S. 2011, Section 139.106, as
5 amended by Section 4, Chapter 270, O.S.L. 2016 (17 O.S. Supp. 2016,
6 Section 139.106), is amended to read as follows:

7 Section 139.106. A. There is hereby created within the
8 Corporation Commission the "Oklahoma Universal Service Fund" (OUSF).
9 Not later than January 31, 1998, the Corporation Commission shall
10 promulgate rules implementing the OUSF so that, consistent with the
11 provisions of this section, funds can be made available to eligible
12 local exchange telecommunications service providers and, consistent
13 with Section 6 of this act, funds can be made available to eligible
14 providers and 2-1-1 Call Centers.

15 B. The OUSF shall be funded and administered to promote and
16 ensure the availability of primary universal services, at rates that
17 are reasonable and affordable and Special Universal Services, and to
18 provide for reasonably comparable services at affordable rates in
19 rural areas as in urban areas and for 2-1-1 Call Centers. The OUSF
20 shall provide funding to local exchange telecommunications service
21 providers that meet the eligibility criteria established in this
22 section and to eligible providers that meet the eligibility criteria
23 established in Section 6 of this act for the provision of Special
24 Universal Services and to 2-1-1 Call Centers.

1 C. The OUSF shall be funded by a charge paid by all
2 contributing providers as provided for in Section 139.107 of this
3 title, at a level sufficient to maintain universal service.

4 D. 1. The procedure for eligible local exchange
5 telecommunications service providers and eligible providers to seek
6 and obtain OUSF and Oklahoma Lifeline Fund (OLF) funding shall be as
7 set forth in this subsection.

8 2. Within ninety (90) days after receipt of a request for funds
9 from an eligible local exchange telecommunications service provider
10 or an eligible provider, the Administrator as defined pursuant to
11 Section 139.102 of this title shall independently review and
12 determine the accuracy of the request and advise the eligible local
13 exchange telecommunications service provider or eligible provider
14 requesting the funds of the determination of eligibility made by the
15 Administrator. The determination shall detail the amount of funding
16 recoverable from the OUSF and OLF. Failure by the Administrator to
17 issue a determination within the ninety-day period means the request
18 for OUSF or OLF reimbursement is deemed approved on a permanent
19 basis, and funding shall be paid within forty-five (45) days without
20 an order of the Commission. If a request for reconsideration of the
21 determination of the Administrator is not filed as provided for in
22 paragraph 5 of this subsection, the determination shall be deemed
23 final on the sixteenth day following the date of the determination.
24 The OUSF funding as provided in the determination of the

1 Administrator shall be paid to the eligible local exchange
2 telecommunications service provider or eligible provider within
3 forty-five (45) days without an order of the Commission.

4 3. For requests seeking OUSF funds pursuant to Section 6 of
5 this act, provided that an OUSF approval funding letter has been
6 issued as otherwise provided for in the Oklahoma Telecommunications
7 Act of 1997, the eligible provider shall, within sixty (60) days of
8 the start of service, submit to the Administrator a request for
9 reimbursement from the OUSF. The Administrator shall have sixty
10 (60) days to issue a determination to the Oklahoma Universal Service
11 Fund Beneficiary and eligible provider detailing the amount of
12 funding recoverable from the OUSF. Failure by the Administrator to
13 issue a determination within the sixty-day period means the request
14 for OUSF reimbursement is approved as submitted. The determination
15 shall detail the amount of funding recoverable from the OUSF.
16 Failure by the Administrator to issue a determination shall mean the
17 request for OUSF reimbursement is deemed approved on a permanent
18 basis, and funding shall be paid within forty-five (45) days without
19 an order of the Commission. If a request for reconsideration of the
20 determination of the Administrator is not filed as provided for in
21 paragraph 5 of this subsection, the determination shall be deemed
22 final on the sixteenth day following the date of the determination.
23 The OUSF funding as provided in the determination of the

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1 Administrator shall be paid to the eligible provider within forty-
2 five (45) days without an order of the Commission.

3 4. A request for reimbursement as provided for in paragraph 3
4 of this subsection shall be in the form as determined by the
5 Administrator. The form shall be posted by the Administrator no
6 later than one hundred twenty (120) days prior to the start of the
7 funding year to become effective July 1 for reimbursement requests
8 submitted for eligible services provided during the funding year.
9 Any party may file an objection to a posted form with the Commission
10 within fifteen (15) days of the posting. The Commission shall have
11 thirty (30) days to issue a final order on the objection to the
12 form. If the Commission does not issue a final order on the
13 objection within thirty (30) days, the objection shall be deemed
14 approved.

15 5. Any affected party, meaning the eligible local exchange
16 telecommunications service provider, the eligible provider, any
17 service provider that pays into the OUSF, the Oklahoma Universal
18 Service Fund Beneficiary or the Attorney General, shall have fifteen
19 (15) days to file a request for reconsideration by the Commission of
20 the determination made by the Administrator. If the Commission does
21 not issue a final order within thirty (30) days from the date the
22 request for reconsideration is filed, the request shall be deemed
23 approved on an interim basis subject to refund with interest. The
24 interest rate on a refund shall be at a rate of not more than the

1 interest rate established by the Commission on customer deposits and
2 shall accrue for a period not to exceed ninety (90) days from the
3 date the funds were received by the requesting eligible local
4 exchange telecommunications service provider or eligible provider.
5 If the Commission does not issue a final order within one hundred
6 twenty (120) days of the filing of the request for reconsideration,
7 then the request for OUSF or OLF funding as filed shall be deemed
8 approved on a permanent basis without order of the Commission, and
9 the OUSF and OLF funding shall be paid without an order of the
10 Commission within forty-five (45) days.

11 6. The term "final order" as used in this subsection shall mean
12 an order which resolves all issues associated with the request for
13 OUSF or OLF funding.

14 E. Contributing providers may, at their option, recover from
15 their retail customers the OUSF charges paid by the contributing
16 provider. The OUSF charges shall not be subject to state or local
17 taxes or franchise fees.

18 F. The Commission shall not, prior to implementation and the
19 availability of funds from the OUSF, require local exchange
20 telecommunications service providers to reduce rates for intrastate
21 access services.

22 G. Any eligible local exchange telecommunications service
23 provider may request funding from the OUSF as necessary to maintain
24 rates for primary universal services that are reasonable and

1 affordable. OUSF funding shall be provided to eligible local
2 exchange telecommunications service providers for the following:

3 1. To reimburse eligible local exchange telecommunications
4 service providers for the reasonable investments and expenses not
5 recovered from the federal universal service fund or any other state
6 or federal government fund incurred in providing universal services;

7 2. Infrastructure expenditures or costs incurred in response to
8 facility or service requirements established by a legislative,
9 regulatory, or judicial authority or other governmental entity
10 mandate;

11 3. For reimbursement of the Lifeline Service Program credits as
12 set forth in Section 139.105 of this title;

13 4. To reimburse eligible local exchange telecommunications
14 service providers for providing the Special Universal Services as
15 set forth in Section 6 of this act;

16 5. To defray the costs of administering the OUSF, including the
17 costs of administration, processing, and an annual independent
18 audit. The annual audit shall not be performed by the Commission
19 staff; and

20 6. For other purposes deemed necessary by the Commission to
21 preserve and advance universal service.

22 H. In identifying and measuring the costs of providing primary
23 universal services, exclusively for the purpose of determining OUSF
24 funding levels under this section, the eligible local exchange

1 telecommunications service provider serving less than seventy-five
2 thousand access lines shall, at its option:

3 1. Calculate such costs by including all embedded investments
4 and expenses incurred by the eligible local exchange
5 telecommunications service provider in the provision of primary
6 universal service, and may identify high-cost areas within the local
7 exchange area it serves and perform a fully distributed allocation
8 of embedded costs and identification of associated primary universal
9 service revenue. Such calculation may be made using fully
10 distributed Federal Communications Commission parts 32, 36 and 64
11 costs, if such parts are applicable. The high-cost area shall be no
12 smaller than a single exchange, wire center, or census block group,
13 chosen at the option of the eligible local exchange
14 telecommunications service provider;

15 2. Adopt the cost studies approved by the Commission for a
16 local exchange telecommunications service provider that serves
17 seventy-five thousand or more access lines; or

18 3. Adopt such other costing or measurement methodology as may
19 be established for such purpose by the Federal Communications
20 Commission pursuant to Section 254 of the federal Telecommunications
21 Act of 1996.

22 I. In identifying and measuring the cost of providing primary
23 universal services, and exclusively for the purpose of determining
24 OUSF funding levels pursuant to this section, each ILEC which serves

1 seventy-five thousand or more access lines and each CLEC shall
2 identify high-cost areas within the local exchange and perform a
3 cost study using a Commission-approved methodology from those
4 identified in subsection H of this section. The high-cost area
5 shall be no smaller than a single exchange, wire center or census
6 block group chosen at the option of the eligible ILEC or CLEC. If
7 the Commission fails to approve the selected methodology within one
8 hundred twenty (120) days of the filing of the selection, the
9 selected methodology shall be deemed approved.

10 J. The Commission may by rule expand primary universal services
11 to be supported by the OUSF, after notice and hearing. The
12 Administrator, upon approval of the Commission, shall determine the
13 level of additional OUSF funding to be made available to an eligible
14 local exchange telecommunications service provider which is required
15 to recover the cost of any expansion of universal services.

16 K. 1. Each request for OUSF funding by an eligible ILEC
17 serving less than seventy-five thousand access lines shall be
18 premised upon the occurrence of one or more of the following:

19 a. in the event of a Federal Communications Commission
20 order, rule or policy, the effect of which is to
21 decrease the federal universal service fund revenues
22 of an eligible local exchange telecommunications
23 service provider, the eligible local exchange
24

1 telecommunications service provider shall recover the
2 decreases in revenues from the OUSF,

3 b. if, as a result of changes required by existing or
4 future federal or state regulatory rules, orders, or
5 policies or by federal or state law, an eligible local
6 exchange telecommunications service provider
7 experiences a reduction in revenues or an increase in
8 costs, it shall recover the revenue reductions or cost
9 increases from the OUSF, the recovered amounts being
10 limited to the net reduction in revenues or cost
11 increases, or

12 c. if, as a result of changes made as required by
13 existing or future federal or state regulatory rules,
14 orders, or policies or by federal or state law, an
15 eligible local exchange telecommunications service
16 provider experiences a reduction in costs, upon
17 approval by the Commission, the provider shall reduce
18 the level of OUSF funding it receives to a level
19 sufficient to account for the reduction in costs.

20 2. The receipt of OUSF funds for any of the changes referred to
21 in this subsection shall not be conditioned upon any rate case or
22 earnings investigation by the Commission. The Commission shall,
23 pursuant to subsection D of this section, approve the request for
24 payment or adjustment of payment from the OUSF based on a comparison

1 of the total annual revenues received from the sources affected by
2 the changes described in paragraph 1 of this subsection by the
3 requesting eligible local exchange telecommunications service
4 provider during the most recent twelve (12) months preceding the
5 request, and the reasonable calculation of total annual revenues or
6 cost increases which will be experienced after the changes are
7 implemented by the requesting eligible local exchange
8 telecommunications service provider.

9 L. Upon request for OUSF funding by an ILEC serving seventy-
10 five thousand or more access lines or a CLEC, the Commission shall
11 after notice and hearing make a determination of the level of OUSF
12 funds, if any, that the provider is eligible to receive for the
13 purposes contained in subsection K of this section. If the
14 Commission fails to make a determination within one hundred twenty
15 (120) days of the filing of the request, the request for funding
16 shall be deemed approved.

17 M. The incumbent local exchange telecommunications service
18 provider, its successors and assigns, which owned, maintained and
19 provided facilities for universal service within a local exchange
20 area on January 1, 1996, shall be the local exchange
21 telecommunications service provider eligible for OUSF funding within
22 the local exchange area, except as otherwise provided for in this
23 act.

24

1 N. 1. Where the incumbent local exchange telecommunications
2 service provider receives or is eligible to receive monies from the
3 OUSF, except as otherwise provided in this section, the Commission,
4 after notice and hearing, may designate other local exchange
5 telecommunications service providers to be eligible for the funding,
6 provided:

7 a. the other local exchange telecommunications service
8 provider is certificated by the Commission to provide
9 and offers the primary universal services supported by
10 the OUSF to all customers in the universal service
11 area designated by the Commission, using its own
12 facilities, or a combination of its own facilities and
13 the resale of the services or facilities of another.
14 Universal service support under this subsection shall
15 not begin until the other local exchange
16 telecommunications service provider has facilities in
17 place,

18 b. the other local exchange telecommunications service
19 provider may only receive funding for the portion of
20 the facilities that it owns, maintains, and uses for
21 regulated services,

22 c. the other local exchange telecommunications service
23 provider shall not receive OUSF funding at a level
24 higher than the level of funding the incumbent local

1 exchange telecommunications service provider is
2 eligible to receive for the same area if the incumbent
3 local exchange telecommunications service provider is
4 also providing service in the same area; provided, the
5 cost of any cost studies required to be performed
6 shall be borne by the party requesting such studies,
7 unless the party performing the study utilizes the
8 study for its own benefit,

9 d. the other local exchange telecommunications service
10 provider advertises the availability and charges for
11 services it provides through a medium of general
12 distribution, and

13 e. it is determined by the Commission that the
14 designation is in the public interest and the other
15 local exchange telecommunications service provider is
16 in compliance with all Commission rules for which a
17 waiver has not been granted.

18 2. Notwithstanding the criteria set forth in this section for
19 designation as an eligible local exchange telecommunications service
20 provider, a commercial mobile radio service provider may, after
21 notice and hearing, seek reimbursement from the OUSF for the
22 provision of services supported by the OUSF, and any
23 telecommunications carrier may seek reimbursement from the OUSF for
24 the provision of Lifeline Service consistent with Section 139.105 of

1 this title and for the provision of Special Universal Services
2 consistent with Section 6 of this act.

3 O. In exchanges or wire centers where the Commission has
4 designated more than one local exchange telecommunications service
5 provider as eligible for OUSF funding, the Commission shall permit
6 one or more of the local exchange telecommunications service
7 providers in the area to relinquish the designation as a local
8 exchange telecommunications service provider eligible for OUSF
9 funding in a manner consistent with Section 214(e)(4) of the federal
10 Telecommunications Act of 1996, upon a finding that at least one
11 eligible local exchange telecommunications service provider shall
12 continue to assume the carrier-of-last-resort obligations throughout
13 the area.

14 P. For any area served by an incumbent local exchange
15 telecommunications service provider which serves less than seventy-
16 five thousand access lines within the state, only the incumbent
17 local exchange telecommunications service provider shall be eligible
18 for OUSF funding except:

19 1. Other eligible telecommunications carriers which provide
20 Special Universal Services or Lifeline Service shall be eligible to
21 request and receive OUSF funds in the same manner as the incumbent
22 local exchange telecommunications service provider in the same area
23 pursuant to the Oklahoma Telecommunications Act of 1997;

24

1 2. The incumbent local exchange telecommunications service
2 provider may elect to waive the right to be the only eligible local
3 exchange telecommunications service provider within the local
4 exchange area by filing notice with the Commission; or

5 3. When the Commission, after notice and hearing, makes a
6 determination that it is in the public interest that another local
7 exchange telecommunications service provider should also be deemed a
8 carrier of last resort and be eligible to receive OUSF funding in
9 addition to the incumbent local exchange telecommunications service
10 provider. It shall not be in the public interest to designate
11 another local exchange telecommunications service provider as being
12 a carrier of last resort and eligible to receive OUSF funding if
13 such designation would cause a significant adverse economic impact
14 on users of telecommunications services generally or if the other
15 carrier refuses to seek and accept carrier-of-last-resort
16 obligations throughout the universal service area as designated by
17 the Commission. The other local exchange telecommunications service
18 provider shall not receive OUSF funding at a level higher than the
19 level of funding the incumbent local exchange telecommunications
20 service provider is eligible to receive for the same area if the
21 incumbent local exchange telecommunications service provider is also
22 providing service in the same area and the other local exchange
23 telecommunications service provider meets the requirements of

24

1 subparagraphs a, b, d and e of paragraph 1 of subsection N of this
2 section.

3 Q. No more than One Million Dollars (\$1,000,000.00) from the
4 OUSF shall be made available to 2-1-1 Call Centers. The
5 Administrator shall distribute these funds proportionally between
6 each 2-1-1 Call Center based on the coverage area and services
7 provided by each 2-1-1 Call Center.

8 In order for 2-1-1 Call Centers to be eligible for funding from
9 the OUSF, they must meet criteria for a 2-1-1 Call Center as set
10 forth by the Corporation Commission and must be certified by the
11 statewide 2-1-1 Advisory Committee as the 2-1-1 Call Center for a
12 geographic area or region of the state.

13 R. The procedure for 2-1-1 Call Centers to obtain funding from
14 the Oklahoma Universal Service Fund shall be set forth as follows:

15 1. The Oklahoma Universal Service Fund Administrator shall
16 establish a funding request process and develop a funding request
17 form to be initiated by 2-1-1 Call Centers for the purpose of
18 requesting funding from the Oklahoma Universal Service Fund. The
19 form shall be posted on the Commission website no later than June 30
20 of each year to become effective for any 2-1-1 Call Center funding
21 requests from the Oklahoma Universal Service Fund submitted after
22 August 31 of that year. Any party may file an objection to the form
23 with the Commission within fifteen (15) days of posting. The

24

1 Commission shall issue a final order on the objection to the form
2 within thirty (30) days;

3 2. Any 2-1-1 Call Center funding requests from the Oklahoma
4 Universal Service Fund shall be submitted to the Administrator in
5 the format outlined in the instructions posted on the Commission
6 website;

7 3. The Administrator shall issue an approval of funding letter
8 to the 2-1-1 Call Center within ninety (90) days of receipt of a
9 properly completed funding request form. Failure by the
10 Administrator to issue an approval of funding letter within the
11 ninety (90) day period means the Oklahoma Universal Service funding
12 request submitted by 2-1-1 Call Center is approved as submitted;

13 4. The approval of funding letter shall inform the 2-1-1 Call
14 Center of the approved services and amount for the applicable
15 funding year;

16 5. Issuance of an approval of funding letter by the
17 Administrator for the 2-1-1 Call Center from the Universal Service
18 Fund shall not occur without a Commission order;

19 6. The Oklahoma Universal Service Fund shall not fund more than
20 one eligible 2-1-1 Call Center provider for the same service area
21 and the same time period, except during a transition period from one
22 eligible provider to another. Funding during a transition period
23 shall not exceed thirty (30) days;

24

1 7. The Administrator shall have the authority to investigate
2 each funding request for a 2-1-1 Call Center from the Oklahoma
3 Universal Service Fund in order to ensure that the Oklahoma
4 Universal Service Fund only pays for 2-1-1 Call Center services
5 meeting the Commission's requirements for a 2-1-1 Call Center and 2-
6 1-1 Call Centers certified by the statewide 2-1-1 Advisory Committee
7 as the 2-1-1 Call Center for a geographic area or region; and

8 8. The Corporation Commission shall have the authority to
9 investigate and modify or reject in whole or part a funding request
10 for a 2-1-1 Call Center from the Oklahoma Universal Service Fund if
11 the request does not meet the specified criteria, if the Corporation
12 Commission's investigation determines that the entity has not
13 provided sufficient documentation for the requested services, or if
14 the Corporation Commission determines that granting the request is
15 not in the public interest due to fraud.

16 S. The 2-1-1 Call Center funding distribution process shall be
17 as follows:

18 1. Funds to an eligible 2-1-1 Call Center shall be distributed
19 by the Administrator within thirty (30) days of issuing the approval
20 of funding letter;

21 2. The Administrator shall post the annual payout report to the
22 Commission website;

23 3. Funding for an eligible 2-1-1 Call Center shall not exceed
24 actual eligible expenses;

1 4. Any change in the cost of the 2-1-1 Call Center during the
2 funding year shall be reported by the 2-1-1 Call Center to the
3 Oklahoma Universal Service Fund and:

4 (a) all decreases in cost shall be deemed approved until
5 the next eligible bidding period and all cost savings
6 shall be properly allocated to the Oklahoma Universal
7 Service Fund and the 2-1-1 Call Center, and

8 (b) increases in cost shall be reviewed for approval as
9 provided for in the Commission rules; and

10 5. Issuance of a determination by the Administrator shall
11 require a Commission order.

12 SECTION 3. This act shall become effective November 1, 2017.

13
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