

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 55th Legislature (2016)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2616

By: Thomsen, Roberts (Dustin)
and Condit

7
8 COMMITTEE SUBSTITUTE
9

10 An Act relating to telecommunications; amending 17
11 O.S. 2011, Section 137.3, which relates to the
12 assessment of a universal service fee; changing
13 entities required to pay a universal service fee;
14 amending 17 O.S. 2011, Sections 139.102, as last
15 amended by Section 1, Chapter 245, O.S.L. 2014,
16 139.106, 139.107 and 139.109, as last amended by
17 Section 2, Chapter 182, O.S.L. 2014 (17 O.S. Supp.
18 2015, Sections 139.102 and 139.109), which relate to
19 the Oklahoma Telecommunications Act of 1997;
20 modifying definitions; adding definitions; changing
21 entities required to pay a certain Oklahoma Universal
22 Service Fund (OUSF) charge; deleting certain
23 reconsideration or refund process; requiring certain
24 determination of funding by the OUSF Administrator;
 providing for approval in certain circumstances;
 providing for payment of OUSF funding; establishing
 procedures for certain requests for OUSF funding;
 providing for payment within certain timeframe;
 establishing process for reconsideration of funding;
 providing for certain interest payment; defining
 certain term; updating statutory citations; modifying
 funding requirements for the Oklahoma Lifeline Fund
 and the Oklahoma Universal Service Fund; changing
 entities required to provide funding; modifying basis
 for funding; establishing assessment method for Voice
 over Internet Protocol services; establishing
 assessment method for wholesale providers;
 authorizing the Corporation Commission to modify
 contribution methodology; specifying service

1 providers required to contribute to the Oklahoma E911
2 Emergency Service Fund; specifying service providers
3 required to contribute to the Oklahoma
4 Telecommunications Technology Training Fund; deleting
5 certain services declared Special Universal Services;
6 adding certain services to be considered Special
7 Universal Services; establishing criteria for
8 determining certain credit amount; making certain
9 providers eligible for certain reimbursement;
10 establishing the credit amount for certain eligible
11 services; defining certain term; limiting
12 installation charges; establishing competitive
13 bidding requirements; requiring a fair and open
14 process; listing services which shall be
15 competitively bid; requiring competitive bidding for
16 certain eligible services under certain
17 circumstances; exempting certain eligible services;
18 precluding new competitive bidding under certain
19 circumstances; deleting certain reselling
20 prohibitions; prohibiting the sale or resale of
21 Special Universal Services; limiting funding for the
22 same service at same location and time period;
23 authorizing the Commission to investigate Special
24 Universal Service funding requests; deleting certain
investigation authority of the Commission; making
certain Special Universal Service approval and
reimbursement procedures effective on certain dates;
establishing criteria for the OUSF beneficiary
approval process; requiring establishment of an
annual administrative approval process; specifying
certain time period; providing for issuance of an
approval funding letter by the OUSF Administrator;
providing for certain adjustments; requiring use of
certain forms or documents; precluding a Commission
order; providing for processing of requests submitted
by certain date; establishing criteria for the
eligible provider reimbursement process; providing
for application of certain law; directing the OUSF
Administrator to maintain certain information on a
website; limiting funding for eligible services;
providing for changes in costs; precluding a
Commission order; and declaring an emergency.

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

1 SECTION 1. AMENDATORY 17 O.S. 2011, Section 137.3, is
2 amended to read as follows:

3 Section 137.3 The Corporation Commission may, after notice and
4 hearing, assess a universal service fee upon all contributing
5 ~~providers of telecommunications services,~~ as defined ~~by the rules of~~
6 ~~the Corporation Commission, and upon cellular and other radio~~
7 ~~carriers,~~ in Section 139.102 of this title to support state and
8 federal universal service objectives.

9 SECTION 2. AMENDATORY 17 O.S. 2011, Section 139.102, as
10 last amended by Section 1, Chapter 245, O.S.L. 2014 (17 O.S. Supp.
11 2015, Section 139.102), is amended to read as follows:

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

14 1. "Access line" means the ~~facility~~ facilities provided and
15 maintained by a telecommunications service provider which ~~permits~~
16 permit access to or from the public switched network or its
17 functional equivalent regardless of the technology or medium used;

18 2. "Administrative process" means an administrative application
19 process which allows Oklahoma Universal Service Fund beneficiaries
20 or eligible providers to request funding for support for eligible
21 services from the Universal Service Fund by submitting forms
22 directly with the Oklahoma Universal Service Fund Administrator.
23 The administrative process shall not require an order from the
24

1 Corporation Commission to determine eligibility for, allocate or
2 disburse funds;

3 3. "Commission" means the Corporation Commission of this state;

4 ~~3.~~ 4. "Competitive local exchange carrier" or "CLEC" means,
5 with respect to an area or exchange, a telecommunications service
6 provider that is certificated by the Commission to provide local
7 exchange services in that area or exchange within the state after
8 July 1, 1995;

9 ~~4.~~ 5. "Competitively neutral" means not advantaging or favoring
10 one person over another;

11 ~~5.~~ 6. "Competitively neutral" means not advantaging or favoring
12 one person over another;

13 7. "Consortium" means, as used in subsection C of Section
14 139.109 of this title, two or more Oklahoma Universal Service Fund
15 beneficiaries that choose to request support under the federal
16 Universal Services Support Mechanism or successor program or
17 programs as a single entity;

18 8. "Contributing providers" means all entities that provide
19 intrastate telecommunications to the public or to such classes of
20 users as to be effectively available to the public for a fee.

21 Contributing providers shall be considered telecommunications
22 carriers providing intrastate telecommunications and shall
23 contribute to the universal service support mechanisms. Certain
24 other providers of intrastate telecommunications, providers of

intrastate telecommunications for a fee on a non-common-carrier basis, and interconnected Voice over Internet Protocol (VoIP) providers shall contribute to the universal service support mechanisms. Entities exempt from contributing to the Federal Universal Service Support Mechanisms are also exempt from contributing to the Oklahoma Universal Service Fund and Oklahoma Lifeline Fund consistent with 47 C.F.R. § 54.706(d). If the Federal Communications Commission (FCC) expands the contributors to the federal universal service funds the term "contributing providers" shall be modified to conform to the definition of contributors as defined by the FCC if adopted by the Corporation Commission, after notice and hearing;

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

10. "End User Common Line Charge" means the flat-rate monthly interstate access charge required by the Federal Communications Commission that contributes to the cost of local service;

1 ~~6.~~ 11. "Enhanced service" means a service that is delivered
2 over communications transmission facilities and that uses computer
3 processing applications to:

- 4 a. change the content, format, code, or protocol of
- 5 transmitted information,
- 6 b. provide the customer new or restructured information,
- 7 or
- 8 c. involve end-user interaction with information stored
- 9 in a computer;

10 ~~7.~~ 12. "Exchange" means a geographic area established by an
11 incumbent local exchange telecommunications provider as filed with
12 or approved by the Commission for the administration of local
13 telecommunications service in a specified area which usually
14 embraces a city, town, or village and its environs and which may
15 consist of one or more central offices together with associated
16 plant used in furnishing telecommunications service in that area;

17 ~~8.~~ 13. "Facilities" means all the plant and equipment of a
18 telecommunications service provider, including all tangible and
19 intangible real and personal property without limitation, and any
20 and all means and instrumentalities in any manner owned, operated,
21 leased, licensed, used, controlled, furnished, or supplied for, by,
22 or in connection with the ~~regulated~~ business of any
23 telecommunications service provider;

1 ~~9.~~ 14. "Federally Qualified Health Center (FQHC)" means an
2 entity which:

3 a. is receiving a grant under Section 330 of the Public
4 Health Service (PHS) Act, 42 U.S.C. 254b, or is
5 receiving funding from a grant under a contract with
6 the recipient of such a grant and meets the
7 requirements to receive a grant under Section 330 of
8 the PHS Act,

9 b. based on the recommendation of the Health Resources
10 and Services Administration within the Public Health
11 Service, is determined by the Secretary of the
12 Department of Health and Human Services to meet the
13 requirements for receiving a grant as described in
14 subparagraph a of this paragraph,

15 c. was treated by the Secretary, for purposes of part B
16 of Section 330 of the PHS Act, as a comprehensive
17 federally funded health center as of January 1, 1990,
18 or

19 d. is an outpatient health program or facility operated
20 by a tribe or tribal organization under the Indian
21 Self-Determination Act, 25 U.S.C. 450f et seq., or by
22 an urban Indian organization receiving funds under
23 Title V of the Indian Health Care Improvement Act, 25
24 U.S.C. 1651 et seq.;

1 15. "Federal Universal Services Support Mechanism" is the
2 support program established by the Telecommunications Act of 1996,
3 47 U.S.C. Section 254 (h). The program includes support for
4 schools, libraries and healthcare providers;

5 16. "Funding year" means the period of July 1 through June 30
6 for purposes of administering the Oklahoma Universal Service Fund;

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

15 ~~10.~~ 18. "Hospital" means a healthcare entity that has been
16 granted a license as a hospital by the Oklahoma Department of Health
17 for that particular location;

18 ~~11.~~ 19. "Incumbent local exchange telecommunications service
19 provider" or "ILEC" means, with respect to an area or exchanges, any
20 telecommunications service provider furnishing local exchange
21 service in such area or exchanges within this state on July 1, 1995,
22 pursuant to a certificate of convenience and necessity or
23 grandfathered authority;

1 ~~12.~~ 20. "Installation charge" means any charge for a
2 nonrecurring service charged by an eligible provider to initiate
3 special universal services;

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

9 ~~13.~~ 22. "Internet" means the international research-oriented
10 network comprised of business, government, academic and other
11 networks;

12 ~~14.~~ 23. "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 ~~15.~~ 24. "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 ~~16.~~ 25. "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 ~~17.~~ 26. "Not-for-profit mental health and substance abuse
19 facility" means a facility operated by the Department of Mental
20 Health and Substance Abuse Services or a facility certified by the
21 Department of Mental Health and Substance Abuse Services as a
22 Community Mental Health Care Center, a Community-Based Structured
23 Crisis Center or a Community Comprehensive Addiction Recovery
24 Center;

1 ~~18.~~ 27. "Oklahoma High Cost Fund" means the fund established by
2 the Commission in Cause Nos. PUD 950000117 and 950000119;

3 ~~19.~~ 28. "Oklahoma Lifeline Fund" means the fund established and
4 required to be implemented by the Commission pursuant to Section
5 139.105 of this title;

6 ~~20.~~ 29. "Oklahoma Universal Service Fund" means the fund
7 established and required to be implemented by the Commission
8 pursuant to Section 139.106 of this title;

9 ~~21.~~ 30. "Oklahoma Universal Service Fund beneficiary" means an
10 entity eligible to receive Special Universal Services support as
11 provided for in subsection C of Section 139.109 of this title;

12 31. "Prediscount amount" means the total cost of services
13 before charges are reduced by federal or state funding support;

14 32. "Person" means any individual, partnership, association,
15 corporation, governmental entity, public or private organization of
16 any character, or any other entity;

17 ~~22.~~ 33. "Primary universal service" means an access line and
18 dial tone provided to the premises of residential or business
19 customers which provides access to other lines for the transmission
20 of two-way switched or dedicated communication in the local calling
21 area without additional, usage-sensitive charges, including:

- 22 a. a primary directory listing,
- 23 b. dual-tone multifrequency signaling,
- 24 c. access to operator services,

- d. access to directory assistance services,
- e. access to telecommunications relay services for the deaf or hard-of-hearing,
- f. access to nine-one-one service where provided by a local governmental authority or multijurisdictional authority, and
- g. access to interexchange long distance services;

~~23.~~ 34. "Public library" means a library or library system that is freely open to all persons under identical conditions and which is supported in whole or in part by public funds. Public library shall not include libraries operated as part of any university, college, school museum, the Oklahoma Historical Society or county law libraries;

~~24.~~ 35. "Public school" means all free schools supported by public taxation, and shall include grades prekindergarten through twelve and technology center schools that provide vocational and technical instruction for high school students who attend the technology center school on a tuition-free basis;

~~25.~~ 36. "Regulated telecommunications service" means the offering of telecommunications for a fee directly to the public where the rates for such service are regulated by the Commission. Regulated telecommunications service does not include the provision of nontelecommunications services, including, but not limited to, the printing, distribution, or sale of advertising in telephone

1 directories, maintenance of inside wire, customer premises
2 equipment, and billing and collection service, nor does it include
3 the provision of wireless telephone service, enhanced service, and
4 other unregulated services, including services not under the
5 jurisdiction of the Commission, and services determined by the
6 Commission to be competitive;

7 ~~26.~~ 37. "Special Universal Services" means the
8 telecommunications services supported by the OUSF which are
9 furnished to public schools, public libraries, ~~not-for-profit~~
10 ~~hospitals and county seats~~ eligible health care entities as provided
11 for in Section 139.109 of this title;

12 ~~27.~~ 38. "Tariff" means all or any part of the body of rates,
13 tolls, charges, classifications, and terms and conditions of service
14 relating to regulated services offered, the conditions under which
15 offered, and the charges therefor, which have been filed with the
16 Commission and have become effective;

17 ~~28.~~ 39. "Telecommunications" means the transmission, between or
18 among points specified by the user, of ~~voice or data~~ information of
19 the user's choosing, without change in the form or content of the
20 information as sent and received;

21 ~~29.~~ 40. "Telecommunications carrier" means a person that
22 provides telecommunications service in this state;

23 ~~30.~~ 41. "Telecommunications service" means the offering of
24 telecommunications for a fee;

1 ~~31.~~ 42. "Telemedicine service" means the practice of health
2 care delivery, diagnosis, consultation and treatment including but
3 not limited to the transfer of medical data or exchange of medical
4 education information by means of audio, video or data
5 communications. Telemedicine shall not mean a consultation provided
6 by telephone or facsimile machine;

7 43. "Universal service area" has the same meaning as the term
8 "service area" as defined in 47 U.S.C., Section 214(e)(5); and

9 ~~32.~~ 44. "WAN" means a wide-area network that exists over a
10 large-scale geographical area. A WAN connects different smaller
11 networks, including local area networks and metro area networks
12 which ensures that computers and users in one location can
13 communicate with computers and users in other locations;

14 45. "Wire center" means a geographic area normally served by a
15 central office; and

16 46. "Wireless telephone service" means radio communication
17 service carried on between mobile stations or receivers and land
18 stations and by mobile stations communicating among themselves and
19 which permits a user generally to receive a call that originates or
20 terminates on the public switched network or its functional
21 equivalent regardless of the radio frequencies used.

22 SECTION 3. AMENDATORY 17 O.S. 2011, Section 139.106, is
23 amended to read as follows:

1 Section 139.106 A. There is hereby created within the
2 Corporation Commission the "Oklahoma Universal Service Fund" (OUSF).
3 Not later than January 31, 1998, the Corporation Commission shall
4 promulgate rules implementing the OUSF so that, consistent with the
5 provisions of this section, funds can be made available to eligible
6 local exchange telecommunications service providers.

7 B. The fund shall be funded and administered to promote and
8 ensure the availability of primary universal services, at rates that
9 are reasonable and affordable and special universal services, and to
10 provide for reasonably comparable services at affordable rates in
11 rural areas as in urban areas. The OUSF shall provide funding to
12 local exchange telecommunications service providers that meet the
13 eligibility criteria established in this section.

14 C. The OUSF shall be funded by a charge paid by all
15 ~~telecommunications carriers~~ contributing providers as provided for
16 in Section 7 139.107 of this ~~act~~ title, at a level sufficient to
17 maintain universal service.

18 D. 1. The procedure for eligible providers to seek and obtain
19 OUSF and Oklahoma Lifeline Fund (OLF) funding shall be as set forth
20 in this subsection.

21 2. Within ninety (90) days after receipt of a request for funds
22 from an eligible provider, the OUSF Administrator designated
23 pursuant to Section 7 139.107 of this ~~act~~ title shall review and
24 determine the accuracy of the request and advise the provider

1 requesting the funds of the determination of eligibility made by the
2 Administrator. ~~Any affected party shall have fifteen (15) days to~~
3 ~~request reconsideration by the Commission of the determination made~~
4 ~~by the Administrator. If the Commission does not issue an order~~
5 ~~within thirty (30) days from the request for reconsideration, the~~
6 ~~request shall be deemed approved, on an interim basis, subject to~~
7 ~~refund with interest. Any refund shall include interest at a rate~~
8 ~~of not more than the interest rate established by the Commission on~~
9 ~~customer deposits and shall accrue for a period not to exceed ninety~~
10 ~~(90) days from the date the funds were received by the requesting~~
11 ~~eligible provider. The determination shall detail the amount of~~
12 funding recoverable from the OUSF and OLF. Failure by the OUSF
13 Administrator to issue a determination means the request for OUSF or
14 OLF reimbursement is deemed approved on a permanent basis and
15 funding shall be paid within thirty (30) days. If a request for
16 reconsideration of the determination of the OUSF Administrator is
17 not filed as provided for in paragraph 4 of this subsection, the
18 determination shall be deemed final on the sixteenth day following
19 the date of the determination. The OUSF funding as provided in the
20 determination of the OUSF Administrator shall be paid to the
21 eligible provider within forty-six (46) days of the date of the
22 determination without an order of the Commission.

23 3. For requests seeking OUSF funds pursuant to Section 139.109
24 of this title, provided that an OUSF approval funding letter has

1 been issued as otherwise provided for in the Oklahoma
2 Telecommunications Act of 1997, the eligible provider shall, within
3 sixty (60) days of the start of service, submit to the OUSF
4 Administrator a request for reimbursement from the OUSF. The OUSF
5 Administrator shall have sixty (60) days to issue a determination to
6 the OUSF beneficiary and eligible provider detailing the amount of
7 funding recoverable from the OUSF. Failure by the OUSF
8 Administrator to issue a determination within the sixty-day period
9 means the request for OUSF reimbursement is approved as submitted.
10 The determination shall detail the amount of funding recoverable
11 from the OUSF. Failure by the OUSF Administrator to issue a
12 determination shall mean the request for OUSF reimbursement is
13 deemed approved on a permanent basis and funding shall be paid
14 within thirty (30) days. If a request for reconsideration of the
15 determination of the OUSF Administrator is not filed as provided for
16 in paragraph 4 of this subsection, the determination shall be deemed
17 final on the sixteenth day following the date of the determination.
18 The OUSF funding as provided in the determination of the OUSF
19 Administrator shall be paid to the eligible provider within forty-
20 six (46) days of the date of the determination without an order of
21 the Commission.

22 4. Any affected party, meaning the eligible provider or OUSF
23 beneficiary, shall have fifteen (15) days to file a request for
24 reconsideration by the Commission of the determination made by the

1 Administrator. If the Commission does not issue a final order
2 within thirty (30) days from the date the request for
3 reconsideration is filed, the request shall be deemed approved on an
4 interim basis subject to refund with interest. The interest rate on
5 a refund shall be at a rate of not more than the interest rate
6 established by the Commission on customer deposits and shall accrue
7 for a period not to exceed ninety (90) days from the date the funds
8 were received by the requesting eligible provider. If the
9 Commission does not issue a final order within ninety (90) days of
10 the filing of the request for reconsideration, then the request for
11 OUSF or OLF funding as filed shall be deemed approved on a permanent
12 basis without order of the Commission and the OUSF and OLF funding
13 shall be paid within thirty (30) days.

14 5. The term "final order" as used in this subsection shall mean
15 an order which resolves all issues associated with the application.

16 E. Telecommunications carriers may, at their option, recover
17 from their retail customers the OUSF charges paid by the
18 telecommunications carrier. The OUSF charges shall not be subject
19 to state or local taxes or franchise fees.

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

1 G. Any eligible local exchange telecommunications service
2 provider may request funding from the OUSF as necessary to maintain
3 rates for primary universal services that are reasonable and
4 affordable. OUSF funding shall be provided to eligible local
5 exchange telecommunications service providers for the following:

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

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

14 3. For reimbursement of the Lifeline Service Program credits as
15 set forth in Section 5 139.105 of this ~~act~~ title;

16 4. To reimburse eligible local exchange telecommunications
17 service providers for providing the Special Universal Services as
18 set forth in subsection C of Section 9 139.109 of this ~~act~~ title;

19 5. To defray the costs of administering the OUSF, including the
20 costs of an annual independent audit, if not performed by the
21 Commission staff; and

22 6. For other purposes deemed necessary by the Commission to
23 preserve and advance universal service.
24

1 H. In identifying and measuring the costs of providing primary
2 universal services, exclusively for the purpose of determining OUSF
3 funding levels under this section, the eligible local exchange
4 telecommunications service provider serving less than seventy-five
5 thousand access lines shall, at its option:

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

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

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

1 I. In identifying and measuring the cost of providing primary
2 universal services, and exclusively for the purpose of determining
3 OUSF funding levels pursuant to this section, each ILEC which serves
4 seventy-five thousand or more access lines and each CLEC shall
5 identify high-cost areas within the local exchange and perform a
6 cost study using a Commission-approved methodology from those
7 identified in subsection H of this section. The high-cost area
8 shall be no smaller than a single exchange, wire center or census
9 block group chosen at the option of the eligible ILEC or CLEC. If
10 the Commission fails to approve the selected methodology within one
11 hundred twenty (120) days of the filing of the selection, the
12 selected methodology shall be deemed approved.

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

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

22 a. in the event of a Federal Communications Commission
23 order, rule or policy, the effect of which is to
24 decrease the federal universal service fund revenues

1 of an eligible local exchange telecommunications
2 service provider, the eligible local exchange
3 telecommunications service provider shall recover the
4 decreases in revenues from the OUSF,

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

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

22 2. The receipt of OUSF funds for any of the changes referred to
23 in this subsection shall not be conditioned upon any rate case or
24 earnings investigation by the Commission. The Commission shall,

1 pursuant to subsection D of this section, approve the request for
2 payment or adjustment of payment from the OUSF based on a comparison
3 of the total annual revenues received from the sources affected by
4 the changes described in paragraph 1 of this subsection by the
5 requesting eligible local exchange telecommunications service
6 provider during the most recent twelve (12) months preceding the
7 request, and the reasonable calculation of total annual revenues or
8 cost increases which will be experienced after the changes are
9 implemented by the requesting eligible local exchange
10 telecommunications service provider.

11 L. Upon request for OUSF funding by an ILEC serving seventy-
12 five thousand or more access lines or a CLEC, the Commission shall
13 after notice and hearing make a determination of the level of OUSF
14 funds, if any, that the provider is eligible to receive for the
15 purposes contained in subsection K of this section. If the
16 Commission fails to make a determination within one hundred twenty
17 (120) days of the filing of the request, the request for funding
18 shall be deemed approved. Providers who are not prohibited from
19 applying for OUSF funds as set forth in Section ~~9~~ 139.109 of this
20 ~~act~~ title shall receive funding for any special universal services
21 provided and contributions made to the Oklahoma E911 Emergency
22 Service Fund and the Oklahoma Telecommunications Technology Training
23 Fund from the OUSF without a hearing.

1 M. The incumbent local exchange telecommunications service
2 provider, its successors and assigns, which owned, maintained and
3 provided facilities for universal service within a local exchange
4 area on January 1, 1996, shall be the local exchange
5 telecommunications service provider eligible for OUSF funding within
6 the local exchange area, except as otherwise provided for in this
7 act.

8 N. 1. Where the incumbent local exchange telecommunications
9 service provider receives or is eligible to receive monies from the
10 OUSF, except as otherwise provided in this section, the Commission,
11 after notice and hearing, may designate other local exchange
12 telecommunications service providers to be eligible for the funding,
13 provided:

14 a. the other local exchange telecommunications service
15 provider is certificated by the Commission to provide
16 and offers the primary universal services supported by
17 the OUSF to all customers in the universal service
18 area designated by the Commission, using its own
19 facilities, or a combination of its own facilities and
20 the resale of the services or facilities of another.
21 Universal service support under this subsection shall
22 not begin until the other local exchange
23 telecommunications service provider has facilities in
24 place,

- 1 b. the other local exchange telecommunications service
2 provider may only receive funding for the portion of
3 the facilities that it owns, maintains, and uses for
4 regulated services,
- 5 c. the other local exchange telecommunications service
6 provider shall not receive OUSF funding at a level
7 higher than the level of funding the incumbent local
8 exchange telecommunications service provider is
9 eligible to receive for the same area if the incumbent
10 local exchange telecommunications service provider is
11 also providing service in the same area; provided, the
12 cost of any cost studies required to be performed
13 shall be borne by the party requesting such studies,
14 unless the party performing the study utilizes the
15 study for its own benefit,
- 16 d. the other local exchange telecommunications service
17 provider advertises the availability and charges for
18 services it provides through a medium of general
19 distribution, and
- 20 e. it is determined by the Commission that the
21 designation is in the public interest and the other
22 local exchange telecommunications service provider is
23 in compliance with all Commission rules for which a
24 waiver has not been granted.

1 2. Notwithstanding the criteria set forth in this section for
2 designation as an eligible local exchange telecommunications service
3 provider, a commercial mobile radio service provider may, after
4 notice and hearing, seek reimbursement from the OUSF for the
5 provision of services supported by the OUSF, and any
6 telecommunications carrier may seek reimbursement from the OUSF for
7 the provision of Lifeline Service consistent with Section ~~5~~ 139.105
8 of this ~~act~~ title and for the provision of Special Universal
9 Services consistent with Section ~~9~~ 139.109 of this ~~act~~ title.

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

21 P. For any area served by an incumbent local exchange
22 telecommunications service provider which serves less than seventy-
23 five thousand access lines within the state, only the incumbent
24

1 local exchange telecommunications service provider shall be eligible
2 for OUSF funding except:

3 1. Other eligible telecommunications carriers which provide
4 Special Universal Services or Lifeline Service shall be eligible to
5 request and receive OUSF funds in the same manner as the incumbent
6 local exchange telecommunications service provider in the same area
7 pursuant to ~~this act~~ the Oklahoma Telecommunications Act of 1997;

8 2. The incumbent local exchange telecommunications service
9 provider may elect to waive the right to be the only eligible local
10 exchange telecommunications service provider within the local
11 exchange area by filing notice with the Commission; or

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

1 provider shall not receive OUSF funding at a level higher than the
2 level of funding the incumbent local exchange telecommunications
3 service provider is eligible to receive for the same area if the
4 incumbent local exchange telecommunications service provider is also
5 providing service in the same area and the other local exchange
6 telecommunications service provider meets the requirements of
7 subparagraphs a, b, d and e of paragraph 1 of subsection N of this
8 section.

9 SECTION 4. AMENDATORY 17 O.S. 2011, Section 139.107, is
10 amended to read as follows:

11 Section 139.107 A. The Oklahoma Lifeline Fund and the Oklahoma
12 Universal Service Fund shall be funded in a competitively neutral
13 manner not inconsistent with federal law by all ~~telecommunications~~
14 ~~carriers~~ contributing providers. The funding from each ~~carrier~~
15 contributing provider shall be based on the total ~~retail-billed~~
16 retail Oklahoma Voice over Internet Protocol (VoIP) and intrastate
17 telecommunications revenues, from both regulated and unregulated
18 services, of the ~~telecommunications carrier~~ contributing provider,
19 hereinafter referred to as assessed revenues, as a percentage of all
20 ~~telecommunications carriers' total retail-billed intrastate~~
21 ~~telecommunications~~ assessed revenues of the contributing providers,
22 from both regulated and unregulated services or such other
23 assessment methodology as may be allowed under federal law. VoIP
24 services shall be assessed only as provided for in the decision of

1 the Federal Communications Commission, FCC 10-185 released November
2 5, 2010, or such other assessment methodology that is not
3 inconsistent with federal law. Wholesale providers of services
4 shall be assessed only as provided for in the decision of the
5 Federal Communications Commission, FCC 12-134 released November 5,
6 2012, or such other assessment methodology that is not inconsistent
7 with federal law. The Commission may after notice and hearing
8 modify the contribution methodology for the OUSF and OLF, provided
9 the new methodology is not inconsistent with federal law.

10 B. The Corporation Commission shall establish the Oklahoma
11 Lifeline Fund ~~charges~~ assessment and the Oklahoma Universal Service
12 Fund ~~charges~~ assessment at a level sufficient to recover costs of
13 administration. The Commission shall provide for administration of
14 the two funds by Commission employees or by contracting for such
15 services with a party having no conflicting interest in the
16 provision of telecommunications services. The administrative
17 function shall be headed by an Administrator.

18 C. If the Commission determines after notice and hearing that a
19 ~~telecommunications carrier~~ contributing provider has acted in
20 violation of this section, in addition to the other enforcement
21 powers of the Commission, including its contempt powers and
22 authority to revoke a telecommunications service provider's
23 certificate of convenience and necessity, the Commission may bring
24 an action on behalf of the Oklahoma Lifeline Fund or the Oklahoma

1 Universal Service Fund, in ~~the district~~ a court of competent
2 jurisdiction that the Commission deems appropriate, to recover any
3 unpaid fees and ~~charges~~ assessments the Commission has determined
4 are due and payable, including interest, administrative and
5 adjudicative costs, and attorney fees. Upon collection of the
6 ~~charges~~ assessments, fees and costs, the Administrator shall pay the
7 costs of the actions and deposit the remaining funds in the Oklahoma
8 Lifeline Fund or the Oklahoma Universal Service Fund as appropriate.

9 D. The monies deposited in the Oklahoma Lifeline Fund, the
10 Oklahoma Universal Service Fund and the Oklahoma High Cost Fund
11 shall at no time become monies of the state and shall not become
12 part of the general budget of the Corporation Commission or any
13 other state agency. Except as otherwise authorized by ~~this act~~ the
14 Oklahoma Telecommunications Act of 1997, no monies from the Oklahoma
15 Lifeline Fund, the Oklahoma Universal Service Fund, or the Oklahoma
16 High Cost Fund shall be transferred for any purpose to any other
17 state agency or any account of the Corporation Commission or be used
18 for the purpose of contracting with any other state agency or
19 reimbursing any other state agency for any expense. Payments from
20 the Oklahoma Lifeline Fund, the Oklahoma Universal Service Fund, and
21 the Oklahoma High Cost Fund shall not become or be construed to be
22 an obligation of this state. No claims for reimbursement from the
23 Oklahoma Lifeline Fund, the Oklahoma Universal Service Fund or the
24 Oklahoma High Cost Fund shall be paid with state monies.

1 SECTION 5. AMENDATORY 17 O.S. 2011, Section 139.109, as
2 last amended by Section 2, Chapter 182, O.S.L. 2014 (17 O.S. Supp.
3 2015, Section 139.109), is amended to read as follows:

4 Section 139.109 A. There is hereby created within the
5 Corporation Commission the "Oklahoma E911 Emergency Service Fund".
6 Beginning September 1, 1997, each local exchange telecommunications
7 service provider shall annually contribute fifty cents (\$0.50) per
8 retail local exchange access line to the Oklahoma E911 Emergency
9 Service Fund until the total amount contributed by all
10 telecommunications service providers to the Fund equals Five Million
11 Dollars (\$5,000,000.00). The contribution amount for each
12 telecommunications service provider shall be based upon the number
13 of retail local exchange access lines of that telecommunications
14 service provider in service on July 1 of each applicable year. The
15 Oklahoma E911 Emergency Service Fund shall be administered by the
16 Corporation Commission and used to defray the cost of purchasing and
17 installing equipment for enhanced 911 emergency systems across the
18 state. Preference for funding shall be given first to those systems
19 established in areas of the state which do not have access to 911
20 emergency service before July 1, 1997, and second to areas of the
21 state which do not have access to enhanced 911 emergency services.
22 Funding from the E911 Emergency Service Fund shall not be used for
23 ongoing operating costs of any emergency telephone service system.
24 To qualify for funding, the emergency telephone service system shall

1 have been or be in the process of being approved as provided for in
2 the Nine-One-One Emergency Number Act. Local exchange
3 telecommunications service providers serving fifteen percent (15%)
4 or more of the access lines in the state may not apply for recovery
5 of the contributions made to the E911 Emergency Service Fund from
6 the Oklahoma Universal Service Fund created in Section 139.106 of
7 this title. All monies in the Oklahoma E911 Emergency Service Fund
8 shall be expended only for the purposes set forth in this
9 subsection.

10 B. There is hereby created within the Oklahoma Department of
11 Career and Technology Education the "Oklahoma Telecommunications
12 Technology Training Fund". Beginning September 1, 1997, each local
13 exchange telecommunications service provider shall annually
14 contribute seventy-five cents (\$0.75) per retail local exchange
15 access line to the Oklahoma Telecommunications Technology Training
16 Fund until the total amount contributed by all telecommunications
17 service providers to the Fund equals Seven Million Dollars
18 (\$7,000,000.00). The contribution amount for each
19 telecommunications service provider shall be based upon the number
20 of retail local exchange access lines of that telecommunications
21 service provider in service on July 1 of each applicable year. The
22 Oklahoma Telecommunications Technology Training Fund shall be
23 administered by the Oklahoma Department of Career and Technology
24 Education working in conjunction with OneNet, and shall be used to

1 provide statewide training of teachers and school administrators in
2 the most effective use of telecommunications and distance learning
3 technology for the enhancement of education throughout the state.
4 Local exchange telecommunications service providers serving fifteen
5 percent (15%) or more of the access lines in the state may not apply
6 for recovery of the contributions made to the Oklahoma
7 Telecommunications Technology Training Fund from the Oklahoma
8 Universal Service Fund created in Section 139.106 of this title.
9 All monies in the Oklahoma Telecommunications Technology Training
10 Fund shall be expended only for the purposes set forth in this
11 subsection.

12 C. 1. The following services are hereby declared to be Special
13 Universal Services ~~and such services shall be provided only after~~
14 ~~funding for the Oklahoma Universal Service Fund is implemented as~~
15 ~~set forth in Section 139.101 et seq. of this title:~~

16 ~~1. Each not-for-profit hospital in the state shall, upon~~
17 ~~written request, receive one incoming, toll-free phone number and up~~
18 ~~to a total of five access lines, free of charge, to allow incoming,~~
19 ~~toll-free calls from any location within the geographic area served~~
20 ~~by the hospital;~~

21 ~~2. Each not-for-profit hospital, county health department,~~
22 ~~city-county health department, not-for-profit mental health and~~
23 ~~substance abuse facility as defined in Section 139.102 of this title~~
24 ~~and federally qualified health center in this state shall, upon~~

1 ~~written request, receive, free of charge, one telecommunications~~
2 ~~line or wireless connection sufficient for providing such~~
3 ~~telemedicine, clinical and health consultation services as the~~
4 ~~entity's telemedicine equipment and service applications require.~~
5 ~~The telecommunications carrier shall be entitled to reimbursement~~
6 ~~from the Oklahoma Universal Service Fund for providing the line or~~
7 ~~connection. In no case, however, shall reimbursement from the fund~~
8 ~~be made for an Internet subscriber fee or charges incurred as a~~
9 ~~result of services accessed via the Internet;~~

10 ~~3. Each public school building wherein classrooms are contained~~
11 ~~and each public library in the state shall, upon written request,~~
12 ~~receive one incoming, toll-free phone number and up to a total of~~
13 ~~five access lines, free of charge, to allow incoming, toll-free~~
14 ~~calls from any location within the geographic area served by the~~
15 ~~school or the public library;~~

16 ~~4. Each public school building wherein classrooms are contained~~
17 ~~and each public library in the state shall, upon written request,~~
18 ~~receive one access line, free of charge, with the ability to connect~~
19 ~~to an Internet service provider at 1.5Mbps, in the most economically~~
20 ~~efficient manner for the carrier, or an equivalent dollar credit to~~
21 ~~be applied by the public school or public library toward similar~~
22 ~~services provided by the same carrier, for the purpose of accessing~~
23 ~~the Internet. In no case shall the Oklahoma Universal Service Fund~~

1 ~~reimburse an entity for an Internet subscriber fee or charges~~
2 ~~incurred as a result of services accessed via the Internet; and~~

3 ~~5. Each county seat in the state shall, upon written request of~~
4 ~~the board of county commissioners, receive one incoming, toll-free~~
5 ~~phone number and up to a total of five access lines, free of charge,~~
6 ~~to allow incoming, toll-free calls from any location within the~~
7 ~~geographic area served by the county seat.~~

8 a. each eligible healthcare entity in this state as
9 defined in Section 139.102 of this title shall be
10 eligible to receive Special Universal Services for
11 telemedicine providers. Special Universal Services
12 for telemedicine providers shall include the provision
13 of bandwidth sufficient for providing telemedicine
14 services including the telemedicine line,
15 installation, service-provider-owned equipment and
16 other services necessary to obtain the eligible
17 product or service,

18 b. each public school as defined in Section 139.102 of
19 this title shall be eligible to receive Special
20 Universal Services for schools. Special Universal
21 Services for schools shall include the provision of
22 bandwidth sufficient for providing educational
23 services per standards established for the relevant
24 funding year by the State Educational Technology

Directors Association (SETDA) or successor educational
broadband standard including Internet access lines,
WAN connections, installation, service-provider-owned
equipment and other services necessary to obtain the
eligible product or service. Student counts as
reported to the State Department of Education in
October of the year prior to the relevant funding year
shall be utilized for the purpose of determining
bandwidth recommendations established by SETDA for
purposes of this subparagraph. In the absence of
standards prescribed for the applicable funding year,
the standards for the next prescribed funding year
shall be used, and

c. each public library as defined in Section 139.102 of
this title shall be eligible to receive Special
Universal Services for libraries. Special Universal
Services for libraries shall include the provision of
bandwidth sufficient for providing library services
per standards established for the relevant funding
year as recommended by the Federal Communications
Commission including Internet access lines,
installation, service-provider-owned equipment and
other services necessary to obtain the eligible
product or service.

1 2. The credit amount shall be determined as follows:

2 a. the eligible provider shall be entitled to
3 reimbursement from the Oklahoma Universal Service Fund
4 for providing Special Universal Services as described
5 in this section. In no case shall the reimbursement
6 from the Fund be made for an Internet subscriber fee
7 or charges incurred as a result of services accessed
8 via the Internet,

9 b. for eligible services that are exempt from competitive
10 bidding as set forth in paragraph 3 of this subsection
11 or were competitively bid by the OUSF beneficiary or a
12 consortium in compliance with one of the Federal
13 Universal Service Support Mechanisms or successor
14 program or programs, the credit amount shall be the
15 total prediscount amount of eligible services plus
16 installation charges, less federal funding support for
17 the same services including installation charges
18 issued in a funding commitment letter or similar
19 approval document for the Federal Universal Service
20 Support Mechanism or successor program or programs for
21 the applicable funding year,

22 c. for eligible services associated with an OUSF
23 beneficiary that is not eligible to participate
24 individually in one of the Federal Universal Service

1 Support Mechanisms or successor program or programs
2 and that are not exempt from competitive bidding as
3 set forth in paragraph 3 of this subsection or were
4 not competitively bid by the OUSF beneficiary or a
5 consortium in compliance with one of the Federal
6 Universal Service Support Mechanisms or successor
7 program or programs:

8 (1) the credit amount shall be the credit amount
9 currently approved by a Commission final order,

10 (2) if the eligible services represent a higher
11 bandwidth amount than was previously approved by
12 a Commission final order, the credit amount shall
13 be the amount approved by a Commission final
14 order plus eighty-five percent (85%) of the
15 incremental cost per the lowest reasonable cost
16 qualifying bid for the additional bandwidth
17 requested, or

18 (3) if there is not a previously approved Commission
19 final order associated with the OUSF beneficiary,
20 the credit amount shall be eighty-five percent
21 (85%) of the cost of the lowest reasonable cost
22 qualifying bid for the total cost of eligible
23 services including installation,

1 d. for purposes of this paragraph, "lowest reasonable
2 cost qualifying bid" means a bid that:

3 (1) represents the lowest total cost proposal
4 including monthly recurring and nonrecurring
5 charges for eligible services,

6 (2) is reasonable to meet the needs of the OUSF
7 beneficiary,

8 (3) is submitted during the same competitive bidding
9 period as the awarded bid,

10 (4) is for the bandwidth selected by the OUSF
11 beneficiary,

12 (5) is for the same contract term as the bid that was
13 selected by the OUSF beneficiary, and

14 (6) meets the requirements specified in the OUSF
15 beneficiary's request for proposal,

16 e. if an OUSF beneficiary is eligible to participate in
17 the Federal Universal Services Support Mechanism or
18 successor program or programs but fails to receive
19 federal funding for the applicable funding year, then
20 the credit amount for the eligible services including
21 installation charges shall be determined at the
22 discretion of the OUSF Administrator for the
23 applicable funding year, and
24

1 f. installation charges shall be limited to a total
2 prediscount amount of Five Thousand Dollars
3 (\$5,000.00).

4 3. The competitive bidding requirement shall be as follows:

5 a. OUSF beneficiaries shall conduct a fair and open
6 competitive bidding process to select the services
7 eligible for support under this subsection,

8 b. the competitive bidding requirement shall be met for:

9 (1) any eligible service selected by an OUSF
10 beneficiary that is competitively bid by the OUSF
11 beneficiary in compliance with one of the Federal
12 Universal Service Support Mechanisms or successor
13 program or programs, and

14 (2) any eligible service selected by an OUSF
15 beneficiary that is competitively bid by a
16 consortium in compliance with one of the Federal
17 Universal Service Support Mechanisms or successor
18 program or programs regardless of whether or not
19 the individual OUSF beneficiary is eligible for
20 federal support,

21 c. if the eligible services were not competitively bid in
22 compliance with one of the Federal Universal Service
23 Support Mechanisms or successor program or programs,
24 the OUSF beneficiary shall conduct a fair and open

1 competitive bidding process per the OUSF beneficiary's
2 state and local or tribal procurement rules,

3 d. eligible services that are exempt from competitive
4 bidding per state law or the rules of the Federal
5 Universal Service Support Mechanisms or successor
6 program or programs shall be exempt for purposes of
7 the Special Universal Services bidding requirements
8 under this subsection, and

9 e. if a long-term contract includes change clauses for
10 changes in sites or services, the OUSF beneficiary
11 shall not be required to conduct a new competitive
12 bid.

13 ~~D. To the extent Special Universal Services are purchased from~~
14 ~~a telecommunications service provider by another carrier, the~~
15 ~~Special Universal Services are for the exclusive use of the not-for-~~
16 ~~profit hospital, county health department, city-county health~~
17 ~~department, federally qualified health center, public school, public~~
18 ~~library or county government. Under no circumstances shall the not-~~
19 ~~for-profit hospital, county health department, city-county health~~
20 ~~department, federally qualified health center, public school, public~~
21 ~~library or county government sell, repackage or share Special~~
22 ~~Universal Services with any other entity.~~

23 1. Special Universal Services shall not be sold, resold or
24 transferred in consideration for money or any other thing of value.

1 2. The OUSF shall not fund more than one eligible provider for
2 the same service at the same location for the same time period,
3 except during a transition period from one eligible provider to
4 another. Funding during a transition period shall not exceed thirty
5 (30) days.

6 3. The Commission shall have the authority to investigate each
7 request for OUSF funding for Special Universal Services in order to
8 ensure that the OUSF pays only for the Special Universal Services
9 authorized in this section. The OUSF Administrator shall deny
10 requests for OUSF funding in excess of the credit amounts authorized
11 in this section.

12 ~~E. The Corporation Commission shall have authority to~~
13 ~~investigate and modify or reject in whole or part a Special~~
14 ~~Universal Services request under subsection C of this section if the~~
15 ~~request does not meet the specified criteria, if the Corporation~~
16 ~~Commission's investigation determines that the entity has not~~
17 ~~provided sufficient justification for the requested services, or if~~
18 ~~the Corporation Commission determines that granting the request is~~
19 ~~not in the public interest.~~

20 1. The Special Universal Services approval and reimbursement
21 procedures as set forth in this subsection shall be effective and
22 shall apply beginning January 1, 2017, and for each applicable
23 funding year beginning July 1, 2017.

24 2. The OUSF beneficiary approval process shall be as follows:

- 1 a. the OUSF Administrator shall establish an annual
2 administrative approval process initiated by the OUSF
3 beneficiary for the purpose of determining eligible
4 services and credit amounts for the upcoming funding
5 year. The approval process shall include all
6 necessary forms and instructions, collectively
7 referred to as the OUSF approval request,
8 b. the OUSF approval request may be submitted beginning
9 January 1 through June 30 prior to the funding year,
10 c. the OUSF administrator shall issue an approval funding
11 letter to the OUSF beneficiary and the eligible
12 provider within sixty (60) days of a properly
13 completed submission of the OUSF approval request.
14 Failure by the OUSF Administrator to issue an approval
15 funding letter within the sixty-day period means the
16 OUSF approval request submitted by the OUSF
17 beneficiary is approved as submitted and the
18 subsequent request for reimbursement submitted by the
19 eligible provider shall be approved as submitted,
20 d. the approval funding letter shall inform the OUSF
21 beneficiary of the preapproved services and associated
22 credit amount for the applicable funding year. The
23 amount of OUSF funding preapproved under this
24 subsection shall be subject to adjustments based on

1 the amount of support received from other sources, if
2 any, as well as adjustments to pricing that may occur
3 between the time of preapproval and installation of
4 service,

5 e. the annual OUSF approval request shall be submitted to
6 the OUSF Administrator in the format outlined in
7 Commission rules. Each form shall include
8 instructions and estimated time for completion by the
9 OUSF beneficiary. The annual OUSF approval request
10 shall include but not be limited to the following:

11 (1) a Special Universal Services request form as
12 provided for by Commission rules,

13 (2) a Federal Universal Services Support Mechanism or
14 successor program or programs form used to
15 request federal funding support for the
16 applicable funding year,

17 (3) a federal funding commitment letter for the
18 applicable funding year, if issued, and

19 (4) only in instances where eligible services were
20 not competitively bid by the OUSF beneficiary or
21 a consortium in compliance with one of the
22 Federal Universal Service Support Mechanisms or
23 successor program or programs, competitive
24

bidding documentation for the relevant funding
year,

f. issuance of an OUSF approval funding letter by the
OUSF Administrator shall not require a Commission
order, and

g. OUSF approval requests not filed by June 30 prior to
the applicable funding year shall be processed by the
Commission on a first-in-first-out basis.

3. The eligible provider reimbursement process shall be as
follows:

a. requests for reimbursement shall be submitted per
procedures as set forth in subsection D of Section
139.106 of this title,

b. the OUSF Administrator shall maintain on its website a
running tally, updated monthly, regarding funds
requested for reimbursement and funds approved for
disbursement for each OUSF beneficiary and eligible
provider for each funding year,

c. funding for eligible services, including federal
funding, shall not exceed actual eligible expenses,

d. any change in cost of eligible services during the
funding year shall be reported by the eligible
provider to the OUSF and:

1 (1) all decreases in cost shall be deemed approved
2 and all cost savings shall be properly allocated
3 to the OUSF and the OUSF beneficiary, and
4 (2) increases in cost shall be reviewed for approval
5 as provided for in Commission rules, and
6 e. issuance of a determination by the OUSF Administrator
7 shall not require a Commission order.

8 SECTION 6. It being immediately necessary for the preservation
9 of the public peace, health and safety, an emergency is hereby
10 declared to exist, by reason whereof this act shall take effect and
11 be in full force from and after its passage and approval.

12
13 COMMITTEE REPORT BY: COMMITTEE ON UTILITIES, dated 02/25/2016 - DO
14 PASS, As Amended and Coauthored.
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