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SENATE BILL 5505

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State of Washington

69th Legislature

2025 Regular Session

By Senators Chapman, Short, and Wellman

Read first time 01/27/25. Referred to Committee on Environment,  
Energy & Technology.

1 AN ACT Relating to the state universal communications services  
2 program; amending RCW 80.36.300, 80.36.630, 80.36.650, 80.36.660,  
3 80.36.670, 80.36.680, 80.36.690, and 80.36.700; providing expiration  
4 dates; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 80.36.300 and 1985 c 450 s 1 are each amended to  
7 read as follows:

8 The legislature declares it is the policy of the state to:

9 (1) Preserve affordable universal telecommunications service;

10 (2) Maintain and advance the efficiency and availability of  
11 telecommunications service;

12 ~~(3) ((Ensure that customers pay only reasonable charges for  
13 telecommunications service;~~

14 ~~(4) Ensure that rates for noncompetitive telecommunications  
15 services do not subsidize the competitive ventures of regulated  
16 telecommunications companies;~~

17 ~~(5))~~ Upgrade and maintain the state telecommunications  
18 infrastructure, including middle and last mile;

19 (4) Invest in public safety including, but not limited to, 911,  
20 enhanced 911, and next-generation 911 service;

1       (5) Ensure that all areas of the state are at or above the  
2 state's broadband goals as described in RCW 43.330.536; and

3       (6) Promote diversity in the supply of telecommunications  
4 services and products in telecommunications markets throughout the  
5 state(;~~and~~

6       ~~(6) Permit flexible regulation of competitive telecommunications~~  
7 ~~companies and services)).~~

8       **Sec. 2.** RCW 80.36.630 and 2019 c 365 s 11 are each amended to  
9 read as follows:

10       (1) The definitions in this section apply throughout this section  
11 and RCW 80.36.650 through 80.36.690 and 80.36.610 unless the context  
12 clearly requires otherwise.

13       (a) "Basic residential service" means those services set out in  
14 47 C.F.R. Sec. 54.101(a) (2011), as it existed on May 13, 2019, and  
15 mandatory extended area service approved by the commission.

16       (b) "Basic telecommunications services" means the following  
17 services:

18       (i) Single-party service;

19       (ii) Voice grade access to the public switched network;

20       (iii) Support for local usage;

21       (iv) Dual tone multifrequency signaling (touch-tone);

22       (v) Access to emergency services (911);

23       (vi) Access to operator services;

24       (vii) Access to interexchange services;

25       (viii) Access to directory assistance; and

26       (ix) Toll limitation services.

27       (c) "Broadband service" means any service providing advanced  
28 telecommunications capability, including internet access and access  
29 to high quality voice, data, graphics, or video.

30       (d) "Communications provider" means a provider of communications  
31 services that assigns a working telephone number to a final consumer  
32 for intrastate wireline or wireless communications services or  
33 interconnected voice over internet protocol service, and includes  
34 local exchange carriers.

35       (e) "Communications services" includes telecommunications  
36 services and information services and any combination thereof.

37       (f) "Incumbent local exchange carrier" has the same meaning as  
38 set forth in 47 U.S.C. Sec. 251(h).

1 (g) "Incumbent public network" means the network established by  
2 incumbent local exchange carriers for the delivery of communications  
3 services to customers that is used by communications providers for  
4 origination or termination of communications services by or to  
5 customers.

6 (h) "Interconnected voice over internet protocol service" means  
7 an interconnected voice over internet protocol service that: (i)  
8 Enables real-time, two-way voice communications; (ii) requires a  
9 broadband connection from the user's location; (iii) requires  
10 internet protocol-compatible customer premises equipment; and (iv)  
11 permits users generally to receive calls that originate on the public  
12 network and to terminate calls to the public network.

13 (i) "Program" means the state universal communications services  
14 program created in RCW 80.36.650.

15 (j) "Telecommunications" has the same meaning as defined in 47  
16 U.S.C. Sec. 153(43).

17 (k) "Telecommunications act of 1996" means the telecommunications  
18 act of 1996 (P.L. 104-104, 110 Stat. 56).

19 (2) This section expires July 1, ((2025)) 2027.

20 **Sec. 3.** RCW 80.36.650 and 2019 c 365 s 12 are each amended to  
21 read as follows:

22 (1) A state universal communications services program is  
23 established. The program is established (~~(to protect public safety~~  
24 ~~and welfare))~~) under the authority of the state to regulate  
25 telecommunications under Article XII, section 19 of the state  
26 Constitution. The program is established to advance the development  
27 of statewide telecommunications infrastructure that is capable of  
28 supporting applications such as public safety, telemedicine, services  
29 for persons with special needs, distance learning, public library  
30 services, access to internet providers, and voice services to ensure  
31 access to 911 services. The purpose of the program is to support  
32 continued provision of basic telecommunications services under rates,  
33 terms, and conditions established by the commission and the  
34 provision, enhancement, and maintenance of broadband services,  
35 recognizing that, historically, the incumbent public network  
36 functions to provide all communications services including, but not  
37 limited to, voice and broadband services.

38 (2) Under the program, eligible communications providers may  
39 receive distributions from the universal communications services

1 account created in RCW 80.36.690 in exchange for the affirmative  
2 agreement to provide continued telecommunications services under the  
3 rates, terms, and conditions established by the commission under this  
4 chapter, and broadband services, for the period covered by the  
5 distribution. The commission must implement and administer the  
6 program under terms and conditions established in RCW 80.36.630  
7 through 80.36.690. Expenditures for the program may not exceed five  
8 million dollars per fiscal year; provided, however, that if less than  
9 five million dollars is expended in any fiscal year, the unexpended  
10 portion must be carried over to subsequent fiscal years and, unless  
11 fully expended, must be available for program expenditures in such  
12 subsequent fiscal years in addition to the five million dollars  
13 allotted for each of those subsequent fiscal years.

14 (3) Funds from the universal communications services account may  
15 be used for the following purposes:

16 (a) To provide and upgrade services in areas that do not meet the  
17 state's speed goals as defined in RCW 43.330.536;

18 (b) To ensure the reliability and integrity of the emergency  
19 telecommunications systems;

20 (c) For the maintenance of existing telecommunications  
21 infrastructure; and

22 (d) For other purposes defined by the commission.

23 (4) Funds may not be used to overbuild existing infrastructure in  
24 areas that receive federal funding and exceeds the states speed goals  
25 as defined in RCW 43.330.536.

26 (5) A communications provider is eligible to receive  
27 distributions from the account if:

28 (a)(i) The communications provider is(~~(:—(A)—An)~~) an incumbent  
29 local exchange carrier serving fewer than (~~(forty thousand)~~) 20,000  
30 access lines in the state(~~(; or (B) a radio communications service~~  
31 ~~company providing wireless two-way voice communications service and~~  
32 ~~broadband services to less than the equivalent of forty thousand~~  
33 ~~access lines in the state))~~). For purposes of determining the access  
34 line threshold in this subsection, the access lines or equivalents of  
35 all wireline affiliates must be counted as a single threshold, if the  
36 lines or equivalents are located in Washington;

37 (ii) The communications provider has adopted a plan to provide,  
38 enhance, or maintain broadband services in its service area; (~~and~~)

39 (iii) In order to protect public health, safety, and welfare, the  
40 communications provider utilizes battery back-up of the

1 communications provider's system to ensure time-limited access to  
2 emergency services in the event of no access to an electrical power  
3 source;

4 (iv) The communications provider is eligible to participate and  
5 does participate in a low-income, service affordability program such  
6 as the federal lifeline program;

7 (v) The communications provider provides access to the state's  
8 emergency services programs such as 911, enhanced 911, and next-  
9 generation 911; and

10 (vi) The communications provider meets any other requirements  
11 established by the commission pertaining to the provision of  
12 communications services, including basic telecommunications services;  
13 or

14 (b) The communications provider demonstrates to the commission  
15 that the communications provider is able to provide the same or  
16 comparable services at the same or similar service quality standards  
17 at a lower price; and: (i) Will provide communications services to  
18 all customers in the exchange or exchanges in which it will provide  
19 service; and (ii) submits to the commission's regulation of its  
20 service as if it were the incumbent local exchange company serving  
21 the exchange or exchanges for which it seeks distribution from the  
22 account.

23 ~~((4))~~ (6)(a) Distributions to eligible communications providers  
24 are based on criteria established by the commission.

25 (b) If the program does not have sufficient funds to fully fund  
26 the distribution formula set out in (a) of this subsection,  
27 distributions must be reduced on a pro rata basis using the amounts  
28 calculated for that year's program support as the basis of the pro  
29 rata calculations.

30 (c) To receive a distribution under the program, an eligible  
31 communications provider must affirmatively consent to continue  
32 providing communications services to its customers under rates,  
33 terms, and conditions established by the commission pursuant to this  
34 chapter for the period covered by the distribution.

35 ~~((5))~~ (7) The program is funded from amounts deposited by the  
36 legislature in the universal communications services account  
37 established in RCW 80.36.690. The commission must operate the program  
38 within amounts appropriated for this purpose and deposited in the  
39 account.

1       ~~((6))~~ (8) The commission must periodically review the accounts  
2 and records of any communications provider that receives  
3 distributions under the program to ensure compliance with the program  
4 and monitor the providers' use of the funds.

5       ~~((7) The commission must establish an advisory board, consisting  
6 of a reasonable balance of representatives from different types of  
7 stakeholders, including but not limited to communications providers  
8 and consumers, to advise the commission on any rules and policies  
9 governing the operation of the program.~~

10       ~~(8))~~ (9) The program terminates on June 30, ~~((2024))~~ 2027, and  
11 no distributions may be made after that date.

12       ~~((9))~~ (10) This section expires July 1, ~~((2025))~~ 2027.

13       **Sec. 4.** RCW 80.36.660 and 2019 c 365 s 13 are each amended to  
14 read as follows:

15       (1) To implement the program, the commission must adopt rules for  
16 the following purposes:

17       (a) Operation of the program, including criteria for: Eligibility  
18 for distributions; use of the funds; identification of any reports or  
19 data that must be filed with the commission, including, but not  
20 limited to, how a communication provider used the distributed funds;  
21 and the communications provider's infrastructure;

22       (b) Operation of the universal communications services account  
23 established in RCW 80.36.690;

24       (c) Establishment of the criteria used to calculate  
25 distributions; and

26       (d) Readoption, amendment, or repeal of any existing rules  
27 adopted pursuant to RCW 80.36.610 as necessary to be consistent with  
28 RCW 80.36.630 through 80.36.690 and 80.36.610.

29       (2) This section expires July 1, ~~((2025))~~ 2027.

30       **Sec. 5.** RCW 80.36.670 and 2019 c 365 s 14 are each amended to  
31 read as follows:

32       (1) In addition to any other penalties prescribed by law, the  
33 commission may impose penalties for failure to make or delays in  
34 making or filing any reports required by the commission for  
35 administration of the program. In addition, the commission may  
36 recover amounts determined to have been improperly distributed under  
37 RCW 80.36.650. For the purposes of this section, the provisions of  
38 RCW 80.04.380 through 80.04.405, inclusive, apply to all companies

1 that receive support from the universal communications services  
2 account created in RCW 80.36.690.

3 (2) Any action taken under this section must be taken only after  
4 providing the affected communications provider with notice and an  
5 opportunity for a hearing, unless otherwise provided by law.

6 (3) Any amounts recovered under this section must be deposited in  
7 the universal communications services account created in RCW  
8 80.36.690.

9 (4) This section expires July 1, (~~2025~~) 2027.

10 **Sec. 6.** RCW 80.36.680 and 2019 c 365 s 15 are each amended to  
11 read as follows:

12 (1) The commission may delegate to the commission secretary or  
13 other staff the authority to resolve disputes and make other  
14 administrative decisions necessary to the administration and  
15 supervision of the program consistent with the relevant statutes and  
16 commission rules.

17 (2) This section expires July 1, (~~2025~~) 2027.

18 **Sec. 7.** RCW 80.36.690 and 2019 c 365 s 16 are each amended to  
19 read as follows:

20 (1) The universal communications services account is created in  
21 the custody of the state treasurer. Revenues to the account consist  
22 of moneys deposited in the account by the legislature and any  
23 penalties or other recoveries received pursuant to RCW 80.36.670.  
24 Expenditures from the account may be used only for the purposes of  
25 the universal communications services program established in RCW  
26 80.36.650 and commission expenses related to implementation and  
27 administration of the provisions of RCW 80.36.630 through 80.36.690  
28 and section 212, chapter 8, Laws of 2013 2nd sp. sess. Only the  
29 secretary of the commission or the secretary's designee may authorize  
30 expenditures from the account. The account is subject to allotment  
31 procedures under chapter 43.88 RCW, but an appropriation is not  
32 required for expenditures.

33 (2) This section expires July 1, (~~2025~~) 2027.

34 **Sec. 8.** RCW 80.36.700 and 2019 c 365 s 17 are each amended to  
35 read as follows:

36 (1) The universal communications services program established in  
37 RCW 80.36.630 through 80.36.690 terminates on June 30, 2024.

1           (2) This section expires July 1, (~~2025~~) 2027.

2           NEW SECTION.   **Sec. 9.**   This act is necessary for the immediate  
3 preservation of the public peace, health, or safety, or support of  
4 the state government and its existing public institutions, and takes  
5 effect immediately.

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