

MAINE STATE LEGISLATURE

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Date: 5/16/17 Majority

L.D. 256
(Filing No. H-189)

ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 189, L.D. 256, Bill, "An Act To Ensure Continued Availability of High-speed Broadband Internet at Maine's Schools and Libraries"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

Sec. 1. 35-A MRSA §7104-B, sub-§2, as amended by PL 2011, c. 623, Pt. B, §20, is further amended to read:

2. Authority. Pursuant to the authority granted in section 7104 and in order to carry out the policy goals established by section 7101, subsections 1, 2 and 4, the commission shall establish a telecommunications education access fund, referred to in this section as the "fund," and require all voice network service providers providing service in the State and any other entities identified by the commission to contribute to the fund. The fund must be available, with any accumulated interest, to qualified libraries, qualified schools and the Raymond H. Fogler Library at the University of Maine to assist in paying the costs of acquiring and using advanced telecommunications technologies.

Sec. 2. 35-A MRSA §7104-B, sub-§2-A, as enacted by PL 2011, c. 600, §6 and affected by §10, is amended to read:

2-A. Determination of amount of prepaid wireless telecommunications service fee. The commission shall determine by rule the amount of the fee on prepaid wireless telecommunications service that is required to be contributed to the fund. The commission shall limit the fee is a fixed amount to no more than 21¢ per retail transaction established by multiplying \$25 by a percentage that is determined by the commission for purposes of calculating contributions to the fund by providers of intrastate telecommunications services. The fee must be rounded to the nearest penny. The fee may not be adjusted by the commission more frequently than once every 24 months. The collection of the fee is governed by section 7104-C. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

COMMITTEE AMENDMENT

1 **Sec. 3. 35-A MRSA §7104-B, sub-§3**, as amended by PL 2011, c. 623, Pt. B,
2 §§21 to 23, is further amended to read:

3 **3. Limitations; imposition.** In carrying out the authority granted by subsection 2,
4 the commission shall:

5 A. ~~Limit~~ With respect to the contributions for the fund required from voice network
6 service providers other than prepaid wireless telecommunications service providers,
7 limit the amount collected contributed to no more than 0.7% of retail charges for
8 2-way voice communications services as determined by the commission, excluding
9 interstate tolls or interstate private line services; 21¢ per month per line or number,
10 assessed as a monthly surcharge, to be levied on:

11 (1) Residential and business telephone exchange lines, including private branch
12 exchange lines and Centrex lines;

13 (2) Interconnected voice over Internet protocol service; and

14 (3) Providers of mobile telecommunications services that are not providers of
15 prepaid wireless telecommunications service.

16 The surcharge established in this paragraph may not be levied on more than 25 lines
17 or numbers per customer billing account;

18 B. Ensure that the funds are collected in a competitively neutral manner;

19 C. Integrate the collection of the ~~charge~~ surcharge with any state universal service
20 fund developed by the commission; and

21 D. Require, if a voice network service provider recovers its contributions under this
22 section by means of a charge placed on a bill issued to a customer, explicit
23 identification on customer bills of ~~any charge~~ the surcharge imposed under this
24 section.

25 **Sec. 4. Report.** The Department of Education and the Maine State Library shall
26 jointly submit by January 15, 2018 to the Joint Standing Committee on Energy, Utilities
27 and Technology a report containing the following:

28 1. A list of all recipients of money from the telecommunications education access
29 fund established pursuant to the Maine Revised Statutes, Title 35-A, section 7104-B,
30 referred to in this section as "the fund"; a description of the goods or services for which
31 money from the fund was received, including the amount of money received by recipients
32 for such goods or services; and whether the goods or services for which money from the
33 fund was received were eligible for reimbursement through the federal E-rate program;

34 2. A description of the process used by recipients of money from the fund to select
35 vendors for goods or services, including whether there was a competitive bidding process
36 and, if so, whether the competitive bidding process included provisions for services that
37 were compensated with money from a source other than the fund; and

38 3. A list of qualified schools and qualified libraries pursuant to Title 35-A, section
39 7104-B, subsection 2 and, with respect to each school or library location, the following
40 information:

41 A. The broadband capacity;

COMMITTEE AMENDMENT "A" to H.P. 189, L.D. 256

- 1 B. The average daily broadband use;
- 2 C. The amount received through the federal E-rate program to provide broadband
- 3 access; and
- 4 D. The amount received from the fund to provide broadband access.

5 **Sec. 5. Prepaid wireless telecommunications service fee.** Notwithstanding
6 the prohibition under the Maine Revised Statutes, Title 35-A, section 7104-B, subsection
7 2-A on the Public Utilities Commission's adjusting the prepaid wireless
8 telecommunications service fee more than once every 24 months, the Public Utilities
9 Commission shall adjust the prepaid wireless telecommunications service fee to conform
10 to Title 35-A, section 7104-B, subsection 2-A, as amended by this Act.'

11 **SUMMARY**

12 This amendment is the majority report of the committee, and it replaces the bill. It
13 caps the prepaid wireless telecommunications service fee that is contributed to the
14 telecommunications education access fund at 21¢ per retail transaction and caps the fee
15 levied on voice network service providers other than prepaid wireless
16 telecommunications service providers to no more than 21¢ per month per line or number,
17 assessed as a monthly surcharge. The amendment requires the Department of Education
18 and the Maine State Library to jointly submit a report by January 15, 2018 to the Joint
19 Standing Committee on Energy, Utilities and Technology that includes detailed
20 information on how the telecommunications education access fund is used. Lastly, this
21 amendment specifies that, notwithstanding the current prohibition under the Maine
22 Revised Statutes, Title 35-A, section 7104-B, subsection 2-A on the Public Utilities
23 Commission's adjusting the prepaid wireless telecommunications service fee more than
24 once every 24 months, the commission is required to adjust the prepaid wireless
25 telecommunications service fee to conform to the change made by this amendment.

26 **FISCAL NOTE REQUIRED**

27 (See attached)



128th MAINE LEGISLATURE

LD 256

LR 1837(02)

An Act To Ensure Continued Availability of High-speed Broadband Internet at Maine's Schools and Libraries

Fiscal Note for Bill as Amended by Committee Amendment 'A' (H-189)

Committee: Energy, Utilities and Technology

Fiscal Note Required: Yes

Fiscal Note

Change to rate structure of fees assessed by PUC - Maine Telecommunications Education Access Fund
Minor cost increase - General Fund

Fiscal Detail and Notes

This bill would cap and change the rate structure for prepaid wireless telecommunications services and voice network service providers that the Public Utilities Commission (PUC) uses to assess a surcharge or fee that is credited to the Maine Telecommunications Education Access Fund (MTEAF). It also updates the definitions of the categories of such services to reflect changes in telecommunications industry terminology and billing methods. These changes may raise the fee for some services while others may be lowered. As under current law, the PUC will continue to have some flexibility to adjust assessments up to the caps to assure adequate funding in the MTEAF. Any additional costs to the PUC to implement these changes are anticipated to be minor and can be absorbed within existing budgeted resources.

Additional costs to the Maine State Library and the Department of Education to prepare and submit the required report can be absorbed within each agency's existing budgeted resources.