

SB002 L.009

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Business, Labor, & Technology.

SB18-002 be amended as follows:

1 Amend printed bill, page 2, line 3, strike "(32)(a)" and substitute "(32)(a);
2 and **add** (31.5)".

3 Page 3, after line 9 insert:

4 "(31.5) "TRANSITIONAL PROVIDER" MEANS A
5 TELECOMMUNICATIONS PROVIDER, OTHER THAN AN INCUMBENT LOCAL
6 EXCHANGE PROVIDER THAT SERVES FEWER THAN FIFTY THOUSAND ACCESS
7 LINES IN THE STATE, THAT RECEIVED HIGH COST SUPPORT MECHANISM
8 DISTRIBUTIONS FOR 2017."

9 Page 3, line 22, strike "**amend**" and substitute "**repeal**".

10 Page 3, strike line 23 and substitute "(2)(a)(III); and **add** (2)(a)(IV),
11 (2)(a)(V), (2)(a)(VI), (2)(a)(VII), (2)(a)(VIII), and (4) as follows".

12 Page 3, line 26, strike "The commission" and substitute "The
13 commission;".

14 Strike page 4 and substitute "~~shall reduce the amount of the high cost~~
15 ~~support mechanism surcharge by the following percentages of the new~~
16 ~~broadband funds allocated in that year pursuant to section 40-15-509.5 (3)~~
17 ~~from the high cost support mechanism to the broadband fund, created in~~
18 ~~section 40-15-509.5 (4):~~

19 ~~(A) In years 2016 and 2017, five percent;~~

20 ~~(B) In years 2018 and 2019, ten percent;~~

21 ~~(C) In years 2020 and 2021, fifteen percent; and~~

22 ~~(D) In years 2022 and 2023, twenty percent.~~

23 (IV) THE COMMISSION SHALL PHASE OUT HIGH COST SUPPORT
24 MECHANISM DISTRIBUTIONS FOR BASIC SERVICE AND ALLOCATE HIGH COST
25 SUPPORT MECHANISM DISTRIBUTIONS TO THE HIGH COST SUPPORT
26 MECHANISM ACCOUNT DEDICATED TO BROADBAND DEPLOYMENT, AS
27 DESCRIBED IN SECTION 40-15-509.5 (3), AS FOLLOWS:

28 (A) FOR THE YEAR 2019, THE COMMISSION SHALL DISTRIBUTE TO
29 EACH TRANSITIONAL PROVIDER EIGHTY PERCENT OF THE SUPPORT FOR
30 BASIC SERVICE THAT THE PROVIDER RECEIVED FOR 2016;

31 (B) FOR THE YEAR 2020, THE COMMISSION SHALL DISTRIBUTE TO
32 EACH TRANSITIONAL PROVIDER SIXTY PERCENT OF THE SUPPORT FOR BASIC
33 SERVICE THAT THE PROVIDER RECEIVED FOR 2016;

34 (C) FOR THE YEAR 2021, THE COMMISSION SHALL DISTRIBUTE TO

1 EACH TRANSITIONAL PROVIDER FORTY PERCENT OF THE SUPPORT FOR
2 BASIC SERVICE THAT THE PROVIDER RECEIVED FOR 2016;

3 (D) FOR THE YEAR 2022, THE COMMISSION SHALL DISTRIBUTE TO
4 EACH TRANSITIONAL PROVIDER TWENTY PERCENT OF THE SUPPORT FOR
5 BASIC SERVICE THAT THE PROVIDER RECEIVED FOR 2016; AND

6 (E) FOR THE YEAR 2023 AND THEREAFTER, THE COMMISSION
7 SHALL NOT PROVIDE SUPPORT TO TRANSITIONAL PROVIDERS FOR BASIC
8 SERVICE.

9 (V) FOR THE YEARS 2019 THROUGH 2022, THE COMMISSION SHALL
10 PROVIDE SUPPORT FOR BASIC SERVICE TO AN INCUMBENT LOCAL
11 EXCHANGE PROVIDER THAT SERVES FEWER THAN FIFTY THOUSAND ACCESS
12 LINES IN THE STATE AT THE SAME LEVEL OF SUPPORT FOR BASIC SERVICE
13 THAT THE PROVIDER RECEIVED FOR 2016.

14 (VI) THE COMMISSION SHALL NOT PROVIDE ANY SUPPORT FOR
15 BASIC SERVICE ON AND AFTER JANUARY 1, 2023.

16 (VII) THE COMMISSION SHALL MAINTAIN THE HIGH COST SUPPORT
17 MECHANISM SURCHARGE RATE ASSESSED ON TELECOMMUNICATIONS
18 PROVIDERS AT TWO AND SIXTH-TENTHS PERCENT.

19 (VIII) ON AND AFTER JANUARY 1, 2019, ALL MONEY COLLECTED
20 THROUGH THE HIGH COST SUPPORT MECHANISM SURCHARGE SHALL BE
21 ALLOCATED TO THE HIGH COST SUPPORT MECHANISM ACCOUNT
22 DEDICATED TO BROADBAND DEPLOYMENT, AS DESCRIBED IN SECTION
23 40-15-509.5 (3), EXCEPT FOR THE FOLLOWING AMOUNTS OF MONEY:

24 (A) THE MONEY ALLOCATED FROM THE HIGH COST SUPPORT
25 MECHANISM FOR DISTRIBUTIONS IN ACCORDANCE WITH SUBSECTIONS
26 (2)(a)(IV) AND (2)(a)(V) OF THIS SECTION;

27 (B) THE MONEY TRANSMITTED TO THE STATE TREASURER TO BE
28 CREDITED TO THE COLORADO HIGH COST ADMINISTRATION FUND
29 PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION AND TO THE
30 BROADBAND ADMINISTRATIVE FUND PURSUANT TO SECTION 40-15-509.5
31 (4)(a); AND

32 (C) THE MONEY REQUIRED TO MAINTAIN A PRUDENT RESERVE IN
33 THE HIGH COST SUPPORT MECHANISM."

34 Page 5, strike lines 1 through 5 and substitute:

35 "(4) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2024."

36 Page 5, after line 9 insert:

37 "**SECTION 3.** In Colorado Revised Statutes, 40-15-401, **amend**
38 (1) introductory portion, (1)(b)(I), (1)(b)(IV) introductory portion, and
39 (1)(b)(V)(A); and **repeal** (1)(b)(III), (1)(b)(IV)(A), and (1)(b)(VI) as

1 follows:

2 **40-15-401. Services, products, and providers exempt from**
3 **regulation - definition.** (1) The following products, services, and
4 providers are exempt from regulation under this ~~article~~ ARTICLE 15 or
5 under the "Public Utilities Law" of the state of Colorado:

6 (b) Basic service; except that:

7 (I) The high cost support mechanism, as described AND SUBJECT
8 TO THE LIMITATIONS SET FORTH in sections 40-15-208 and 40-15-502,
9 remains effective to support basic service regardless of the classification
10 of basic service or voice-over-internet protocol service in this part 4;

11 (III) ~~Until July 1, 2016, each incumbent local exchange carrier~~
12 ~~remains subject to any obligations as provider of last resort, as established~~
13 ~~by the commission under section 40-15-502 (6), throughout its service~~
14 ~~territory;~~

15 (IV) ~~On and after July 1, 2016~~ UNTIL SEPTEMBER 1, 2024,
16 throughout each geographic area for which the commission provides high
17 cost support mechanism distributions for basic service under sections
18 40-15-208 and 40-15-502 (5), the commission retains the authority to:

19 (A) ~~Designate providers of last resort under section 40-15-502 (6);~~

20 (V) Providers of basic service remain subject to the following fees
21 and surcharges:

22 (A) High cost support mechanism assessments; ~~calculated under~~
23 ~~section 40-15-502 (5)(a);~~

24 (VI) ~~If, after July 1, 2018, the commission finds that re-regulation~~
25 ~~of basic local exchange service is necessary to protect the public interest~~
26 ~~following a hearing and upon findings of fact and conclusions of law, the~~
27 ~~commission may regulate basic local exchange service under part 3 of this~~
28 ~~article."~~

29 Renumber succeeding sections accordingly.

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