

SENATE BILL NO. 498—COMMITTEE ON  
COMMERCE, LABOR AND ENERGY

MARCH 25, 2013

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to telecommunications.  
(BDR 58-1097)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to telecommunication services; revising provisions relating to telecommunications; requiring the Public Utilities Commission of Nevada to establish certain procedures for contracting with an independent administrator for purposes relating to certain telephone services; repealing certain provisions relating to telecommunication providers; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law requires the Public Utilities Commission of Nevada to regulate  
2 public utilities that provide telecommunication service to the public. (Chapter 704  
3 of NRS) Existing law also provides certain rights and obligations to all  
4 telecommunication providers. (NRS 704.040-704.060) **Section 1** of this bill  
5 requires the Commission to establish by regulation certain procedures for  
6 contracting with an independent administrator who will certify or recertify the  
7 eligibility of customers for lifeline service, a Federal Government benefit program  
8 that provides discounts on monthly telephone service for eligible low-income  
9 customers.

10 Existing law requires that the Department of Health and Human Services  
11 provide each eligible telecommunication provider with a list of eligible customers,  
12 as determined by criteria adopted by the Commission or the Federal  
13 Communications Commission. (NRS 707.470) Existing law also requires that an  
14 eligible telecommunication provider notify an eligible customer that he or she will  
15 receive lifeline or link up services unless the eligible customer specifically declines  
16 to receive the services. (NRS 707.480) **Section 2** of this bill repeals these  
17 requirements.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1       **Section 1.** NRS 704.040 is hereby amended to read as follows:  
2       704.040 1. Every public utility shall furnish reasonably  
3 adequate service and facilities. Subject to the provisions of  
4 subsection 3, the charges made for any service rendered or to be  
5 rendered, or for any service in connection therewith or incidental  
6 thereto, must be just and reasonable.
- 7       2. Every unjust and unreasonable charge for service of a public  
8 utility is unlawful.
- 9       3. Except as otherwise provided in NRS 704.68861 to  
10 704.68887, inclusive:
- 11       (a) A competitive supplier is exempt from any provision of this  
12 chapter governing the rates, prices, terms and conditions of any  
13 telecommunication service.
- 14       (b) A small-scale provider of last resort is subject to the  
15 provisions of this chapter, NRS 427A.797 and chapter 707 of NRS.
- 16       4. All telecommunication providers which offer the same or  
17 similar service must be subject to fair and impartial regulation, to  
18 promote adequate, economical and efficient service.
- 19       5. To maintain the availability of telephone service in  
20 accordance with the regulations adopted pursuant to NRS 704.6873,  
21 the Commission shall provide for the levy and collection of a  
22 uniform and equitable assessment, in an amount determined by the  
23 Commission, from all persons furnishing intrastate  
24 telecommunication service or the functional equivalent of such  
25 service through any form of telephony technology, unless the levy  
26 and collection of the assessment with regard to a particular form of  
27 technology is prohibited by federal law. Assessments levied and  
28 collected pursuant to this subsection must be maintained in a  
29 separate fund established by the Commission. The Commission  
30 shall contract with an independent administrator to administer the  
31 fund pursuant to open competitive bidding procedures established  
32 by the Commission. The independent administrator shall collect the  
33 assessments levied and distribute them from the fund pursuant to a  
34 plan which has been approved by the Commission. ~~Money in the~~  
35 ~~fund must be used for the sole purpose of maintaining the~~  
36 ~~availability of telephone service.~~
- 37       6. *The Commission shall by regulation establish:*
- 38       (a) *The procedure for contracting with an independent*  
39 *administrator who will certify or recertify the eligibility of*  
40 *customers for lifeline service as defined in NRS 707.450,*  
41 *including:*



1           (1) *The selection of the independent administrator pursuant*  
2 *to open competitive bidding procedures established by the*  
3 *Commission; and*

4           (2) *The duties of the independent administrator which must*  
5 *be promulgated in advance of conducting the initial request for*  
6 *proposal for the independent administrator.*

7           (b) *The duties of the independent administrator which*  
8 *must:*

9           (1) *Be determined by criteria adopted by the Commission or*  
10 *the Federal Communications Commission;*

11           (2) *Provide for the independent administrator to be able to*  
12 *accomplish all functions necessary for interfacing with the*  
13 *National Lifeline Accountability Database when it is established*  
14 *and operational pursuant to 47 C.F.R. § 54.404 and any other*  
15 *national eligibility database for eligible telecommunication*  
16 *providers; and*

17           (3) *Require the independent administrator to be responsible*  
18 *for informing eligible telecommunications providers of the status*  
19 *of their customers' eligibility to receive lifeline service as defined*  
20 *in NRS 707.450.*

21           7. *To implement the requirements of subsections 5 and 6, the*  
22 *Commission:*

23           (a) *May select a single entity to perform the duties of*  
24 *subsections 5 and 6; and*

25           (b) *Is authorized to use the fund set forth in subsection 5 for*  
26 *the sole purpose of maintaining the availability of telephone*  
27 *service as set forth in subsections 5 and 6.*

28           **Sec. 2.** NRS 707.470 and 707.480 are hereby repealed.

29           **Sec. 3.** The Public Utilities Commission of Nevada shall adopt  
30 the regulations required by NRS 704.040, as amended by section 1  
31 of this act, on or before July 1, 2014.

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**TEXT OF REPEALED SECTIONS**

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**707.470 Department to provide list of eligible customers to each eligible provider; contents of the list; update of list regulations.**

1. The Department shall provide to each eligible provider a list of eligible customers, as determined by criteria adopted by the Public Utilities Commission of Nevada or the Federal Communications Commission, as appropriate, who are located



within the service area of the eligible provider. The list must include:

- (a) The name and address of each eligible customer; and
- (b) If applicable, the telephone number of each eligible customer.

2. Every 6 months the Department shall provide to each eligible provider an updated list of the eligible customers in this State.

3. The Department may adopt such regulations as are necessary to coordinate the acquisition and provision of the information required to be provided pursuant to this section.

**NRS 707.480 Eligible provider to notify eligible customers regarding default receipt of lifeline and link up services; contents of notification; declination of services; billing for services; duration of lifeline services.**

1. An eligible provider, within 7 days after determining that a person located in its service area is an eligible customer, shall notify the eligible customer that the eligible customer will receive lifeline or link up services, or both, unless the eligible customer specifically declines to receive the services. The notification must include:

(a) Information about the lifeline and link up services, including, without limitation, the date on which the services will begin and any options or responsibilities that the eligible customer may have related to the receipt of those services;

(b) A self-addressed, postage paid response card which the eligible customer must return to the eligible provider to decline the services; and

(c) A statement that the eligible provider will automatically provide lifeline or link up services, or both, to the eligible customer unless the eligible customer declines the services by timely returning to the eligible provider the response card included with the notification.

2. To decline lifeline or link up services, an eligible customer must return the response card included in the notification provided pursuant to subsection 1 to the eligible provider not later than 10 days before the date on which the services are scheduled to begin.

3. An eligible provider shall begin billing an eligible customer for lifeline or link up services, or both, not later than 60 days after the date on which the eligible provider receives the list of eligible customers from the Department which includes the eligible customer, if the eligible customer has not declined the services.



4. An eligible provider shall continue providing lifeline services to an eligible customer for as long as the eligible customer continues to receive telecommunication services from the eligible provider until the customer or the Department notifies the eligible provider that the customer is no longer eligible for the program. The eligible provider shall discontinue providing lifeline services to an eligible customer if the eligible customer notifies the eligible provider in writing that the eligible customer wishes to discontinue receiving those services.

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