

Senate Bill No. 498—Committee on  
Commerce, Labor and Energy

CHAPTER.....

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; authorizing certain telecommunication providers to access, under certain circumstances, certain databases created and maintained by the Department of Health and Human Services for purposes relating to certain telephone services; authorizing an independent administrator to access, under certain circumstances, such databases and databases of other state agencies 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:**

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

**Section 1.3** of this bill authorizes certain telecommunication providers to access databases created and maintained by the Department of Health and Human Services for the exclusive purpose of determining or verifying the status of an eligible customer. **Section 1.3** also provides that such access by telecommunication providers must be prohibited after such time as an independent administrator is selected and is able to inform eligible providers of the status of their customers' eligibility to receive lifeline service. **Section 1.3** further provides that an independent administrator who is selected pursuant to **section 1** may access the database created and maintained by the Department and, to the extent authorized by state and federal law, any other database created and maintained by any other state agency for the purpose of determining or verifying the status of an eligible customer.

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



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

**Section 1.** NRS 704.040 is hereby amended to read as follows:

704.040 1. Every public utility shall furnish reasonably adequate service and facilities. Subject to the provisions of subsection 3, the charges made for any service rendered or to be rendered, or for any service in connection therewith or incidental thereto, must be just and reasonable.

2. Every unjust and unreasonable charge for service of a public utility is unlawful.

3. Except as otherwise provided in NRS 704.68861 to 704.68887, inclusive:

(a) A competitive supplier is exempt from any provision of this chapter governing the rates, prices, terms and conditions of any telecommunication service.

(b) A small-scale provider of last resort is subject to the provisions of this chapter, NRS 427A.797 and chapter 707 of NRS.

4. All telecommunication providers which offer the same or similar service must be subject to fair and impartial regulation, to promote adequate, economical and efficient service.

5. To maintain the availability of telephone service in accordance with the regulations adopted pursuant to NRS 704.6873, the Commission shall provide for the levy and collection of a uniform and equitable assessment, in an amount determined by the Commission, from all persons furnishing intrastate telecommunication service or the functional equivalent of such service through any form of telephony technology, unless the levy and collection of the assessment with regard to a particular form of technology is prohibited by federal law. Assessments levied and collected pursuant to this subsection must be maintained in a separate fund established by the Commission. The Commission shall contract with an independent administrator to administer the fund pursuant to open competitive bidding procedures established by the Commission. The independent administrator shall collect the assessments levied and distribute them from the fund pursuant to a plan which has been approved by the Commission. ~~Money in the fund must be used for the sole purpose of maintaining the availability of telephone service.~~

***6. The Commission shall by regulation establish:***



*(a) The procedure for contracting with an independent administrator who will certify or recertify the eligibility of customers for lifeline service as defined in NRS 707.450, including:*

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

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

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

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

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

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

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

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

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

**Sec. 1.3.** Chapter 707 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Until an independent administrator is selected pursuant to NRS 704.040, an eligible provider may access any database, if one exists, that is created and maintained by the Department for the exclusive purpose of determining or verifying the status of an eligible customer. Such access by an eligible provider is subject to the rules and regulations of the Department and is prohibited:*

*(a) For any purpose other than the purpose described in this subsection; and*

*(b) After an independent administrator is selected pursuant to NRS 704.040 and the independent administrator is able to inform*



*eligible providers of the status of their customers' eligibility to receive lifeline service.*

*2. An independent administrator selected pursuant to NRS 704.040 may access any database described in subsection 1 and, to the extent authorized by state and federal law, access any other database, if one exists, that is created and maintained by any other state agency for the exclusive purpose of determining or verifying the status of an eligible customer.*

**Sec. 1.7.** NRS 707.400 is hereby amended to read as follows:

707.400 As used in NRS 707.400 to 707.500, inclusive, *and section 1.3 of this act*, the words and terms defined in NRS 707.410 to 707.460, inclusive, have the meanings ascribed to them in those sections.

**Sec. 2.** 1. NRS 707.470 is hereby repealed.

2. NRS 707.480 is hereby repealed.

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

**Sec. 4.** 1. This section and section 1, subsection 2 of section 2, and section 3 of this act become effective on October 1, 2013.

2. Sections 1.3 and 1.7, and subsection 1 of section 2 of this act become effective on January 1, 2014.

