

SENATE BILL NO. 412—SENATOR ATKINSON

MARCH 20, 2017

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions related to lifeline service. (BDR 58-624)

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 telecommunications; authorizing the Public Utilities Commission of Nevada to terminate a contract entered into with an independent administrator to certify or recertify the eligibility of customers for lifeline service when the National Lifeline Eligibility Verifier is able to provide such service; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires certain providers of telecommunication services in this
2 State to provide discounted rates for telecommunications service to certain certified
3 customers pursuant to the lifeline service which is defined by federal law. (NRS
4 704.040, 704.6873, 707.400-707.500) Under existing law an independent
5 administrator is required to certify or recertify the eligibility of a customer of a
6 provider for lifeline service. (NRS 704.040)

7 **Section 1** of this bill authorizes the Public Utilities Commission of Nevada to
8 terminate the certification service of an independent administrator when the
9 National Lifeline Eligibility Verifier established by the Federal Communications
10 Commission is able to provide such certification service to the providers of
11 telecommunication services in this State. (47 C.F.R. §§ 54.400 et seq.) **Section 2** of
12 this bill provides the National Lifeline Eligibility Verifier access to a database
13 created and maintained by the Department of Health and Human Services for the
14 exclusive purpose of determining or verifying the status of an eligible customer.



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.
- 35 6. The Commission shall by regulation establish:
- 36 (a) The procedure for contracting with an independent
37 administrator who will certify or recertify the eligibility of
38 customers for lifeline service as defined in NRS 707.450, including:
- 39 (1) The selection of the independent administrator pursuant
40 to open competitive bidding procedures established by the
41 Commission; and



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

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

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

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

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

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

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

20 (b) Is authorized to use the fund set forth in subsection 5 for the
21 sole purpose of maintaining the availability of telephone service as
22 set forth in subsections 5 and 6 ~~H~~; and

23 *(c) May, in accordance with the terms of a contract entered*
24 *into with an independent administrator pursuant to subsection 6,*
25 *terminate the service to certify or recertify the eligibility of*
26 *customers for lifeline service, as defined in NRS 707.450, if the*
27 *National Lifeline Eligibility Verifier, as defined in 47 C.F.R. §*
28 *54.400, is able to certify and recertify the eligibility of customers in*
29 *this State for lifeline service.*

30 **Sec. 2.** NRS 707.485 is hereby amended to read as follows:

31 707.485 1. Until an independent administrator is selected
32 pursuant to NRS 704.040 ~~H~~ *or the National Lifeline Eligibility*
33 *Verifier, is able to certify and recertify the eligibility of customers*
34 *in this State for lifeline service,* an eligible provider may access any
35 database, if one exists, that is created and maintained by the
36 Department for the exclusive purpose of determining or verifying
37 the status of an eligible customer. Such access by an eligible
38 provider is subject to the rules and regulations of the Department
39 and is prohibited:

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

42 (b) After an independent administrator is selected pursuant to
43 NRS 704.040 and the independent administrator is able to inform
44 eligible providers of the status of their customers' eligibility to
45 receive lifeline service ~~H~~ *or the National Lifeline Eligibility*



- 1 *Verifier, is able to certify and recertify the eligibility of customers*
2 *in this State for lifeline service.*
- 3 2. An independent administrator selected pursuant to NRS
4 704.040 *or the National Lifeline Eligibility Verifier, as applicable,*
5 may access any database described in subsection 1 and, to the extent
6 authorized by state and federal law, access any other database, if one
7 exists, that is created and maintained by any other state agency for
8 the exclusive purpose of determining or verifying the status of an
9 eligible customer.
- 10 3. *As used in this section, "National Lifeline Eligibility*
11 *Verifier" has the meaning ascribed to it in 47 C.F.R. § 54.400.*

