

**South Carolina General Assembly**  
121st Session, 2015-2016

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**A181, R192, S277**

### STATUS INFORMATION

General Bill

Sponsors: Senators Alexander, Rankin and Hutto

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Introduced in the Senate on January 13, 2015

Introduced in the House on May 5, 2015

Last Amended on May 4, 2016

Passed by the General Assembly on May 18, 2016

Governor's Action: May 25, 2016, Signed

Summary: State Telecom Equity in Funding Act

### HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
1/13/2015	Senate	Introduced and read first time ( <a href="#">Senate Journal-page 164</a> )
1/13/2015	Senate	Referred to Committee on <b>Judiciary</b> ( <a href="#">Senate Journal-page 164</a> )
1/15/2015	Senate	Referred to Subcommittee: Rankin (ch), Hutto, Turner
2/25/2015	Senate	Committee report: Majority favorable with amend., minority unfavorable <b>Judiciary</b> ( <a href="#">Senate Journal-page 17</a> )
2/26/2015		Scrivener's error corrected
3/18/2015	Senate	Minority Report Removed ( <a href="#">Senate Journal-page 35</a> )
4/23/2015	Senate	Motion to Set Bill for Adjourned Debate Failed ( <a href="#">Senate Journal-page 93</a> )
4/23/2015	Senate	Roll call Ayes-9 Nays-31 ( <a href="#">Senate Journal-page 93</a> )
4/29/2015	Senate	Committee Amendment Adopted ( <a href="#">Senate Journal-page 43</a> )
4/29/2015	Senate	Read second time ( <a href="#">Senate Journal-page 43</a> )
4/30/2015	Senate	Amended ( <a href="#">Senate Journal-page 12</a> )
4/30/2015	Senate	Read third time and sent to House ( <a href="#">Senate Journal-page 12</a> )
4/30/2015	Senate	Roll call Ayes-22 Nays-20 ( <a href="#">Senate Journal-page 12</a> )
5/1/2015		Scrivener's error corrected
5/5/2015	House	Introduced and read first time ( <a href="#">House Journal-page 19</a> )
5/5/2015	House	Referred to Committee on <b>Labor, Commerce and Industry</b> ( <a href="#">House Journal-page 19</a> )
4/20/2016	House	Committee report: Favorable with amendment <b>Labor, Commerce and Industry</b> ( <a href="#">House Journal-page 347</a> )
4/21/2016		Scrivener's error corrected
4/26/2016	House	Debate adjourned until Wed., 5-4-16 ( <a href="#">House Journal-page 17</a> )
5/4/2016	House	Requests for debate-Rep(s). Sandifer, Hiott, Whitmire, Hill, HA Crawford, Ryhal, Hardee, Ott, Merrill, Crosby, Wells, Jefferson, Bamberg, Gambrell ( <a href="#">House Journal-page 11</a> )
5/4/2016	House	Amended ( <a href="#">House Journal-page 45</a> )
5/4/2016	House	Read second time ( <a href="#">House Journal-page 45</a> )

5/4/2016 House Roll call Yeas-103 Nays-2 ([House Journal-page 99](#))  
 5/5/2016 Scrivener's error corrected  
 5/5/2016 House Read third time and returned to Senate with amendments  
 ([House Journal-page 147](#))  
 5/18/2016 Senate Concurred in House amendment and enrolled  
 ([Senate Journal-page 53](#))  
 5/24/2016 Ratified R 192  
 5/25/2016 Signed By Governor  
 5/27/2016 Effective date 05/25/16  
 5/31/2016 Act No. 181

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## VERSIONS OF THIS BILL

[1/13/2015](#)  
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**NOTE: THIS IS A TEMPORARY VERSION. THIS DOCUMENT WILL REMAIN IN THIS VERSION UNTIL FINAL APPROVAL BY THE LEGISLATIVE COUNCIL.**

(A181, R192, S277)

**AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, SO AS TO ENACT THE "STATE TELECOM EQUITY IN FUNDING ACT"; BY ADDING SECTION 58-9-2515 SO AS TO CLARIFY THE JURISDICTION OF THE PUBLIC SERVICE COMMISSION OVER LOCAL EXCHANGE SERVICE CARRIERS, PREPAID WIRELESS SERVICE PROVIDERS, COMMERCIAL MOBILE RADIO SERVICE PROVIDERS, AND VOICE OVER INTERNET PROTOCOL PROVIDERS; BY ADDING SECTION 58-9-2535 SO AS TO PROVIDE LOCAL EXCHANGE PROVIDERS, COMMERCIAL MOBILE RADIO SERVICE PROVIDERS, VOICE OVER INTERNET PROTOCOL SERVICE PROVIDERS, AND PREPAID WIRELESS SERVICE PROVIDERS SHALL COLLECT DUAL PARTY RELAY CHARGES, AND TO PROVIDE FOR RELATED BILLING DETERMINATIONS, FEE RETENTIONS, LIABILITY LIMITS, AND GOVERNMENTAL RESTRICTIONS AND OBLIGATIONS, AMONG OTHER THINGS; TO AMEND SECTION 58-9-10, RELATING TO DEFINITIONS CONCERNING THE REGULATION OF TELEPHONE SERVICES, SO AS TO REVISE CERTAIN DEFINITIONS; TO AMEND SECTION 58-9-280, RELATING TO THE UNIVERSAL SERVICE FUND, SO AS TO REQUIRE THE COLLECTION AND REMITTANCE OF CONTRIBUTIONS TO THE FUND AND THE PROVISION AND MAINTENANCE OF CERTAIN RELATED INFORMATION, TO PERMIT THE RETENTION OF A PORTION OF THESE COLLECTIONS AS ADMINISTRATIVE FEES, TO LIMIT THE SIZE OF THE FUND, TO PROVIDE VARIOUS LIABILITY LIMITATIONS FOR PREVIOUSLY RENDERED SERVICES, TO PROVIDE FOR CERTAIN RANDOM COMPLIANCE AUDITS AND RELATED INVESTIGATIONS OF FUND RECIPIENTS BY THE OFFICE OF REGULATORY STAFF, TO REQUIRE THE OFFICE OF REGULATORY STAFF TO REPORT CERTAIN INFORMATION TO THE PUBLIC UTILITIES REVIEW COMMITTEE, AND TO PROVIDE THAT ALL REVISIONS MADE BY THIS SECTION ARE VOID IF ANY ARE FINALLY ADJUDICATED TO BE INVALID, AMONG OTHER THINGS;**

**TO AMEND SECTION 58-9-576, RELATING TO CERTAIN ELECTIONS BY LOCAL EXCHANGE CARRIERS, SO AS TO PROVIDE THE PUBLIC SERVICE COMMISSION MAY NOT REGULATE CERTAIN STAND ALONE BASIC RESIDENTIAL LINES OF CARRIERS IN SERVICE BEFORE AN ELECTION DATE, TO PROVIDE AN EXCEPTION ALLOWING THE COMMISSION TO ORDER SUCH LOCAL EXCHANGE CARRIERS TO PROVIDE VOICE SERVICES TO RESIDENTIAL CUSTOMERS IN CERTAIN CIRCUMSTANCES, TO PROVIDE PROCEDURES FOR THE TERMINATION OF THESE SERVICES, AND TO DEFINE NECESSARY TERMINOLOGY; TO AMEND SECTION 58-9-2510, RELATING TO DEFINITIONS CONCERNING TELEPHONE SERVICE FOR HEARING AND SPEECH IMPAIRED PEOPLE, SO AS TO REVISE THESE DEFINITIONS AND PROVIDE ADDITIONAL NECESSARY DEFINITIONS; TO AMEND SECTION 58-9-2530, RELATING TO THE OPERATING FUND FOR A SYSTEM OF DUAL PARTY RELAY DEVICES AND RELATED TELECOMMUNICATIONS DEVICES FOR THE DEAF, SO AS TO INCLUDE COMMERCIAL MOBILE RADIO SERVICE PROVIDERS, VOICE OVER INTERNET PROTOCOL SERVICE PROVIDERS, AND PREPAID WIRELESS SELLERS AMONG THE ENTITIES THAT MUST IMPOSE RELATED FEES, TO REDUCE THE MAXIMUM CHARGE FROM TWENTY-FIVE CENTS TO TEN CENTS, TO REQUIRE UNIFORMITY OF THE FEES AMONG ALL PROVIDERS AND SELLERS REQUIRED TO IMPOSE THE FEES, AND TO PROVIDE FOR THE REMITTAL AND TRANSFERAL OF COLLECTED FEES TO THE FUND; TO AMEND SECTION 58-9-576, RELATING TO THE DEFINITION OF A "SINGLE-LINE BASIC RESIDENTIAL SERVICE", SO AS TO REVISE THE DEFINITION; AND TO REPEAL SECTION 58-9-2540 RELATING TO AN ADVISORY COMMITTEE CONCERNING STATEWIDE TELECOMMUNICATIONS RELAY ACCESS SERVICE.**

Be it enacted by the General Assembly of the State of South Carolina:

#### **Citation**

SECTION 1. This act must be known and may be cited as the "State Telecom Equity in Funding Act".

#### **Public Service Commission jurisdiction**

SECTION 2. Article 21, Chapter 9, Title 58 of the 1976 Code is amended by adding:

"Section 58-9-2515. Nothing in this article expands, diminishes, or otherwise affects any existing jurisdiction of the commission over any local exchange provider, prepaid wireless provider, CMRS provider, or VoIP provider; or any services provided by any such provider."

#### **Dual relay charge collections, billing determinations, fee retentions, liability limits, governmental restrictions and obligations**

SECTION 3. Article 21, Chapter 9, Title 58 of the 1976 Code is amended by adding:

"Section 58-9-2535. (A) A local exchange provider must collect the dual party relay charge established in Section 58-9-2530(A) on each local exchange access facility.

(1) For bills rendered on or after the effective date of this section, for any individual local exchange access facility that is capable of simultaneously carrying multiple voice and data transmissions, a subscriber must be billed a number of dual party relay charges equal to:

(a) the number of outward voice transmission paths activated on such a facility in cases where the number of activated outward voice transmission paths can be modified by the subscriber only with the assistance of the service supplier; or

(b) five, where the number of activated outward voice transmission paths can be modified by the subscriber without the assistance of the service supplier. The total number of dual party relay charges is subject to a

maximum of fifty such charges for each account.

(2) A billed subscriber must be liable for any dual party relay charge imposed under this subsection until it has been paid to the local exchange provider. A local exchange provider has no obligation to take any legal action to enforce the collection of the dual party relay charges for which a subscriber is billed.

(3) Local exchange providers that collect dual party relay charges are entitled to retain two percent of the gross dual party relay charges remitted to the Office of Regulatory Staff as an administrative fee. Within forty-five days after the end of the month during which the charges were collected, each local exchange provider shall file with the Office of Regulatory Staff a return showing the total amount of dual party relay charges collected for the month and, at the same time, shall remit to the Office of Regulatory Staff the charges collected for that month less the administrative fee.

(4) Dual party relay charges imposed under this subsection must be added to the billing by the local exchange provider to its subscriber and may be stated separately.

(B) A CMRS provider must collect the dual party relay charge established in Section 58-9-2530(A) for each CMRS connection for which there is a mobile identification number containing an area code assigned to this State by the North American Numbering Plan Administrator; however, trunks or service lines used to supply service to CMRS providers must not be subject to a dual party relay charge. Prepaid wireless telecommunications service is subject to subsection (D) and not to this subsection.

(1) A billed subscriber must be liable for any dual party relay charge imposed under this subsection until it has been paid to the CMRS provider. A CMRS provider has no obligation to take any legal action to enforce the collection of the dual party relay charges for which a subscriber is billed.

(2) CMRS providers that collect dual party relay charges are entitled to retain two percent of the gross dual party relay charges remitted to the department as an administrative fee. On or before the twentieth day of the second month succeeding each monthly collection of the dual party relay charges, every CMRS provider shall file with the department a return under oath, in a form prescribed by the department, showing the total amount of charges collected for the month and, at the same time, shall remit to the department the fees collected for that month. The department shall transfer all charges remitted to the operating fund.

(3) Dual party relay charges imposed under this subsection must be added to the billing by the CMRS provider to its subscriber and may be stated separately.

(C) A VoIP provider must collect the dual party relay charge established in Section 58-9-2530(A) on each VoIP service line. This dual party relay charge must be sourced at the service address in the case of fixed VoIP service, or in the same manner as CMRS is sourced pursuant to the Mobile Telecommunications Sourcing Act, Public Law 106-252, codified at 4 U.S.C. Sections 116 through 126.

(1) A billed subscriber must be liable for any dual party relay charge imposed under this subsection until it has been paid to the VoIP provider. A VoIP provider has no obligation to take any legal action to enforce the collection of the dual party relay charges for which a subscriber is billed. For bills rendered on or after the effective date of this section, for any VoIP service line that is capable of simultaneously carrying multiple voice and data transmissions, a VoIP subscriber must be billed a number of dual party relay charges equal to:

(a) the number of outward voice transmission paths activated on such a VoIP service line in cases where the number of activated outward voice transmission paths can be modified by the subscriber only with the assistance of the VoIP provider; or

(b) five, where the number of activated outward voice transmission paths can be modified by the subscriber without the assistance of the VoIP provider. The total number of dual party relay charges is subject to a maximum of fifty such charges for each account.

(2) VoIP providers that collect dual party relay charges are entitled to retain two percent of the gross dual party relay charges remitted to the department as an administrative fee. On or before the twentieth day of the second month succeeding each monthly collection of the dual party relay charges, each VoIP provider shall file with the department a return under oath, in a form prescribed by the department, showing the total amount of dual party relay charges collected for the month and, at the same time, shall remit to the department the charges collected for that month less the administrative fee. The department shall transfer all charges remitted to the operating fund.

(3) Dual party relay charges imposed under this subsection must be added to the billing by the VoIP provider to its subscriber and may be stated separately.

(D) A prepaid wireless seller must collect the dual party relay charge established in Section 58-9-2530(A) from a prepaid wireless consumer with respect to each prepaid wireless retail transaction occurring in this State. The amount of the dual party relay charge either must be separately stated on an invoice, receipt, or other similar document that is provided to the prepaid wireless consumer by the prepaid wireless seller; or otherwise disclosed to the prepaid wireless consumer. At the election of the prepaid wireless seller, the dual party relay charge may be combined with the USF contribution charge described in Section 58-9-280(E)(2)(b) into a single dual party relay and USF contribution charge for purposes of being stated on the invoice, receipt or other similar document or otherwise disclosed to the prepaid wireless consumer. The prepaid wireless seller shall notify the department as to how much of the amount remitted is for dual party relay and how much of the amount remitted is for USF.

(1) For the purposes of this subsection, a prepaid wireless retail transaction must be sourced as provided in Section 12-36-910(B)(5)(b).

(2) The dual party relay charge is the liability of the prepaid wireless consumer and not the prepaid wireless seller or of any prepaid wireless provider. However, the prepaid wireless seller is liable for remitting all dual party relay charges that the prepaid wireless seller collects from prepaid wireless consumers as provided in this subsection to the department.

(3) A prepaid wireless seller is entitled to retain three percent of the gross dual party relay charges remitted to the department as an administrative fee. A prepaid wireless seller must remit the remainder of the dual party relay charges collected to the department on or before the twentieth day of the second month succeeding each monthly collection of the dual party relay charges. The department shall transfer all charges remitted to the operating fund.

(4) The department shall establish procedures by which a prepaid wireless seller may document that a sale is not a prepaid wireless retail transaction, which procedures shall substantially coincide with the procedures for documenting sale for resale transactions pursuant to Section 12-36-950.

(E) If a billed subscriber purchases a service that is both a CMRS service and a VoIP service, and there is a single active mobile telephone number or successor dialing protocol associated with the service, then only the CMRS dual party relay charges that are subject to subsection (B) apply to the service. Similarly, if an exchange access facility is also a VoIP service line, then only the dual party relay charges that are subject to subsection (A) shall apply to the service.

(F) For services for which a bill is rendered prior to the effective date of this subsection, no subscriber or consumer is liable to any person or entity for a different dual party relay charge than the consumer or subscriber has been billed, and no local exchange provider, CMRS provider, VoIP provider, prepaid wireless provider, or prepaid wireless seller is liable to any person or entity for billing, collecting, or remitting a different dual party relay charge than is required by this article, or both.

(G) Neither the State, any political subdivision of the State, nor an intergovernmental agency may require any service provider to impose, collect, or remit a tax, fee, surcharge, or other charge for dual party relay funding purposes other than the dual party relay charges set forth in this article.

(H) The dual party relay charge required to be remitted to the department must be administered and collected by the department in the same manner as taxes as defined in Section 12-60-30(27) are administered and collected by the department under the provisions of Title 12."

### **Telephone companies, general definitions revised**

SECTION 4. Section 58-9-10(9) and (10) of the 1976 Code is amended to read:

"(9) The term 'basic local exchange telephone service' means for residential and single-line business customers, access to basic voice grade local service, access to available emergency services and directory assistance, the capability to access interconnecting carriers, relay services, access to operator services, and one annual local directory listing (white pages or equivalent).

(10) The term 'carrier of last resort' means a facilities-based local exchange carrier, as determined by the commission, not inconsistent with the federal Telecommunications Act of 1996, which has the obligation to provide basic local exchange telephone service, upon reasonable request, to all residential and single-line business customers within a defined service or geographic area. A carrier of last resort may meet its obligation by using any available technology of equal or greater service quality than is required by applicable commission regulations as of the effective date of this item, including, but not limited to, the provision of a broadband connection that allows the customer to access basic voice grade local service from the carrier of last resort or other available voice provider of the customer's choice. Notwithstanding any other provision of law, and regardless of the technology used, the basic voice grade local service provided to meet this obligation is subject to the commission's jurisdiction with respect to service quality and rates, and is entitled to USF support. Initially, the incumbent LEC must be a carrier of last resort within its existing service area."

### **Universal Service Fund, sum determination, contribution remittances and collections, fee retentions, distributions**

SECTION 5. A. Section 58-9-280(E) of the 1976 Code is amended to read:

"(E) In continuing South Carolina's commitment to universally available basic local exchange telephone service at affordable rates and to assist with the alignment of prices and cost recovery with costs, and consistent with applicable federal policies, the commission shall establish a universal service fund (USF) for distribution to a carrier of last resort. The commission shall issue its final order adopting such guidelines as necessary for the funding and management of the USF within twelve months of the effective date of this section except that the commission, upon notice, may extend that period up to an additional ninety days. These guidelines must not be inconsistent with applicable federal law and shall address, without limitation, the following:

(1) The USF must be administered by the Office of Regulatory Staff or a third party designated by the Office of Regulatory Staff under guidelines to be adopted by the commission.

(2) The commission shall require all telecommunications companies providing telecommunications services within South Carolina to contribute to the USF as determined by the commission.

(a) Entities that provide service pursuant to a certificate issued by the commission must remit these contributions to the Office of Regulatory Staff. All other entities must remit these contributions to the Department of Revenue. The Department of Revenue monthly shall assess each provider that does not have such a certificate, the provider's contribution to the USF. The Office of Regulatory Staff shall certify to the Department of Revenue the USF factor and the amounts to be assessed. The USF assessments, less the Department of Revenue actual incremental increase in the cost of administration, must be transferred to the USF administered by the Office of Regulatory Staff or third party administrator designated by the Office of Regulatory Staff.

(b) USF contributions for service defined in Section 58-9-2510(17) must be collected pursuant to Section 58-9-280(E) from consumers, as defined in Section 58-9-2510(13), by persons or entities defined in Section 58-9-

2510(16). The amount of the charge to be collected with respect to each retail transaction, as defined in Section 58-9-2510(15) must be a fixed per-transaction fee established annually by the Office of Regulatory Staff. Persons or entities defined in Section 58-9-2510(16) shall submit all necessary forms to the department to demonstrate that the charges have been collected and remitted. An entity that remits funds in support of the USF may file a petition with the commission seeking a review of the fixed per-transaction fee as determined by the Office of Regulatory Staff. A decision by the commission in response to the petition only may be applied prospectively and must be implemented the next time that the Office of Regulatory Staff makes its annual determination of the fixed per-transaction fee.

(c) Entities that are required to contribute shall provide information sufficient to permit the requirements of this subsection to be implemented, monitored, and enforced to the Office of Regulatory Staff. All information, records, documents, and their contents provided to the Office of Regulatory Staff pursuant to this subsection must be maintained as confidential and are exempt from public disclosure under the South Carolina Freedom of Information Act. All information, records, documents, and their contents that are exchanged between the Office of Regulatory Staff and other state or federal agencies related to implementing, monitoring, and enforcing the requirements of this subsection must be maintained as confidential and are exempt from public disclosure under the South Carolina Freedom of Information Act. Except to the extent necessary to implement, monitor, and enforce contributions to the USF, the provisions of this section do not expand, diminish, or otherwise affect any existing jurisdiction of the commission over any telecommunications company, VoIP provider, CMRS provider, prepaid wireless provider, or any services provided by these providers.

(d) A person or entity defined in Section 58-9-2510(16) must collect the USF contribution from a consumer defined in Section 58-9-2510(13) with respect to each retail transaction defined in Section 58-9-2510(15) occurring in this State. The amount of the charge either must be separately stated on an invoice, receipt, or other similar document that is provided to the consumer defined in Section 58-9-2510(13) by the person or entity defined in Section 58-9-2510(16); or otherwise disclosed to the consumer defined in Section 58-9-2510(13). At the election of the person or entity defined in Section 58-9-2510(16), the dual party relay charge, the USF contribution charge, and the 911 charge described in Title 23, Chapter 47, may be combined into a single charge for purposes of being stated on the invoice, receipt, or other similar document or otherwise disclosed to the consumer defined in Section 58-9-2510(13). The person or entity defined in Section 58-9-2510(16) shall notify the department as to how much of the amount remitted is for dual party relay and how much of the amount remitted is for USF.

(i) For the purposes of this subsection, a retail transaction defined in Section 58-9-2510(15) must be sourced as provided in Section 12-36-910(B)(5)(b).

(ii) A person or entity defined in Section 58-9-2510(16) is entitled to retain three percent of the gross USF contribution remitted to the department as an administrative fee. A person or entity defined in Section 58-9-2510(16) must remit the remainder of the USF contribution to the department on or before the twentieth day of the second month succeeding each monthly collection of the USF charges. The department shall transfer the USF contributions to the USF administered by the Office of Regulatory Staff or third party designated by the Office of Regulatory Staff. The amount of the USF contribution collected by a person or entity defined in Section 58-9-2510(16), whether or not such amount is separately stated on an invoice, receipt, or other similar document provided to the consumer defined in Section 58-9-2510(13), may not be included in the base for measuring any tax, fee, USF contribution, or other charge that is imposed by this State, any political subdivision of this State, or any intergovernmental agency. This amount may not be considered revenue of the person or entity defined in Section 58-9-2510(16).

(iii) The department shall establish procedures by which a person or entity defined in Section 58-9-2510(16) may document that a sale is not a retail transaction defined in Section 58-9-2510(15), which procedures shall substantially coincide with the procedures for documenting sale for resale transactions pursuant to Section 12-36-950.

(e) The USF contribution required to be remitted to the department must be administered and collected by the department in the same manner as taxes as defined in Section 12-60-30(27) are administered and collected by

the department under the provisions of Title 12.

(3) The commission also shall require any company providing telecommunications service to contribute to the USF if, after notice and opportunity for hearing, the commission determines that the company is providing private local exchange services or radio-based local exchange services in this State that compete with a local telecommunications service provided in this State.

(4)(a) The size of the USF must be the sum of:

(i) the amount of USF support received by each carrier of last resort in 2015;

(ii) the amount of Interim LEC Fund support received by each local exchange carrier in 2015;

(iii) all amounts approved by the commission to provide state funding for the Lifeline program for low income subscribers; and

(iv) all amounts approved by the commission for administration of the USF.

(b) The size of the USF may be adjusted to reflect changes in USF support for those LECs that have made the election set out in Section 58-9-576(C).

(5) For local exchange carriers that have previously reduced rates and charges to be eligible to receive USF support and that have not made the election set out in Section 58-9-576(C), money in the USF must be distributed to a local exchange carrier in the same amount distributed to the carrier from the Interim LEC fund in 2015 and to a carrier of last resort in the same amount distributed to the carrier of last resort in 2015 for so long as it continues to serve as a carrier of last resort. For any carrier that makes, or has made, an election under Section 58-9-576(C), its right to recover from the USF must be governed by the provisions of Section 58-9-576(C), and the amount it is entitled to recover must be adjusted in accordance with Section 58-9-576(C); provided, however, that nothing in this subsection restricts the ability of any carrier to withdraw from the State USF all amounts approved by the commission to provide state funding for the Lifeline program for low income subscribers.

(6) For services for which a bill is rendered or a charge is applied before the effective date of this subsection, no subscriber or consumer is liable to any person or entity for a different universal service charge than the consumer or subscriber has been billed or charged, and no telecommunications company, VoIP provider, CMRS provider, or prepaid wireless provider is liable to any person or entity for billing, collecting, or remitting a different universal contribution amount than is required by this article.

(7) Subject to the provisions of items (2), (3), (4), and (5) the commission may make administrative adjustments to the contribution or distribution levels based on yearly reconciliations.

(8) A carrier of last resort authorized to receive funds from the USF is subject to random compliance audits and other investigations by the Office of Regulatory Staff, in accordance with Section 58-4-55.

(9) Nothing in subsection (G) of this section shall preclude the commission from assessing broadband service revenues for purposes of contributions to the USF, pursuant to this subsection.

(10) All carriers of last resort shall retain all records of operations within the jurisdiction of the Office of Regulatory Staff required to demonstrate that the support received was used to support the programs for which it was intended. This documentation must be maintained for at least ten years from the receipt of the funding. All such documents must be made available upon request to the Office of Regulatory Staff.

(11) In order to create an environment that ensures financial stability necessary to encourage long-term investment by carriers of last resort while providing for appropriate oversight:

(a) within two years after the effective date of this subitem, the Office of Regulatory Staff shall provide a

report to the Public Utilities Review Committee (PURC) as to the State Universal Service Fund, the need for funding, and the appropriate level of distributions; and

(b) every four years thereafter, the Office of Regulatory Staff shall provide a report to PURC as to the status of the State Universal Service Fund, provide recommendations, and provide such other information as the PURC deems appropriate."

### **Severability**

B. This entire section is void if any portion of this section is finally adjudicated invalid.

### **Existing local exchange carrier stand alone basic residential lines, PSC regulatory functions, definitions**

SECTION 6. Section 58-9-576(C)(2) of the 1976 Code is amended to read:

"(2)(a) Beginning on the date that the LEC's election, pursuant to this subsection, becomes effective, the LEC may increase its rates for its stand alone basic residential lines that were in service on the preelection date on an annual basis by a percentage that does not exceed the percentage increase over the prior year in the Gross Domestic Product Price Index, as reported by the United States Department of Labor, Bureau of Labor Statistics. If the customer of record for a stand alone basic residential line that was in service on the preelection date dies or moves from the residence, the provisions of this subitem will continue to apply to the stand alone basic residential line at the residence if a spouse, family member, or cotenant of that customer of record provides documentation showing that he resided at the location and requests to have the stand alone basic residential line continued in his name. With the sole exception of ensuring the LEC's compliance with the preceding sentences, the commission must not:

(i) impose any requirements related to the terms, conditions, rates, or availability of any of the LEC's stand alone basic residential lines that were in service on the preelection date; or

(ii) otherwise regulate any of the LEC's stand alone basic residential lines that were in service on the preelection date.

(b) Except as provided in subsection (C)(2)(c), for any LEC that elected to operate under Section 58-9-576(C) prior to January 1, 2016, the commission must not:

(i) impose any requirements related to the terms, conditions, rates, or availability of any of the LEC's stand alone basic residential lines that were in service on the preelection date; or

(ii) otherwise regulate any of the LEC's stand alone basic residential lines that were in service on the preelection date.

(c)(i) As used in this subsection, 'voice service' means retail service provided through any technology or service arrangement that includes the applicable functionalities described in 47 C.F.R. Section 54.101(a). Notwithstanding anything in subsection (C)(2)(b), the following provisions apply to each customer receiving a stand alone basic residential line from any LEC described in subsection (C)(2)(b), both on the preelection date and on the effective date of this subsubitem. For a period ending four years after the effective date of this subsubitem, if the customer cannot receive voice service from any provider through any technology at the customer's residence where the customer received a stand alone basic residential line, the customer may file a request for service with the commission. Following an investigation by the commission, if the commission determines a reasonable request for service has been made and that no voice service is available to the customer, the commission may:

(1) make a determination that the LEC is best able to provide voice service to the customer's residence and it may order the LEC to provide the voice service to the customer's residence. If ordered by the commission to provide voice service, the LEC shall do so directly or through an affiliate; or

- (2) conduct a competitive procurement process to identify a willing provider of voice service to provide voice service to the customer's residence. The willing provider of voice service selected shall provide the voice service directly or through an affiliate.
- (ii) The LEC or willing provider of voice service may provide the voice service through any voice technology.
- (iii) Other than ordering the provision of voice service pursuant to this subsection, the commission may not regulate any aspect of the voice service. The commission shall issue a final order disposing of any request filed pursuant to this subsection within ninety days of the filing of the request, and all aspects of the commission's order shall expire four years after the effective date of the order and may not be renewed.
- (iv) Before terminating service to a customer described in subsection (C)(2)(c) whose residence uses a stand alone basic residential line, the LEC described shall provide written notice to the customer informing him of his rights under this subsection. This written notice shall direct the customer where to file the request and include the commission's contact information. The LEC shall provide this written notice at least ninety days prior to terminating service at the customer's residence."

### **Telephone service for hearing and speech impaired persons, definitions revised**

SECTION 7. Section 58-9-2510 of the 1976 Code, as last amended by Act 318 of 2006, is further amended to read:

"Section 58-9-2510. As used in this article:

- (1) 'CMRS connection' means each mobile number assigned to a CMRS customer.
- (2) 'Commercial Mobile Radio Service' (CMRS) means commercial mobile radio service under Sections 3(27) and 332(d), Federal Telecommunications Act of 1996, 47 U.S.C. Section 151, et seq., Federal Communications Commission Rules, and the Omnibus Budget Reconciliation Act of 1993. The term includes any wireless two-way communication device, including radio-telephone communications used in cellular telephone service, personal communication service, or the functional and/or competitive equivalent of a radio-telephone communications line used in cellular telephone service, a personal communication service, or a network radio access line. The term does not include services that do not provide access to 911 service, a communication channel suitable only for data transmission, a wireless roaming service or other nonlocal radio access line service, or a private telecommunications system.
- (3) 'Commission' means the Public Service Commission.
- (4) 'Deaf person' means an individual who is unable to hear and understand oral communication, with or without the assistance of amplification devices.
- (5) 'Department' means the Department of Revenue.
- (6) 'Dual party relay system' or 'DPR' means a procedure in which a deaf, hearing, or speech impaired TDD user can communicate with an intermediary party, who then orally relays the first party's message or request to a third party, or a procedure in which a party who is not deaf or hearing or speech impaired can communicate with an intermediary party who then relays the message or request to a TDD user.
- (7) 'Dual sensory impaired person' means an individual who is deaf/blind or has both a permanent hearing impairment and a permanent visual impairment.
- (8) 'Exchange access facility' means the access from a particular telephone subscriber's premises to the telephone system of a service supplier. Exchange access facilities include service supplier provided access lines, PBX trunks, and Centrex network access registers, all as defined by the South Carolina Public Service Commission. Exchange access facilities do not include service supplier owned and operated telephone pay

station lines, or wide area telecommunications service (wats), foreign exchange (fx), or incoming lines.

(9) 'Hard of hearing person' means an individual who has suffered a permanent hearing loss which is severe enough to necessitate the use of amplification devices to hear oral communication.

(10) 'Hearing impaired person' means a person who is deaf or hard of hearing.

(11) 'Local exchange provider' means a local exchange telephone company operating in this State.

(12) 'Operating fund' means the Dual Party Relay Service Operating Fund which is a specific fund to be created by the commission and established, invested, managed, and maintained for the exclusive purpose of implementing the provisions of this chapter according to commission regulations.

(13) 'Prepaid wireless consumer' means a person or entity that purchases prepaid wireless telecommunications service in a prepaid wireless retail transaction.

(14) 'Prepaid wireless provider' means a person or entity that provides prepaid wireless telecommunications service pursuant to a license issued by the Federal Communications Commission.

(15) 'Prepaid wireless retail transaction' means the purchase of prepaid wireless telecommunications service from a prepaid wireless seller for any purpose other than resale.

(16) 'Prepaid wireless seller' means a person or entity that sells prepaid wireless telecommunications service to another person or entity for any purpose other than resale.

(17) 'Prepaid wireless telecommunications service' means any commercial mobile radio service that allows a caller to dial 911 to access the 911 system, which service must be paid for in advance and is sold in units or dollars which decline with use in a known amount.

(18) 'Speech impaired person' means an individual who has suffered a loss of oral communication ability which prohibits normal use of a standard telephone handset.

(19) 'Subscriber' means any person, company, corporation, business, association, or party who is provided telephone (local exchange access facility) service or CMRS service or VoIP service.

(20) 'Telecommunications device' or 'telecommunications device for the deaf, hearing, or speech impaired' or 'TDD' or 'TTY' means a keyboard mechanism attached to or in place of a standard telephone by some coupling device used to transmit or receive signals through telephone lines.

(21) 'Voice over Internet Protocol (VoIP) service' means interconnected VoIP service as that term is defined in 47 C.F.R. Section 9.3 as may be amended.

(22) 'Voice over Internet Protocol (VoIP) provider' means a person or entity that provides VoIP service.

(23) 'Voice over Internet Protocol (VoIP) subscriber' means a person or entity that purchases VoIP service from a VoIP provider.

(24) 'Voice over Internet Protocol (VoIP) service line' means a VoIP service that offers an active telephone number or successor dialing protocol assigned by a VoIP service provider to a customer that has outbound calling capability."

### **Dual party relay charge imposed**

SECTION 8. Section 58-9-2530(A) of the 1976 Code is amended to read:

"(A) The commission may require each local exchange provider, CMRS provider, and VoIP provider operating

in this State to impose a monthly dual party relay charge not to exceed ten cents, and each prepaid wireless seller to impose a dual party relay charge of the same amount on each wireless retail transaction, as necessary to fund the establishment and operation of a dual party relay system and a distribution system of TTY's and other related telecommunications devices in this State. The amount of the dual party charge must be determined by the commission based upon the amount of funding necessary to accomplish the purposes of this article and provide dual party telephone relay services on a continuous basis, and the amount of the charge must be uniform among all local exchange providers, CMRS providers, VoIP providers, and prepaid wireless sellers. All dual party relay charge monies collected and remitted to the department in accordance with Section 58-9-2535 must be transferred to the operating fund, which must be administered by the Office of Regulatory Staff. The dual party relay charge collected and remitted in accordance with this article is not subject to any tax, fee, or assessment, nor may it be considered revenue of a local exchange provider, CMRS provider, VoIP provider, prepaid wireless provider, or prepaid wireless seller. The commission may provide for the funding of the dual party relay system through contributions from other sources. The fund must be established, invested, and managed for the exclusive purpose of implementing the provisions of this article according to regulations promulgated by the commission."

### **Existing local exchange carrier stand alone basic residential lines, definition revised**

SECTION 9. Section 58-9-576(C)(1)(a) is amended to read:

"(a) 'Single-line basic residential service' means single-line residential flat rate basic voice grade local service within a traditional local calling area that provides access to available emergency services and directory assistance, the capability to access interconnecting carriers, relay services, access to operator services, and one annual local directory listing (white pages or equivalent)."

### **Implementation directives**

SECTION 10. Beginning on the effective date of this act, the Office of Regulatory Staff and the Department of Revenue may take necessary action to accommodate full implementation of SECTIONS 3, 5.A., and 8 of this act, as soon as practicable, provided, however, that full implementation shall not occur earlier than January 1, 2017. The Office of Regulatory Staff and the Department of Revenue shall provide at least 30 days public notice of the full implementation date before the full implementation of these SECTIONS occurs, and no person or entity is required to bill, collect, remit, or pay any charges pursuant to SECTION 3, 5.A., or 8 of this act prior to the full implementation date.

### **Repeal**

SECTION 11. Section 58-9-2540 of the 1976 Code is repealed.

### **Time effective**

SECTION 12. This act takes effect upon approval by the Governor.

Ratified the 24th day of May, 2016.

Approved the 25th day of May, 2016.

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