

1 AN ACT concerning telecommunications.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The State Finance Act is amended by adding
5 Section 5.545 as follows:

6 (30 ILCS 105/5.545 new)
7 Sec. 5.545. The Universal Service Fund.

8 Section 10. The Public Utilities Act is amended by
9 adding Article XIIIIE as follows:

10 (220 ILCS 5/Art. XIIIIE heading, new)
11 ARTICLE XIIIIE. UNIVERSAL SERVICE SUPPORT FUNDING
12 AND PROGRAMS

13 (220 ILCS 5/13E-101 new)
14 Sec. 13E-101. Scope and purpose.

15 (a) This Article is designed to authorize the Commission
16 to establish a Universal Service Fund and programs to further
17 the goal of providing a basic set of essential
18 telecommunications services and access to advanced service
19 capabilities to all customers of the State.

20 (b) The requirements of this Article shall be observed
21 by the telecommunications providers subject to the
22 jurisdiction of the Commission as indicated in this Article,
23 except insofar as any exemption may be made by the
24 Commission. Except as otherwise expressly provided by law,
25 the requirements of this Article apply to telecommunications
26 providers.

27 (c) Nothing in this Article shall preclude special and
28 individual consideration being given to exceptional or

1 unusual situations and upon due investigation of the facts
2 and circumstances involved, the adoption of requirements as
3 to individual providers or services that may be lesser,
4 greater, other or different than those provided in this
5 Article.

6 (d) Disputes not resolved between the affected parties
7 regarding assessment or support amounts or the eligibility to
8 receive or the liability to pay under this Article shall be
9 referred to the Commission for resolution.

10 (e) This Article shall be enforced under the provisions
11 of Article X and such other means as provided in this Act.

12 (f) The Commission may issue orders it deems necessary
13 to assist in the implementation or interpretation of this
14 Article.

15 (220 ILCS 5/13E-105 new)

16 Sec. 13E-105. Definitions. The definitions in Article
17 XIII apply in this Article. In addition, in this Article:

18 "Calculated charge" means the charge calculated by
19 converting a per call charge into a per minute charge. The
20 conversion to a per minute charge shall be accomplished by
21 dividing the per call charge by the telecommunications
22 provider's average residential call duration. If there are
23 multiple per call charges within one local calling area, the
24 weighted average shall be used as the per call charge.

25 "Contributory provider" means a telecommunications
26 provider that pays moneys to the Universal Service Fund.

27 "Disability" means a physical or sensory impairment that
28 limits or curtails an individual's access to or usage of
29 telecommunications services. "Disability" includes a speech,
30 vision or hearing impairment and motion impairments that
31 limit an individual's ability to handle telecommunications
32 equipment.

33 "Emergency service numbers" mean 9-1-1 where available

1 and fire, emergency medical services, law enforcement, and
2 poison center emergency numbers where 9-1-1 is not available.

3 "Federal high cost program" means any program established
4 by the federal Communications Commission under 47 CFR 54
5 subpart D.

6 "Institutions" means:

7 (1) not-for-profit schools, which includes each
8 school in a public school district, private schools,
9 charter schools, colleges and universities, and public
10 community college districts;

11 (2) public libraries; and

12 (3) not-for-profit hospitals.

13 "Lifeline" means the program that provides reduced
14 monthly service rates for low-income customers.

15 "Link-Up" means the program that waives service
16 connection charges for low-income customers.

17 "Local exchange service provider" means any commercial
18 mobile radio service provider that has been designated as an
19 eligible telecommunications carrier under Section 13E-215 or
20 a telecommunications carrier or any other provider of basic
21 local exchange service or standard business lines and usage.

22 "Low-income" means a household that receives benefits
23 from one or more of the following programs:

24 (1) Article IV of the Illinois Public Aid Code;

25 (2) medical assistance under 42 USC 1395;

26 (3) supplemental security income under 42 USC 1381
27 to 1385c;

28 (4) food stamps under 7 USC 2011 to 2029;

29 (5) the energy assistance program under the Energy
30 Assistance Act of 1989; or

31 (6) any other State or federally administered
32 programs, approved by the Commission, for households with
33 income levels equal to or less than 200% of the poverty
34 line as defined in 42 USC 9902 (2).

1 "Non-profit group" means an organization described in
2 Section 501 (c) (3) of the Internal Revenue Code that is
3 exempt from federal income tax under Section 501 (a) of the
4 Internal Revenue Code.

5 "Nonrecurring charge" means the charge for those
6 activities and materials necessary to connect network
7 services to the customer's premises, up to and including the
8 network interface device but not including customer premises
9 wiring or customer premises equipment, and not including
10 construction charges.

11 "Rural telephone company" has the meaning given in 47 USC
12 153 (37).

13 "Two-line voice carryover" means the technique of using
14 3-way calling and 2 telephone lines, one for voice and one
15 for TTY or similar equipment, to connect a caller who is deaf
16 or hard of hearing but can speak, with another caller via the
17 telecommunications relay service.

18 "Universal service" means a statewide rapid, efficient,
19 communications network with adequate, economically placed
20 facilities to assure that a basic set of essential
21 telecommunications services is available to all persons in
22 this State at affordable prices and that the advanced service
23 capabilities of a modern telecommunications infrastructure
24 are affordable and accessible to all areas of the State
25 within a reasonable time.

26 (220 ILCS 5/13E-110 new)
27 Sec. 13E-110. Essential telecommunications services.

28 (a) A local exchange service provider shall make
29 available to all its customers at affordable prices all
30 essential telecommunications services.

31 (b) "Essential telecommunications services" means all
32 the following:

33 (1) Single-party voice-grade service with:

1 (A) line quality capable of facsimile
2 transmission;

3 (B) line quality capable of data transmission
4 as specified in Section 13E-115;

5 (C) dual-tone multi-frequency touch tone and
6 rotary pulse dialing operability;

7 (D) access to emergency services numbers and
8 9-1-1 operability where requested by local
9 authorities;

10 (E) equal access to interlata interexchange
11 carriers subject to federal Communications
12 Commission orders and rules;

13 (F) equal access to intralata interexchange
14 carriers pursuant to schedules, terms, and
15 conditions imposed by Commission orders and rules;

16 (G) single party revertive calling, if 2 or
17 more pieces of customer premises equipment can be
18 simultaneously active on the line or channel being
19 used by the customer;

20 (H) a reasonably adequate number of calls
21 within a reasonably adequate local calling area as
22 defined by the Commission;

23 (I) connectivity with all public toll, local,
24 wireline, and wireless networks, and with various
25 internet service providers;

26 (J) telecommunications relay service to
27 facilitate communication between teletypewriter
28 users and non-teletypewriter users;

29 (K) access to operator service;

30 (L) access to directory assistance;

31 (M) toll blocking, 900 and 976 number
32 blocking, and extended community calling blocking
33 options as specified in Section 13E-125;

34 (N) intercept and announcements for vacant,

changed, suspended and disconnected numbers in oral and TTY-readable formats; and

(0) a directory listing with the option for non-listed and non-published service.

(2) Annual distribution of a local telephone directory.

(3) Timely repair.

(220 ILCS 5/13E-115 new)

Sec. 13E-115. Essential data transmission capability.

(a) The data transmission capability that is specified in Section 13E-110 shall be at least 9600 bits per second.

(b) For lines extending greater than 10,000 feet from the central office, this data transmission capability requirement shall be met under an implementation schedule to be set by the Commission.

(220 ILCS 5/13E-120 new)

Sec. 13E-120. Advanced service capabilities.

(a) "Advanced service capabilities" means all the following:

(1) Digital access lines and channels by January 1, 2003.

(2) High-speed data transfer connectivity by January 1, 2004.

(3) Two-way interactive video conferencing at a speed no less than 30 frames per second and two-way interactive imaging capabilities by January 1, 2005.

(b) In the absence of alternative providers and in the presence of sufficient demand, or to promote economic development and infrastructure development, a local exchange service provider shall, by the date set by the Commission, make available to any customer on request, in a timely manner, at affordable prices, any advanced service

1 capabilities.

2 (c) Upon its own motion, upon petition by a local
3 exchange service provider for relief from an obligation in
4 subsection (b), or upon petition by a customer alleging that
5 an advanced service is not available in a timely manner, is
6 needed but not scheduled for deployment under this Section,
7 or is not priced at an affordable level, the Commission may
8 investigate the offering of a given advanced service
9 capability.

10 The investigation shall address, but is not limited to,
11 the reasonableness of the required investment in equipment
12 and facilities, the presence of alternative providers, level
13 of demand, and other statutory factors. Following
14 investigation, including notice and opportunity for hearing,
15 the Commission may determine, based on the above criteria, a
16 deployment schedule, a maximum reasonable rate, whether the
17 provider requires assistance from the Universal Service Fund
18 to provide the service, and any other requirement necessary
19 to meet customer demand for an advanced service capability.

20 (220 ILCS 5/13E-125 new)

21 Sec. 13E-125. Toll blocking.

22 (a) A local exchange service provider in the State shall
23 offer the capability to block all long distance calls and,
24 separately, the capability to block 900 and 976 number calls
25 and the capability to block extended community calling unless
26 a timely waiver has been granted to the local exchange
27 service provider by the Commission.

28 (b) Blocking shall be without monthly or nonrecurring
29 charge to low-income customers and at no charge other than
30 for second and subsequent service activation orders for other
31 residential and standard business line customers.

32 (c) Blocking shall not prevent the customer from
33 reaching the emergency service numbers appropriate for the

1 customer's location.

2 (d) A local exchange service provider shall make all
3 reasonable efforts to inform customers within its service
4 areas of the availability of, and eligibility requirements
5 for cost-free toll blocking services, 900 and 976 number
6 blocking services and extended community calling blocking
7 services. The local exchange service provider shall also
8 make reasonable efforts to instruct eligible customers
9 requesting the service in use of the equipment or service.

10 (e) A local exchange service provider seeking a waiver
11 of its blocking obligations under this Section shall submit
12 to the Commission the following information:

13 (1) the provider's name and address;

14 (2) an explanation of why a waiver is being
15 requested and of why the provider considers
16 implementation of blocking to be an unreasonable expense
17 for the provider and its customers;

18 (3) costs of hardware, software, programming,
19 customer education, installation, maintenance and any
20 other costs, on a per-customer basis, for blocking
21 capability using customer premises equipment;

22 (4) costs of hardware, software, programming,
23 customer education, installation, maintenance, and any
24 other costs, on a per customer basis, for blocking
25 equipment installed in a central office, providing a
26 separate calculation for each exchange for which an
27 exemption is requested; and

28 (5) an estimate of the number of customers, by
29 exchange, expected to request the service.

30 (f) The Commission staff shall review the waiver request
31 and issue a letter to the provider granting or denying the
32 application.

1 Sec. 13E-130. Universal Service Fund; programs.

2 (a) There is created in the State treasury a special
3 fund to be known as the Universal Service Fund. Moneys in
4 that Fund may be used for Fund administration and for the
5 purpose of informing the public regarding the Universal
6 Service Fund, its existence, purpose, intent and areas of
7 use.

8 (b) Moneys in the Fund may be used for any of the
9 following programs as adopted by the Commission and pursuant
10 to appropriation:

11 (1) Link-Up America, as specified in Section
12 13E-140.

13 (2) Lifeline assistance, as specified in Section
14 13E-145.

15 (3) Voice-mail service for the homeless, as
16 specified in subsection (a) of Section 13E-210.

17 (4) Telecommunications equipment purchase program
18 (TEPP) vouchers, as specified in Section 13E-160.

19 (5) Telecommunications customer assistance program,
20 as specified in Section 13E-175.

21 (6) High rate assistance credits, as specified in
22 Section 13E-180.

23 (7) Alternative universal service protection plans,
24 as specified in Section 13E-190.

25 (8) Rate shock mitigation, as specified in Section
26 13E-195.

27 (9) Assistance to institutions, as specified in
28 Section 13E-200.

29 (9) Intralata toll service provider of last resort,
30 as specified in Section 13E-220.

31 (10) Funding for programs or projects approved
32 under subsection (b) of Section 13E-210.

33 (11) Public interest pay telephones, as specified
34 in Section 13E-165.

1 (12) Outreach for low-income assistance programs,
2 as specified in Section 13E-150.

3 (13) Eligible telecommunications carriers
4 designated under item (3) of subsection (e) of Section
5 13E-215.

6 (14) Advanced service capabilities, as specified in
7 Section 13E-120.

8 (15) Second line for 2-line voice carryover, as
9 specified in Section 13E-160.

10 (16) Medical telecommunications equipment programs.

11 (17) Other programs consistent with the purposes of
12 this Article, as they are approved by the Commission on
13 an interim basis.

14 (c) Moneys in the Fund may be used to provide statewide
15 access, through the Internet, to periodical reference
16 information databases.

17 (d) Moneys in the Fund may be used to pay for
18 telecommunications services provided to State-supported
19 colleges and universities and to public community colleges.

20 (e) Moneys in the Fund may be used to make grants to
21 school districts for technology for educational purposes.

22 (220 ILCS 5/13E-135 new)

23 Sec. 13E-135. Eligibility for low-income programs.

24 (a) Local exchange service providers shall verify an
25 applicant's eligibility for low-income assistance programs by
26 making timely queries of the applicable databases of the
27 Department of Public Aid or other State agencies. Applicant
28 eligibility shall be verified by finding the applicant to be
29 any of the following:

30 (1) An active client of at least one of the
31 low-income programs, as defined in Section 13E-105.

32 (2) A member of the active client's household whose
33 low income qualifies the client for benefits under at

1 least one of the low-income programs, as defined in
2 13E-105.

3 (b) Eligibility shall be reconfirmed on at least an
4 annual basis for all customers receiving lifeline assistance.

5 (c) Local exchange service providers shall inquire of
6 the customer regarding eligibility of that customer for
7 low-income programs on each order for initial or moved
8 residential service and, orally or in writing, in the first
9 contact with a customer during a year concerning
10 disconnection or payment arrangements.

11 (d) Local exchange service providers shall comply with
12 client authorization requirements of the Department of Public
13 Aid or other State agencies for database queries necessary
14 for eligibility verification. Customers shall complete and
15 remit any reasonably required query authorization forms or
16 forfeit eligibility.

17 (e) Lifeline and Link-Up programs are not available to
18 customers who are dependents for federal income tax purposes
19 as defined in 26 USC 152 (1986), unless the customer is more
20 than 60 years of age.

21 (220 ILCS 5/13E-140 new)

22 Sec. 13E-140. Link-Up America program.

23 (a) A local exchange service provider shall waive all
24 applicable nonrecurring charges when initiating or moving
25 essential telecommunications services, as defined in Section
26 13E-110, for low-income, single line customers. All federal,
27 State, county and local taxes applicable to the waived
28 charges shall also be waived.

29 (b) Waivers apply for new service installations, for
30 moves from one residence to another, and for reconnection of
31 an existing service.

32 (c) Charges to be waived include the following, or their
33 equivalent:

- 1 (1) service ordering;
- 2 (2) record change;
- 3 (3) central office connection;
- 4 (4) outside plant or line connection; and
- 5 (5) premises visit.

6 (d) Customers whose claim of eligibility for link-up
7 benefits cannot be verified at the time the service order is
8 issued may be billed for installation charges. These
9 customers shall receive a grace period for payment of
10 installation charges until the due date of the second bill
11 issued following installation of service.

12 The local exchange service provider shall periodically
13 perform an eligibility verification check during the 60-day
14 period from the date service is connected. If the customer's
15 eligibility cannot be confirmed within 45 days, the customer
16 shall be notified in writing of the situation. A credit
17 shall be issued for appropriate charges once eligibility has
18 been confirmed.

19 (e) Customers who have paid installation charges may
20 receive the link-up waiver as a credit on their bills,
21 providing that claim is made with the local exchange service
22 provider within 60 days following completion of the service
23 order and that all other link-up eligibility requirements are
24 met.

25 (f) Local exchange service providers that are eligible
26 telecommunications carriers under Section 13E-215 may receive
27 reimbursement from the Universal Service Fund for 50% of the
28 waived nonrecurring charges. Local exchange service providers
29 that are not eligible telecommunications carriers may receive
30 reimbursement from the Universal Service Fund for 100% of the
31 waived nonrecurring charges.

32 (220 ILCS 5/13E-145 new)
33 Sec. 13E-145. Lifeline program.

1 (a) A local exchange service provider shall offer a
2 lifeline monthly rate to all qualified low-income customers.

3 (b) The lifeline monthly rate includes:

4 (1) single-party residential service;

5 (2) touch-tone service;

6 (3) any 9-1-1 charges billed on the telephone bill;

7 (4) the federal subscriber line charge; and

8 (5) 120 local calls, excluding extended community
9 calling calls.

10 The lifeline monthly rate shall be the total of the
11 residential monthly rates for the services listed in items
12 (1) through (5) minus \$7 or, if the total of the monthly
13 residential rates for the services listed in items (1)
14 through (5) is greater than \$22, the lifeline monthly rate
15 shall be \$15. In no case, however, shall the lifeline monthly
16 rate be less than \$3 or more than \$15.

17 (c) The lifeline monthly rate may appear as a credit
18 against the full standard tariffed rate on a customer's bill
19 or as a special rate designation. Whenever possible, the
20 lifeline rate shall begin to appear on an eligible customer's
21 bill on the next bill date following the date of application
22 for lifeline assistance. If the rate does not begin to
23 appear on the next bill date, when it does appear back credit
24 must be given. In cases where a customer's eligibility date
25 as found in the records of the Department of Public Aid or
26 other State agencies precedes the last bill date prior to
27 application, credit shall also be given for one month's prior
28 bill.

29 (d) Eligibility for lifeline assistance continues until
30 the next bill date following a failure to meet eligibility
31 requirements.

32 When the low-income energy assistance program is one of
33 the customer's qualifying income assistance programs, the
34 eligibility for lifeline assistance shall continue until the

1 bill date in the next December following the close of the
2 heating season. At that time, lack of eligibility shall be
3 re-verified by the local exchange service provider before
4 removing the lifeline assistance from the customer's bill.

5 (e) Local exchange service providers may receive
6 reimbursement from the Universal Service Fund for 100% of
7 that portion of the standard authorized rate for service that
8 is in excess of the amount of the lifeline monthly rate that
9 is eligible for reimbursement from federal lifeline program
10 funds.

11 (f) Customers eligible for lifeline or link-up America
12 assistance may not be charged a deposit for service if they
13 voluntarily accept toll blocking, may not be requested to pay
14 in advance for more than one month's local service bill, and
15 may not be disconnected from local service for nonpayment of
16 toll charges billed by the local exchange service provider.
17 Customers that otherwise would be subject to disconnection
18 may be counseled to accept toll blocking.

19 (g) A local exchange service provider acting under the
20 limited conditions specified in its Commission-approved
21 telecommunications customer assistance program under Section
22 13E-175 may impose toll blocking or restriction on lifeline
23 customers.

24 (220 ILCS 5/13E-150 new)

25 Sec. 13E-150. Outreach for low-income assistance
26 programs.

27 (a) Funding shall be available to fund collaborative
28 partnerships between community-based organizations and
29 telecommunications providers to increase participation of the
30 eligible populations in the Universal Service Fund low-income
31 support programs.

32 (b) Funding from the Universal Service Fund for these
33 collaborative efforts shall not exceed \$250,000 in one year.

1 (c) The Commission shall annually review and grant
2 funding based on complete responses to a request for
3 proposals. Funding shall be limited to not more than 6
4 projects with at least one project focused statewide and one
5 project focused on the Chicago area, if feasible.

6 (d) The Commission shall contract for an evaluation of
7 the effectiveness of this program in promoting enrollment in
8 low-income programs and subscribership to telephone service
9 to be completed within 2 years after May 1, 2004. The cost
10 of this evaluation shall not exceed \$25,000. This \$25,000
11 shall be included as part of the \$250,000 maximum total
12 funding available under this Section during the year in which
13 the evaluation occurs.

14 (220 ILCS 5/13E-155 new)

15 Sec. 13E-155. Special needs certification.

16 (a) A person with a disability may determine whether
17 that disability presents a barrier to use of
18 telecommunications services. That person shall determine what
19 accommodations are needed to ensure effective
20 telecommunications access.

21 (b) When a local exchange service provider or the Fund
22 administrator has sound reason to question the
23 self-certification of a customer under subsection (a),
24 additional verification of disability, such as an appropriate
25 doctor's written medical diagnosis and description of
26 physical limitations and special needs resulting from that
27 diagnosis, may be required for certification of special
28 telecommunications needs.

29 (220 ILCS 5/13E-160 new)

30 Sec. 13E-160. Service and equipment pricing for
31 individuals with special needs.

32 (a) Vouchers shall be available to assist customers with

1 a disability who have special needs certification in the
2 purchase of equipment needed to personally access and use
3 essential services of the telecommunications network.
4 Vouchers may not be used to purchase equipment that will be
5 used exclusively for commercial purposes.

6 (b) Vouchers shall be limited to the following amounts
7 by category of disability:

8 (1) \$200 for hard of hearing.

9 (2) \$800 for deaf and severely hard of hearing.

10 (3) \$1,600 for speech impaired.

11 (4) \$1,600 for mobility impaired.

12 (5) \$2,500 for deaf-low vision.

13 (6) \$7,200 for deaf-blind.

14 (c) A voucher recipient under item (1) of subsection (a)
15 is not required to make a co-payment. All other voucher
16 recipients are required to make a co-payment of \$100 at the
17 time the equipment is purchased. Pursuant to subsection (f),
18 for low income customers the co-payment may be supplied by
19 funding through the telecommunications assistance program
20 (TAP).

21 (d) The Commission shall annually establish a budget for
22 the total voucher program.

23 (e) Customers with disabilities may obtain voucher
24 application forms from the Fund administrator, their local
25 exchange service provider, or other sources. Completed
26 voucher application forms shall be submitted to the Universal
27 Service Fund administrator.

28 (f) Applicants for vouchers under this Section shall be
29 Illinois residents. An applicant may not receive a voucher
30 for equipment for the same disability more than once every 3
31 years. An applicant may receive a voucher for equipment even
32 if another person in the same household has also received a
33 voucher.

34 (g) Applications shall be granted on a first-come,

1 first-served basis, except no single disability
2 classification described in subsection (b) may be issued
3 vouchers totalling more than 75% of the total annual budget
4 within the first 3 quarters of the budget year.

5 (h) A waiting list shall be established for applications
6 held pending available funding or pursuant to subsection (g).

7 (i) The Commission may establish new disability
8 categories and voucher maximums if a need is identified.

9 (j) Vendors may redeem vouchers, submitted with an
10 invoice, from the Universal Service Fund administrator.
11 Reimbursement may not exceed the total purchase price of the
12 equipment with tax less, where applicable, a customer
13 co-payment of \$100.

14 (k) The Commission may impose reasonable limits on the
15 types and quantities of devices that may be purchased with
16 one voucher.

17 (l) The Fund administrator shall maintain lists of the
18 types and quantities of equipment eligible for purchase with
19 a single voucher in each category under subsection (b).
20 Revisions to the list shall be done periodically by the Fund
21 administrator in consultation with the Commission staff and
22 representatives selected by the Universal Service Fund
23 Council. Input regarding revisions may be solicited from
24 vendors, representatives of interested groups serving the
25 disabled and others, as appropriate.

26 (m) Equipment purchases involving individual exceptions
27 to the eligible equipment lists under subsection (l) may be
28 granted by the Fund administrator only following consultation
29 with Commission staff. Commission staff, the Fund
30 administrator, or both, may solicit input regarding such
31 exceptions from vendors, representatives of interested groups
32 serving the disabled and others, as appropriate.

33 (n) Objections to items included on or excluded from the
34 eligible equipment lists and determinations regarding

1 individual exceptions shall be handled as informal
2 complaints. The Commission staff shall review the objection
3 and issue a letter addressing it. These decisions may be
4 appealed to the Commission.

5 (o) Customer premises equipment required to meet special
6 telecommunications needs of those with disabilities shall be
7 tariffed by the telecommunications carrier for monthly lease
8 at rates that recover, over a reasonable period of time, only
9 the carrier's direct costs for the customer premises
10 equipment, plus directly attributable overheads. No further
11 contribution to the carrier's earnings or general overhead
12 costs shall be included in calculating the rate.

13 (p) Certified hearing-impaired customers and certified
14 speech impaired customers who need to use a teletypewriter
15 for telephonic conversations shall receive discounted long
16 distance service. For these customers, all
17 telecommunications providers offering long distance services
18 shall, at a minimum, apply their evening or off-peak
19 discounts or rate schedules in the daytime or peak rate
20 period and their weekend or off-peak discounts or rate
21 schedules in all other rate periods.

22 (q) Customers with certified disabilities that prevent
23 them from using the telephone directory shall not be charged
24 for a reasonable number of directory assistance calls in a
25 month.

26 (r) Customers with certified disabilities that prevent
27 them from directly dialing or keying calls shall not be
28 charged for operator assistance to place calls.

29 (s) Customers with certified disabilities who deem one
30 or more custom calling services essential in order to receive
31 service that is useful and comparable to the essential
32 service provided to other customers shall receive those
33 services without charge. Hearing-impaired customers who are
34 able and choose to use 2-line voice carryover shall not be

1 charged any intrastate nonrecurring charge or monthly rate
2 for the second line. The local exchange service provider
3 shall receive reimbursement from the Universal Service Fund
4 for the amount waived.

5 (220 ILCS 5/13E-165 new)

6 Sec. 13E-165. Public interest pay telephones.

7 (a) The Commission shall assure provision of a pay
8 telephone where it determines that the public health, safety,
9 and welfare is jeopardized without the telephone yet
10 insufficient demand, usage, or other public or private funds
11 are available to assure its installation and its continued
12 operation. Pay telephones so designated are considered
13 public interest pay telephones.

14 (b) A request for designation of a pay telephone as a
15 public interest pay telephone may be made by a pay telephone
16 service provider or any other person. The Commission staff
17 shall review the request and issue a letter to the requester
18 granting or denying the request. These decisions may be
19 appealed to the Commission.

20 (c) A public interest pay telephone:

21 (1) shall fulfill a public policy objective in
22 health, safety, or public welfare. For pay telephones in
23 certain locations, where the telephone does not otherwise
24 exceed the revenue limitations set forth in item (1) of
25 subsection (d), designation shall be presumed to fulfill
26 such a public policy objective. These locations are:
27 public schools (K-12), public libraries, town halls,
28 public parks, public pools, public museums, public boat
29 landings, and public waysides.

30 (2) may not be a pay telephone that is or will be
31 provided under a contract or agreement for multiple pay
32 telephones, or that should be included in such a contract
33 or agreement but is not.

1 (3) may not be a pay telephone that would otherwise
2 exist as a result of the operation of the competitive
3 marketplace.

4 (d) While the determination of whether to designate a
5 pay telephone as a public interest pay telephone does not
6 depend on the presence or absence of any one or more of the
7 following items, all of these items shall be considered, in
8 addition to other considerations that may be relevant, in
9 determining whether to make such a designation. Items
10 favoring designation include:

11 (1) The average actual or projected monthly revenue
12 from the pay telephone is \$90 or less, or \$120 or less if
13 the pay telephone has a TTY device.

14 (2) The pay telephone is outside or otherwise
15 available to the public 24 hours per day.

16 (3) The pay telephone is physically and
17 geographically accessible to the general public during
18 the operating hours of any facility in which it is
19 located.

20 (4) There is no other pay telephone located within
21 500 feet.

22 (5) The pay telephone allows coin calls.

23 (6) The person on whose property the pay telephone
24 is located will receive neither revenues generated from
25 the telephone nor compensation from another source
26 related to the placement of the telephone.

27 (e) The pay telephone service provider shall be
28 reimbursed the costs and charges for equipment, provision of
29 basic service, maintenance, and servicing, and administrative
30 operations such as collection and accounting for a public
31 interest pay telephone. The State Universal Service Fund
32 shall only cover the costs and charges not covered by a
33 federal universal service program and revenues from the pay
34 telephone.

1 (f) The public interest pay telephone designation of
2 each telephone so designated shall be reviewed by the
3 Commission annually in the quarter during which the
4 designation was originally granted. For purposes of this
5 review, the Commission may delegate initial screening or
6 review of the qualification of facilities carrying the public
7 interest pay telephone designation to a private organization
8 or organizations.

9 (g) A pay telephone provider that is providing a public
10 interest pay telephone shall meet all of the following
11 service quality related requirements as to that telephone:

12 (1) The telephone shall be in compliance with all
13 State and federal laws and regulations regarding the
14 provision of pay telephone service.

15 (2) The telephone shall be kept in good working
16 condition. Service and repairs shall be made within a
17 reasonable time period after receiving a request for
18 service. Preventive maintenance shall be performed on a
19 reasonable and routine basis.

20 (3) Monthly records for all repair service,
21 preventive maintenance, and coin collection shall be kept
22 for one year and shall be made available to the
23 Commission on request.

24 (220 ILCS 5/13E-170 new)

25 Sec. 13E-170. Responsibility for pay telephone
26 usability.

27 (a) In this Section, "pay telephone usability" means the
28 ability to use pay telephone equipment once it has been
29 accessed by an individual.

30 (b) Pay telephone usability standards include signage,
31 volume control, monitoring height, cord length, and text
32 telephones.

33 (c) All pay telephone service providers are responsible

1 for compliance with all federal and State standards regarding
2 usability of their pay telephones by individuals with
3 disabilities.

4 (d) This Section does not create any new obligations for
5 pay telephone usability beyond those imposed under federal or
6 State laws or negate any obligation for pay telephone
7 usability of other parties under the law.

8 (e) Information on how to report non-compliance or any
9 other complaint under subsection (c) to the Commission must
10 be posted at or on each pay telephone unit or bank of units.

11 (220 ILCS 5/13E-175 new)

12 Sec. 13E-175. Telecommunications customer assistance
13 program. The Commission may authorize individual
14 telecommunications providers to establish telecommunications
15 customer assistance programs that meet authorized goals and
16 objectives for increasing or stabilizing subscription levels
17 for non- optional, essential telephone service within its
18 service territory or to address avoidance of disconnection or
19 limitation of service to low- income households with payment
20 problems. The programs may allow a provider to not make
21 available certain essential services, as defined in Section
22 13E-110, in order to preserve at least minimal telephone
23 service to certain low-income households with payment
24 problems. The Commission shall determine on a case-by-case
25 basis whether or not a telecommunications customer assistance
26 program may receive Universal Service Fund moneys.

27 (220 ILCS 5/13E-180 new)

28 Sec. 13E-180. High rate assistance credits.

29 (a) A local exchange service provider that is an
30 eligible telecommunications carrier under Section 13E-215
31 shall provide high rate assistance credits to residential
32 customers when the price of service exceeds levels set in

1 this Section.

2 (b) Credits shall be applied to the price of service as
3 specified in subsection (c), except that if a local exchange
4 service provider charges a single rate covering basic local
5 exchange service and other telecommunications or related
6 services, the Commission may determine, by order and after
7 opportunity for hearing, the portion of such bundled rates to
8 which rate assistance credits apply.

9 (c) For purposes of calculating credits under this
10 Section, the price of service shall include the following:

11 (1) the fixed monthly charge for essential
12 telecommunications service, as defined in Section
13 13E-110;

14 (2) the federal communications Commission end user
15 common line charge; and

16 (3) usage charges as established by the Commission.

17 (d) Local exchange service providers shall issue high
18 rate assistance credits according to the following criteria:

19 (1) For the portion of the price of service below
20 1.5% of median household income, per month, for the area
21 in which the rate applies, no credits apply.

22 (2) For the portion of the price of service equal
23 to or above 1.5% but below 2% of median household income,
24 per month, for the area in which the rate applies, the
25 local exchange service provider shall issue a credit
26 equal to 50% of that amount.

27 (3) For the portion of the price of service equal
28 to or above 2% but below 2.5% of median household income,
29 per month, for the area in which the rate applies, the
30 local exchange service provider shall issue a credit
31 equal to 75% of that amount.

32 (4) For the portion of the price of service equal
33 to or above 2.5% but below 3% of median household
34 income, per month, for the area in which the rate

1 applies, the local exchange service provider shall issue
2 a credit equal to 85% of that amount.

3 (5) For the portion of the price of service equal
4 to or above 3% of median household income, per month, for
5 the area in which the rate applies, the local exchange
6 service provider shall issue a credit equal to 95% of
7 that amount.

8 (6) When a rate applies in only one county, the
9 median household income, as published by the Department
10 of Commerce and Community Affairs, used to calculate the
11 credit shall be that of that county in which the rate
12 applies. When a rate applies in more than one county,
13 the median household income used to compute the credit
14 shall be the average of the median household incomes in
15 each county in which the rate applies, weighted by the
16 number of customers paying that rate in each county.

17 (7) If the amount of money required to reimburse
18 local exchange service providers for credits under this
19 Section exceeds the amount budgeted for this program
20 under Section 13E-235, the Commission may modify the
21 formula for high rate assistance credits. The
22 modification may be done by Commission order, after
23 notice and an opportunity for hearing.

24 (e) Except as provided in subsection (i), a local
25 exchange service provider shall be reimbursed by the
26 Universal Service Fund for the value of the credits it
27 issues, provided that it qualifies under Section 13E-185.

28 (f) When a local exchange service provider charges a
29 pro-rated portion of the normal monthly charge for service
30 because the customer has had service for only a portion of
31 the month, the rate assistance credit for that customer shall
32 be pro-rated by the same percentage.

33 (g) High rate assistance credits shall be shown and
34 identified on bills issued to customers.

1 (h) Telecommunications carriers with rate ceiling
2 programs in place on the effective date of this amendatory
3 Act of the 92nd General Assembly may continue those programs
4 until rates subject to those programs are changed, unless the
5 Commission authorizes an extension of the rate ceiling
6 program.

7 (i) Local exchange service providers shall not be
8 reimbursed by the Universal Service Fund for the value of
9 credits issued to customers receiving essential
10 telecommunications service under a contract if the contract
11 has a duration of greater than one year. The Commission may
12 grant waivers of this subsection by order.

13 (220 ILCS 5/13E-185 new)

14 Sec. 13E-185. Qualifications for providers receiving
15 Universal Service Fund support for high rate assistance
16 credits. A local exchange service provider receiving
17 reimbursement for high rate assistance credits under Section
18 13E-180 shall:

19 (1) provide service that meets the minimum
20 requirements of Section 13E-110 and any applicable
21 quality of service rules established by or orders issued
22 by the Commission;

23 (2) be designated by the Commission as an eligible
24 telecommunications carrier under Section 13E-215 for the
25 area in which it seeks reimbursement; and

26 (3) show that it has applied any money it receives
27 from the federal high cost program, to the extent
28 permitted under federal Communications Commission
29 regulations, to the rates for which it is issuing
30 credits, and not to other services or to ineligible
31 customers.

32 (220 ILCS 5/13E-190 new)

1 Sec. 13E-190. Alternative universal service protection
2 plans.

3 (a) As an alternative to the high rate assistance credit
4 mechanism in Section 13E-180, the Commission may, by order,
5 after notice and an opportunity for hearing, implement other
6 plans under this Section.

7 (b) Alternative plans under subsection (a) shall be
8 implemented on an experimental basis. These experiments
9 shall be reviewed within 3 years of inception and shall
10 terminate within 5 years of inception, unless made permanent
11 by Commission order after notice and an opportunity for
12 hearing.

13 (c) Alternative high cost support plans under this
14 Section may make use of cost studies, bidding, defined
15 service territories, or other mechanisms to protect universal
16 service. The Commission may, by order, authorize payment of
17 Universal Service Fund moneys as part of an alternative plan.

18 (d) Alternative high cost support plans may include rate
19 ceiling programs, as referenced in subsection (h) of Section
20 13E-180, including programs authorized for other utilities.

21 (220 ILCS 5/13E-195 new)

22 Sec. 13E-195. Rate shock mitigation.

23 (a) The Commission may authorize assistance, through
24 temporary rate credits, for customers of rate of return
25 regulated telecommunications carriers to mitigate the impact
26 of large increases in authorized rates.

27 (b) Rate shock mitigation credits shall be funded by the
28 telecommunications carrier, where possible. Where that is
29 not the case, the telecommunications carrier shall be
30 reimbursed for the amount of the credits from the Universal
31 Service Fund. Funding for the rate shock mitigation shall be
32 specified by the Commission in individual cases.

33 (c) When a telecommunications carrier charges a

1 pro-rated portion of the normal monthly charge for service
 2 because the customer has had service for only a portion of
 3 the month, the rate shock mitigation credit for that customer
 4 shall be pro-rated by the same percentage. The Universal
 5 Service Fund shall reimburse the telecommunications carrier
 6 for the portion of the credit actually issued to the customer
 7 when not funded by that carrier.

8 (d) Rate shock mitigation credits shall be shown and
 9 identified on bills issued to customers.

10 (220 ILCS 5/13E-200 new)

11 Sec. 13E-200. Assistance to institutions.

12 (a) Partial support funding through rate discounts is
 13 available for institutions ordering telecommunications
 14 services to be used to provide any of the following services:

- 15 (1) Two-way interactive video services.
- 16 (2) High-speed data transfer.
- 17 (3) Toll call access to the internet.
- 18 (4) Direct internet access.

19 (b) Support funding is available only for new services
 20 that either were not previously available, or which provide
 21 significant improvements over existing services at that
 22 institution. Support shall only be available for services
 23 obtained from a contributory provider, unless exempted from
 24 payment under the provisions of subsection (a) of Section
 25 13E-240.

26 (c) Support funding is available only as partial payment
 27 for new services. The amount of funding shall decrease year
 28 by year, as follows:

- 29 (1) for the first year, the monthly discount shall
 30 be 30% of the monthly charge or \$300 per month, whichever
 31 is less;
- 32 (2) for the second year, the monthly discount shall
 33 be 20% of the monthly charge or \$200 per month, whichever

1 is less;

2 (3) for the third year, the monthly discount shall
3 be 10% of the monthly charge or \$100 per month, whichever
4 is less; and

5 (4) for the fourth year, and thereafter, no
6 discount shall be issued.

7 (d) An institution is eligible to receive support for
8 only one service at a time, at a single location. If that
9 service links 2 locations at an institution, the discount may
10 be applied to the entire channel.

11 (e) After the discount for a service under subsection
12 (c) has ended, the institution may receive support for a new
13 service. An institution may not receive a discount for a
14 service that has been canceled and reinstated.

15 (220 ILCS 5/13E-205 new)

16 Sec. 13E-205. Medical telecommunications equipment
17 program.

18 (a) For purposes of this Section:

19 "Initial application" means an application for Universal
20 Service Fund support under this Section that is the first
21 such application filed by the applicant during a State fiscal
22 year.

23 "Non-profit medical clinic" includes any clinic that:

24 (1) is a non-profit organization governed by a
25 board of directors;

26 (2) serves federally designated health professional
27 shortage areas as defined in 42 USC 254e(a)(1), medically
28 underserved areas, or medically underserved populations;
29 and

30 (3) does one or both of the following:

31 (A) Provides services to all patients
32 regardless of insurance status.

33 (B) Uses a sliding fee scale for uninsured

1 patients based on income status.

2 "Public health agency" includes the Department of Public
3 Health and any local health department.

4 (b) Funding may be available to non-profit medical
5 clinics and public health agencies for the purchase of
6 telecommunications equipment for any of the following
7 purposes:

8 (1) To promote technologically advanced medical
9 services.

10 (2) To enhance access to medical care in rural or
11 underserved areas of the State, or both.

12 (3) To enhance access to medical care by
13 underserved populations or persons with disabilities in
14 the State, or both.

15 (c) A maximum of \$500,000 in Universal Service Fund
16 support may be dispersed under this Section per State fiscal
17 year.

18 (d) An application for Universal Service Fund support
19 under this Section may not involve disbursement of support
20 during multiple State fiscal years. All applications shall
21 become public documents upon filing.

22 (e) Applications must include all of the following:

23 (1) A description of the telecommunications
24 equipment for which Universal Service Fund support is
25 requested.

26 (2) An explanation of how the applicant's purchase
27 of such telecommunications equipment will support the
28 purposes identified in subsection (b).

29 (3) Identification of the vendor that will supply
30 the telecommunications equipment.

31 (4) A description of how the portion of the
32 purchase price not covered by Universal Service Fund
33 support, if any, will be paid.

34 (5) A description of the steps taken to secure the

1 telecommunications equipment at reasonable prices.

2 (6) A statement certifying that the Universal
3 Service Fund support will be used for the purpose
4 granted.

5 (7) Any other information that the Commission deems
6 necessary.

7 (f) The Commission shall evaluate all applications
8 submitted under this Section. If funds remain for this
9 purpose, the Commission may approve an application if it
10 includes the information required under subsection (e) and
11 if the Commission determines the following:

12 (1) the applicant is a non-profit medical clinic or
13 public health agency located in Illinois;

14 (2) the applicant's purchase of telecommunications
15 equipment will support the purposes identified in
16 subsection (b);

17 (3) the applicant will be able to pay for the
18 portion of the cost of the equipment not funded under
19 this Section; and

20 (4) the medical clinic or public health agency has
21 taken steps to secure the equipment at reasonable prices.

22 Public health agencies and non-profit organizations that
23 operate more than one location may receive Universal Service
24 Fund support for telecommunications equipment at more than
25 one location, but before approving an application involving
26 an additional location, the Commission shall consider how
27 much total Universal Service Fund support has been received
28 by the agency or organization during the State fiscal year
29 and the total amount remaining available to be disbursed
30 under this Section during the fiscal year. Preference may be
31 given to initial applications filed by a public health agency
32 or non-profit medical clinic.

33 The Commission may convene a panel of experts to assist
34 in the evaluation of applications submitted under this

1 Section.

2 (220 ILCS 5/13E-210 new)

3 Sec. 13E-210. Funding to promote access to
4 telecommunications services.

5 (a) Any voice-mail provider may be compensated for
6 providing, on request, to a social services agency, a job
7 service agency or other homeless shelter authority,
8 voice-mail service without charge to be used by that agency
9 or authority for the benefit of its homeless clients or
10 residents. A voice-mail provider that is providing voice-mail
11 boxes to a qualifying agency or authority at no charge may
12 request and receive reimbursement only for its incremental
13 usage and administrative costs of providing this service
14 using available capacity. As an alternative, reimbursement
15 may be requested and received from the Fund at a standard
16 rate set by the Commission to cover expected incremental
17 costs of providing this service using available capacity.

18 A qualifying agency or authority administering or
19 providing voice-mail service to homeless clients may request
20 reimbursement for its costs directly attributable to
21 administering and providing the voice-mail boxes for the
22 benefit of its homeless clients. To evaluate the
23 effectiveness of this program, the Commission may monitor and
24 obtain information on the offering of this service from the
25 participating voice-mail providers, social services agencies,
26 job service agencies, and homeless shelter authorities.

27 A list of all individuals receiving voice-mail under this
28 Section shall be maintained by the social services agencies,
29 job service agencies, or homeless shelter authorities
30 participating in this program.

31 (b) Partial funding may be available to non-profit
32 groups for the facilitation of affordable access to
33 telecommunications and information services through programs

1 or projects, or both, not supported elsewhere in this
2 Article, but that are consistent with the purposes of this
3 Article.

4 (c) Any non-profit group may apply for the Universal
5 Service Fund for funding to fund any portion of a program or
6 project or both. Funding shall be provided on a State fiscal
7 year basis. Applications for funding in the following fiscal
8 year shall be submitted by November 15th. The Commission
9 shall issue a list of approved programs or projects, or both,
10 by April 15th, with funding for those programs or projects,
11 or both, to begin that July 1st. All applications shall
12 become public documents upon filing. Applications must
13 include all of the following:

14 (1) A description of a public need which is not
15 being met at present.

16 (2) A description of how the program or project is
17 consistent with the purposes of this Article.

18 (3) A description of the program or project
19 proposed, including a description of how the public need
20 described in item (1) of this subsection may be met
21 through affordable access to telecommunications or
22 information services.

23 (4) A showing that the proposed program or project
24 meets the described public need in a least cost manner.
25 This requirement can be met by showing that the applicant
26 carried out an appropriate request for proposals.

27 (5) Identification of the providers of each portion
28 of the telecommunications services or equipment and a
29 specific description of the following components of the
30 program or project:

31 (A) the costs of telecommunications services
32 and telecommunications equipment used by the program
33 or project;

34 (B) the cost of training for those who are

1 served by the program or project so that they can
2 utilize the services;

3 (C) the administrative costs directly
4 attributable to the program or project;

5 (D) the cost of technical expertise required
6 to complete the program or project; and

7 (E) revenue from services or training
8 described in subitem (B) of item (5).

9 (d) The Commission shall evaluate all applications
10 submitted. In evaluating the applications the Commission must
11 consider information including, but not limited to, the
12 following:

13 (1) the basis of the public need to be met;

14 (2) the extent to which other programs or projects,
15 either funded under this Section or otherwise under this
16 Article, meet that need; and

17 (3) the overall cost of the proposed program or
18 project.

19 (e) The Universal Service Fund shall reimburse
20 applicants for up to 50% of the cost of reimbursable portions
21 of the program or project, or both. The reimbursable costs
22 include those listed in subitems (A) through (D) of item (5)
23 of subsection (c).

24 (f) The programs or projects, or both, to be funded and
25 the amount of reimbursement for each program or project shall
26 be determined by the Commission. The Commission shall seek
27 comments on the programs or projects to be funded, but shall
28 not hold a hearing. A maximum of \$500,000 in funding may be
29 dispersed under subsections (b) through (f) of this Section
30 per State fiscal year.

31 (220 ILCS 5/13E-215 new)

32 Sec. 13E-215. Designation of eligible telecommunications
33 carriers.

1 (a) The Commission may designate a telecommunications
2 carrier as an eligible telecommunications provider. An
3 eligible telecommunications provider is eligible to receive
4 Universal Service Fund funding under both applicable federal
5 and State universal service programs for an area, if it meets
6 all of the following requirements:

7 (1) It holds itself ready to offer service to all
8 customers in the area, except that those customers with a
9 demonstrated inability to pay for service may be denied
10 service in accordance with applicable law.

11 (2) It advertises its service in the area on a
12 regular basis, with those advertisements:

13 (A) disseminated in media of general
14 distribution in the area, at least 2 times per year;

15 (B) describing the services offered; and

16 (C) describing the affordability of the
17 services, including the availability of discounts
18 for low income customers.

19 (3) It makes available lifeline and link-up
20 service, as defined in Sections 13E-140 and 13E-145.

21 (4) It offers, at a minimum, all portions of
22 essential telecommunications service, as defined in
23 Section 13E-110. For purposes of this subsection
24 "essential services" includes public interest pay
25 telephone service pursuant to Section 13E-165 and pay
26 telephone interconnection service subject to federal
27 Communications Commission orders and Commerce Commission
28 orders.

29 (b) The area in which a provider shall be designated as
30 an eligible telecommunications carrier shall be:

31 (1) For an area that is served by an incumbent
32 local exchange service provider that is not a rural
33 telephone company, the incumbent local exchange service
34 provider's wire center, unless the Commission designates

1 a smaller area.

2 (2) For an area that is served by an incumbent
3 local exchange service provider that is a rural telephone
4 company, the service territory comprised of one or more
5 of the incumbent local exchange service provider's wire
6 centers, unless the Commission designates, and the
7 Federal Communications Commission approves, a smaller
8 area.

9 (3) For an area served by an incumbent local
10 exchange service provider that is a rural telephone
11 company, the Commission may only designate an additional
12 eligible telecommunications carrier after finding that
13 the public interest requires multiple eligible
14 telecommunications carriers. For an area served by an
15 incumbent local exchange service provider that is not a
16 rural telephone company, the Commission may designate an
17 additional eligible telecommunications carrier without
18 making such a finding.

19 (d) The Commission shall maintain a list of the eligible
20 telecommunications carriers for all areas of the State.

21 (e) An eligible telecommunications carrier may
22 relinquish its designation as such for an area by notifying
23 the Commission and the administrators of both the State and
24 federal Universal Service Funds, in writing, of its
25 intention.

26 If at least one other eligible telecommunications carrier
27 is designated for that area, the relinquishing carrier shall
28 be relieved of eligible telecommunications carrier status for
29 that area 2 weeks after receipt by the Commission of the
30 letter, and without Commission action.

31 If no other eligible telecommunication carrier is
32 designated for that area, the relinquishing carrier shall
33 remain as eligible telecommunications carrier for that area
34 until the Commission designates an alternative eligible

1 telecommunications carrier. In that case, the Commission
 2 shall notify the relinquishing carrier and the administrators
 3 of the State and federal funds that eligible
 4 telecommunications carrier status is still in effect. The
 5 Commission may use a process similar to that described in
 6 subsections (c) through (f) of Section 13E-220 to designate a
 7 new eligible telecommunications carrier for an area for which
 8 the only existing eligible telecommunications carrier is
 9 seeking to relinquish that status.

10 A provider may continue to provide services in an area
 11 for which it has relinquished eligible telecommunications
 12 carrier status, but may not continue to receive high cost
 13 assistance funding. If a provider seeks to abandon
 14 facilities or discontinue any service, it shall notify
 15 affected customers and follow any abandonment or
 16 discontinuance procedures established by the Commission.

17 (220 ILCS 5/13E-220 new)

18 Sec. 13E-220. Intralata toll service provider of last
 19 resort.

20 (a) The intralata toll service provider of last resort
 21 for an exchange shall be the designated intralata toll
 22 provider for that exchange until intralata 1+ presubscription
 23 service is available in that exchange or until the Commission
 24 orders otherwise under subsection (g). For purposes of this
 25 Section, "provider of last resort" means the intralata toll
 26 service provider of last resort.

27 (b) When intralata 1+ presubscription service is
 28 available in an exchange, the designated intralata toll
 29 provider may petition the Commission for withdrawal of its
 30 provider of last resort requirements for that exchange.

31 The petition shall be filed in writing with the
 32 Commission. Except as otherwise provided in this subsection,
 33 the petitioner retains intralata toll service provider of

1 last resort responsibilities until a new provider of last
2 resort is designated or for a period of 12 months, whichever
3 is shorter.

4 The petitioner shall notify all of its affected customers
5 of its request to have its provider of last resort
6 requirements lifted. The notice to customers shall be
7 approved in advance by the Commission and clearly state the
8 following:

9 (1) that the petitioner is seeking authority to
10 deny service to some or all customers within the
11 exchange;

12 (2) that toll services in the future may be
13 available only from other telecommunications providers or
14 from only one telecommunications provider; and

15 (3) that if a new provider of last resort is
16 designated, all customers may be switched to that
17 provider's service, although they may choose to obtain
18 service from any other intralata toll service provider in
19 the area after reassignment of the provider of last
20 resort requirement.

21 If intralata 1+ presubscription service has been in
22 effect in an exchange for at least one year and if the
23 designated telecommunications carrier toll provider has less
24 than 50% of all presubscribed residential access lines in
25 that exchange, then the Commission may lift the provider of
26 last resort requirement for that exchange. If future
27 circumstances so require, the Commission may designate a new
28 provider of last resort pursuant to subsection (c).

29 (c) If a petition under subsection (b) is filed, the
30 Commission shall issue a notice requesting applications from
31 all telecommunications providers interested in becoming the
32 provider of last resort for that exchange. The provider
33 seeking to abandon provider of last resort requirements for
34 that exchange may not file an application to become the new

1 provider of last resort once again.

2 (d) If only one telecommunications provider responds to
3 the request for applications, that provider becomes the
4 provider of last resort, effective in 90 days. All customers
5 shall be notified of the proposed change at least 60 days
6 prior to the effective date. The notice shall include a
7 telephone number which they may use to designate their
8 intralata toll service provider. On the effective date, all
9 customers who do not designate an intralata toll service
10 provider shall be presubscribed to the new provider of last
11 resort.

12 (e) If more than one telecommunications provider applies
13 to become the provider of last resort, the local exchange
14 service provider at that exchange shall ballot customers on
15 their choice of intralata toll service provider.

16 Only those telecommunications providers that file
17 applications to be the provider of last resort for the
18 exchange may appear on the ballot, although customers may
19 "write-in" another telecommunications provider if desired.

20 Customers who do not return ballots shall be randomly
21 allocated to the telecommunications providers appearing on
22 the ballot, according to the percentage of customers who
23 chose each listed provider.

24 All telecommunications providers appearing on the ballot
25 shall be the providers of last resort for at least one year.
26 After that date, these providers may notify the Commission
27 that they wish to be relieved of provider of last resort
28 responsibility. When the last provider of last resort files
29 to exit the market, the process described in this Section
30 recommences.

31 Fifty percent of the costs of balloting shall be paid by
32 the local exchange carrier serving the exchange and 50% shall
33 be paid by the providers appearing on the ballot.

34 (f) If no toll providers apply to be provider of last

1 resort for an exchange, the Commission shall hold an auction
2 of the provider of last resort responsibility. The Commission
3 may authorize compensation from the Universal Service Fund
4 for the provider of last resort selected by the auction.

5 (g) If the provider of last resort for an exchange files
6 a petition for withdrawal of its provider of last resort
7 requirements at an exchange where intralata 1+
8 presubscription is not available, the Commission may
9 investigate that petition and order that the provider of last
10 resort obligation be withdrawn for that provider subject to
11 conditions, notice requirements, and balloting procedures the
12 Commission deems necessary and reasonable for the service
13 change at that exchange. Those conditions, requirements and
14 procedures shall be as designated in this Section to the
15 extent the Commission determines they are applicable.

16 (h) A provider of last resort may not sell or dispose of
17 any intralata toll customer to another provider, except at
18 the express request of the customer.

19 (220 ILCS 5/13E-225 new)

20 Sec. 13E-225. Identification of charges caused by
21 Universal Service Fund liability. Telecommunications
22 providers may not establish a surcharge on customer bills for
23 contributing to or recovering any portion of the providers'
24 payment of Universal Service Fund obligations.

25 (220 ILCS 5/13E-230 new)

26 Sec. 13E-230. Fund administrator.

27 (a) The Commission shall designate the Fund
28 administrator and provide for an annual audit of the Fund.
29 The Commission shall issue rules for administration and
30 assignment of liabilities.

31 (b) The Fund administrator may propose changes or
32 modification to the mechanisms of administration of the Fund.

1 The Commission may approve such requests without hearing.

2 (c) The Universal Service Fund shall compensate the
3 administrator for the administrator's costs of administering
4 the Fund as approved by the Commission.

5 (220 ILCS 5/13E-235 new)

6 Sec. 13E-235. Fund budget and assessment rates.

7 (a) At least once each year, the Commission shall set
8 the budget for Fund administration and the programs specified
9 in subsection (b) of Section 13E-130. The Commission may
10 make adjustments to the budget as needed to address
11 unforeseen circumstances. Adjustments may include:

- 12 (1) reallocating the budget among programs;
- 13 (2) modifying the support formulas or benefits
14 within a program; and
- 15 (3) deferring support payments to a later period.

16 (b) At least once each year, the Commission shall
17 determine the amounts necessary for funding the payments
18 specified in subsections (c) and (e) of Section 13E-130.

19 (c) Based on the need for funds and subject to
20 appropriation, the Commission shall determine the assessment
21 rates to apply to providers. The Commission may modify the
22 assessment rates at any time based on changes in funding
23 needs or provider revenues subject to assessment.

24 (d) The Commission shall provide notice of the proposed
25 budget under subsection (a) and any proposed changes to the
26 budget to the Universal Service Fund Council and other
27 interested parties with an opportunity for comment prior to
28 Commission action.

29 (220 ILCS 5/13E-240 new)

30 Sec. 13E-240. Collection of Universal Service Fund
31 moneys.

32 (a) An assessed provider shall pay the amount of its

1 assessment to the Universal Service Fund. Assessed providers
2 include all telecommunications providers operating within
3 Illinois, except those with intrastate gross
4 telecommunications revenues of less than \$200,000 during the
5 preceding calendar year.

6 (b) The Commission may require a person other than a
7 telecommunications provider to contribute to the Universal
8 Service Fund, if after notice and opportunity for hearing the
9 Commission determines that the person is offering
10 nontraditional broadcast services in competition with a
11 telecommunications service for which a contribution is
12 required under this Article.

13 (c) Telecommunications providers shall be assessed on
14 the basis of their gross intrastate operating revenues from
15 telecommunications services.

16 (d) A telecommunications provider shall submit
17 information, on a schedule and in a format to be set by the
18 Commission, on the telecommunications provider's gross
19 intrastate telecommunications revenues during the preceding
20 calendar year.

21 (e) The percentage liability for a given
22 telecommunications provider is the ratio of that provider's
23 intrastate gross telecommunications revenues to the sum of
24 the intrastate gross telecommunications revenues for all
25 contributory providers.

26 (f) The amount to be assessed to a given
27 telecommunications provider is the percentage liability of
28 that provider under subsection (e) multiplied by the total
29 amount to be collected.

30 (g) Telecommunications providers who provided
31 telecommunications service in Illinois for only part of the
32 preceding calendar year shall be assessed based on actual
33 revenues for the year, without adjustments to annualize that
34 revenue.

1 (h) Failure to receive a bill is not grounds for relief
2 from a telecommunications provider's liability for
3 assessment.

4 (i) Assessments must be paid within 30 days after the
5 bill is mailed. A telecommunications provider that has not
6 paid within 30 days after the bill is mailed shall be deemed
7 to have not paid. Assessments not paid within 30 days after
8 the bill is mailed shall be collected in accordance with the
9 rules of the Commission.

10 Objection to an assessment amount shall be made within 30
11 days after the bill is mailed. The making of the objection
12 and Commission action regarding that objection shall follow
13 the process established by rules of the Commission.

14 (j) The Commission shall obtain the information
15 necessary to process the assessment of commercial mobile
16 radio service providers and shall mail bills to such
17 providers.

18 (220 ILCS 5/13E-245 new)

19 Sec. 13E-245. Use audit. Recipients of Universal
20 Service Fund moneys may be audited by the Commission to
21 ensure that the funding was applied for and used
22 appropriately.

23 (220 ILCS 5/13E-250 new)

24 Sec. 13E-250. Universal Service Fund Council.

25 (a) The Commission shall appoint a Universal Service
26 Fund Council to advise the Commission concerning the
27 administration of this Article, the content of administrative
28 rules adopted pursuant to this Article, and any other matters
29 assigned to the Universal Service Fund Council by the
30 Commission.

31 (b) The Universal Service Fund Council shall consist of
32 telecommunications providers and of consumers of

1 telecommunications services. The Commission shall appoint a
2 diverse membership to the Universal Service Fund Council
3 including representatives of the local exchange
4 telecommunications industry; the interexchange
5 telecommunications industry, including facilities-based
6 carriers and resellers; the cable television industry; other
7 telecommunications providers and consumers of
8 telecommunications services including residential, business,
9 governmental, institutional, and public special interest
10 group users of telecommunications services.

11 (c) A majority of the members of the Universal Service
12 Fund Council shall be representatives of consumers of
13 telecommunications services.

14 (d) Universal Service Fund Council members shall be
15 appointed to staggered 3-year terms. The Commission may
16 appoint a replacement member when necessary to serve the
17 remaining term of a member withdrawing from the Universal
18 Service Fund Council.

19 (e) The Universal Service Fund Council shall elect a
20 chairperson and a vice-chairperson from its membership, not
21 including the Commission staff liaison. The term of office
22 for these positions shall be one year. Elections may be held
23 at the first meeting of each calendar year or may be
24 conducted by mail prior to the first meeting of each calendar
25 year.

26 (f) The Universal Service Fund Council shall meet at
27 least 2 times each year. Other meetings may be called, upon
28 adequate notice to all members, to address matters of the
29 Fund as they arise. Meetings of the Universal Service Fund
30 Council shall be open to the public.

31 (g) Members of the Universal Service Fund Council shall
32 serve without compensation. Members, other than those
33 members representing the telecommunications industry and any
34 members representing State agencies, may be reimbursed for

1 their actual and necessary expenses incurred in the
2 performance of their duties as part of the Universal Service
3 Fund Council, subject to budget guidelines adopted by the
4 Commission.

5 (h) The Universal Service Fund Council may adopt bylaws
6 appropriate for its operation. The Universal Service Fund
7 Council may form subcommittees of its membership as necessary
8 to review issues and make recommendations for consideration
9 of the full Council.

10 (i) The Commission shall assign staff members as needed
11 to facilitate the work of the Universal Service Fund Council.
12 The Commission shall appoint a member of the Commission staff
13 to serve as staff liaison for the Universal Service Fund
14 Council. The liaison shall be a non-voting member and shall
15 do all of the following:

16 (1) Assist the Universal Service Fund Council in
17 obtaining subject matter expertise in the area of
18 universal telecommunications service.

19 (2) Maintain the official record of the Universal
20 Service Fund Council, including membership, minutes of
21 meetings, agendas, and reports.

22 (3) Assist the chairperson of the Universal Service
23 Fund Council in planning the agendas, times, and places
24 of meetings.

25 (4) Provide other administrative assistance as
26 required.

27 Section 99. Effective date. This Act takes effect
28 January 1, 2002.

1 INDEX

2 Statutes amended in order of appearance

- 3 30 ILCS 105/5.545 new
- 4 220 ILCS 5/Art. XIIIIE heading, new
- 5 220 ILCS 5/13E-101 new
- 6 220 ILCS 5/13E-105 new
- 7 220 ILCS 5/13E-110 new
- 8 220 ILCS 5/13E-115 new
- 9 220 ILCS 5/13E-120 new
- 10 220 ILCS 5/13E-125 new
- 11 220 ILCS 5/13E-130 new
- 12 220 ILCS 5/13E-135 new
- 13 220 ILCS 5/13E-140 new
- 14 220 ILCS 5/13E-145 new
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- 27 220 ILCS 5/13E-210 new
- 28 220 ILCS 5/13E-215 new
- 29 220 ILCS 5/13E-220 new
- 30 220 ILCS 5/13E-225 new
- 31 220 ILCS 5/13E-230 new
- 32 220 ILCS 5/13E-235 new
- 33 220 ILCS 5/13E-240 new
- 34 220 ILCS 5/13E-245 new

1 220 ILCS 5/13E-250 new