

1 **ARTICLE 31 SUBSTITUTE A AS AMENDED**

2 RELATING TO PUBLIC UTILITIES AND CARRIERS -- TELECOMMUNICATION
3 SURCHARGE

4 SECTION 1. Section 39-1-61 of the General Laws in Chapter 39-1 entitled “Public
5 Utilities Commission” is hereby amended to read as follows:

6 **39-1-61. Rhode Island telecommunications education access fund.** – (a) *Preamble.*

7 For the past ten (10) years, the schools and libraries of Rhode Island have benefited from a
8 regulatory agreement with Verizon and its predecessor companies that has provided up to two
9 million dollars (\$2,000,000) annually for support of telecommunications lines for internet access.
10 In addition, the funds provided for in the original regulatory agreement and every dollar
11 generated hereunder leverages a one dollar and twenty-seven cents (\$1.27) federal E-Rate match.
12 With the regulatory agreement approaching its termination and the advent of more advanced
13 technologies, it is the intent of this section to provide a continued source of funding for internet
14 access for eligible public and private schools and libraries.

15 (b) *Definitions.* As used in this section, the following terms have the following
16 meanings:

17 (1) “Department of Education” means the Rhode Island Department of Elementary and
18 Secondary Education.

19 (2) “~~Commission~~ Division” means the Division of Public Utilities ~~Commission~~ and
20 Carriers.

21 (3) “Telecommunications Education Access Fund” means the programs and funding
22 made available to qualified libraries and schools to assist in paying the costs of acquiring,
23 installing and using telecommunications technologies to access the internet.

24 (c) *Purpose.* The purpose of the Telecommunications Education Access Fund shall be to
25 fund a basic level of internet connectivity for all of the qualified schools (kindergarten through
26 grade 12) and libraries in the state.

27 (d) *Authority.* The ~~commission~~ division shall establish, by rule or regulation, an
28 appropriate funding mechanism to recover from the general body of ratepayers the costs of
29 providing telecommunications technology to access the internet.

30 (1) The general assembly shall determine the amount of a monthly surcharge to be levied
31 upon each residence and business telephone access line or trunk in the state, including PBX

1 trunks and centrex equivalent trunks and each service line or trunk, and upon each user interface
2 number or extension number or similarly identifiable line, trunk or path to and from a digital
3 network. The department will provide the general assembly with information and
4 recommendations regarding the necessary level of funding to effectuate the purposes of this
5 article. ~~The General Assembly shall annually review the surcharge to determine if it should be~~
6 ~~applied to wireless telephone service.~~ The surcharge shall be billed by each telecommunications
7 services provider and shall be payable to the telecommunications services provider by the
8 subscriber of the telecommunications services. State, local and quasi-governmental agencies
9 shall be exempt from the surcharge. The surcharge shall be deposited in a restricted receipt
10 account, hereby created within the ~~commission~~ department of elementary and secondary
11 education and known as the Telecommunications Education Access Fund, to pay any and all
12 costs associated with subsection (b)(3). The amount of the surcharge shall not exceed thirty-five
13 cents (\$.35) per access line or trunk.

14 (2) The surcharge is hereby determined to be twenty-six (\$.26) per access line or trunk.

15 (3) The amount of the surcharge shall not be subject to the sales and use tax imposed
16 under chapter 18 of title 44 nor be included within the gross earnings of the telecommunications
17 corporation providing telecommunications service for the purpose of computing the tax under
18 chapter 13 of title 44.

19 (e) *Administration.* The ~~commission~~ division, with input from the department, shall
20 administer the Telecommunications Education Access Fund consistent with the requirements of
21 the Universal Service (E-Rate) program. The ~~commission~~ division shall collect from the
22 telecommunications service providers the amounts of the surcharge collected from their
23 subscribers. The department, with the approval of the ~~commission~~ division, shall publish requests
24 for proposals that do not favor any particular technology, evaluate competitive bids, and select
25 products and services that best serve the internet access needs of schools and libraries. In doing
26 so, the department shall endeavor to obtain all available E-Rate matching funds. The department
27 is further authorized and encouraged to seek matching funds from all local, state, and federal
28 public or private entities. The department shall approve disbursement of funds under this section
29 in accordance with the ~~commission's~~ division's directives. Unsuccessful bids may be appealed to
30 the ~~commission~~ division. The ~~commission~~ division shall annually review the department's
31 disbursements from this account to ensure that the department's decisions do not favor any
32 competitor.

33 (f) *Eligibility.* All schools seeking support from the fund must be eligible for Universal
34 Service (E-Rate) support and meet the definition of "elementary school" or "secondary school" in

1 the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. § 8801). Schools
2 operating as a for-profit business or with endowments exceeding fifty million dollars
3 (\$50,000,000) are not eligible for support. All libraries seeking support from the fund must meet
4 the definition of “library” or “library consortium” in the Library Services and Technology Act,
5 P.L. No. 104-208, § 211 et seq., 110 Stat. 3009 (1996) and must be eligible for assistance from a
6 state library administrative agency under that act. Only libraries that have budgets that are
7 completely separate from any schools (including, but not limited to, elementary and secondary,
8 colleges and universities) shall be eligible to receive support. Libraries operating as a for-profit
9 business shall not be eligible for support.

10 (g) The effective date of assessment for the Telecommunications Education Access Fund
11 shall be January 1, 2004.

12 SECTION 2. Chapter 39-1 of the General Laws entitled “Public Utilities Commission” is
13 hereby amended by adding thereto the following section:

14 **39-1-62. E-911 Geographic Information System (GIS) and Technology Fund. -- (a)**

15 Preamble. To allow the Rhode Island E-911 Emergency Telephone System agency to associate
16 latitude and longitude coordinates provided by wireless carriers with physical locations
17 throughout the state, the agency must establish and maintain a GIS database of street addresses
18 and landmarks. The database will allow local emergency response personnel to dispatch police,
19 fire and rescue personnel to a specific address or landmark of a cellular caller in the event the
20 caller is unaware of his or her location, or is physically unable to communicate it. Because more
21 than half of the 530,000 9-1-1 phone calls received in 2003 came from cellular phones, it is
22 critical that the GIS database be developed and maintained in order to improve caller location
23 identification and reduce emergency personnel response times.

24 (b) Definitions. As used in this section, the following terms have the following
25 meanings:

- 26 (1) “System” means Emergency 911 Uniform Telephone System.
- 27 (2) “Agency” means Rhode Island 911 Emergency Telephone System.
- 28 (3) “Division” means the Division of Public Utilities and Carriers.
- 29 (4) “GIS and Technology Fund” means the programs and funding made available to the
30 Emergency 911 Uniform Telephone System to assist in paying the costs of the GIS database
31 development project and GIS systems maintenance, which will enable the system to locate
32 cellular phone callers by geocoding all addresses and landmarks in cities and towns throughout
33 the state. It also includes programs to create system redundancy and maintain state-of-the-art
34 equipment technology.

1 (c) Purpose. The purpose of the GIS and Technology Fund shall be to: (1) implement
2 and maintain a geographic information system database to assist in locating wireless phone
3 callers for emergency purposes in a manner consistent and in coordination with the Rhode Island
4 geographic information system administered by the Division of Planning as provided for in 42-
5 11-10(g)(3); and (2) create system redundancy to ensure the reliability of 9-1-1 service to the
6 public; and (3) maintain state-of-the-art equipment technology.

7 (d) Authority. The agency shall establish, by rule or regulation, an appropriate funding
8 mechanism to recover from the general body of ratepayers the costs of funding GIS and
9 technology projects.

10 (1) The general assembly shall determine the amount of a monthly surcharge to be levied
11 upon each wireless telecommunications instrument or device capable of delivering two-way
12 interactive communications services comparable to those offered by telecommunications service
13 providers. The agency will provide the general assembly with information and recommendations
14 regarding the necessary level of funding to effectuate the purposes of this article. The surcharge
15 shall be billed by each wireless telecommunications services provider and shall be payable to the
16 wireless telecommunications services provider by the subscriber of the telecommunications
17 services. State, local and quasi-governmental agencies shall be exempt from the surcharge. The
18 surcharge shall be deposited in a restricted receipt account, hereby created within the agency and
19 known as the GIS and Technology Fund, to pay any and all costs associated with the provisions
20 of subsection (c). The amount of the surcharge under section 39-1-62 shall not exceed thirty-five
21 cents (\$.35) per wireless phone.

22 (2) The surcharge is hereby determined to be twenty-six cents (\$.26) per wireless phone
23 per month and shall be in addition to the wireless surcharge charged under section 39-21.1-14.

24 (3) The amount of the surcharge shall not be subject to the sales and use tax imposed
25 under chapter 18 of title 44 nor be included within the gross earnings of the telecommunications
26 corporation providing telecommunications service for the purpose of computing the tax under
27 chapter 13 of title 44.

28 (e) Administration. The agency shall collect from the wireless telecommunications
29 service providers the amounts of the surcharge collected from their subscribers. The agency shall
30 deposit such collections in an account maintained and administered by the Rhode Island 911
31 Emergency Telephone System for use in developing and maintaining the geographic information
32 system database, creating system redundancy, and improving equipment technology. The agency
33 is further authorized and encouraged to seek matching funds from all local, state, and federal
34 public or private entities and shall coordinate its activities and share all information with the state

1 Division of Planning.

2 (f) The effective date of assessment for the GIS and Technology Fund shall be July 1,
3 2004.

4 (g) Nothing in this section shall be construed to constitute rate regulation of wireless
5 communications services carriers, nor shall this act be construed to prohibit wireless
6 communications services carriers from charging subscribers for any wireless service or feature.

7 (h) Except as otherwise provided by law, the agency shall not use, disclose or otherwise
8 make available call location information for any purpose other than as specified in subsection 39-
9 1-62 (c).

10 SECTION 3. Section 1 of this article shall take effect as of January 1, 2004. Section 2
11 shall take effect as of July 1, 2004 and shall expire on June 30, 2007.

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