



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB1047

Introduced 02/03/05, by Rep. Mary E. Flowers

#### SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.640 new  
220 ILCS 5/Art. XIIIIE heading new  
220 ILCS 5/13E-101 new  
220 ILCS 5/13E-105 new  
220 ILCS 5/13E-110 new  
220 ILCS 5/13E-115 new  
220 ILCS 5/13E-120 new  
220 ILCS 5/13E-125 new  
220 ILCS 5/13E-130 new  
220 ILCS 5/13E-135 new  
220 ILCS 5/13E-140 new  
220 ILCS 5/13E-145 new  
220 ILCS 5/13E-150 new  
220 ILCS 5/13E-155 new  
220 ILCS 5/13E-160 new  
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220 ILCS 5/13E-195 new  
220 ILCS 5/13E-200 new  
220 ILCS 5/13E-205 new  
220 ILCS 5/13E-210 new  
220 ILCS 5/13E-215 new  
220 ILCS 5/13E-220 new  
220 ILCS 5/13E-225 new  
220 ILCS 5/13E-230 new  
220 ILCS 5/13E-235 new  
220 ILCS 5/13E-240 new  
220 ILCS 5/13E-245 new  
220 ILCS 5/13E-250 new

Amends the Public Utilities Act. Establishes the Universal Service Fund to provide a basic set of essential telecommunications services and access to advanced service capabilities to all customers in Illinois. Provides for an assessment upon telecommunications providers operating in Illinois. Provides for the Commerce Commission to administer the universal service programs. Requires the Commission to appoint a Universal Support Fund Council to advise the Commission concerning the administration of the universal service programs. Amends the State Finance Act to create the Universal Service Fund, a special fund in the State treasury. Effective January 1, 2006.

LRB094 07428 MKM 37590 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 5.640 as follows:

6 (30 ILCS 105/5.640 new)

7 Sec. 5.640. The Universal Service Fund.

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

10 (220 ILCS 5/Art. XIIIIE heading new)

11 ARTICLE XIIIIE.

12 UNIVERSAL SERVICE SUPPORT FUNDING AND PROGRAMS

13 (220 ILCS 5/13E-101 new)

14 Sec. 13E-101. Scope and purpose.

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

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

26 (c) Nothing in this Article shall preclude special and  
27 individual consideration being given to exceptional or unusual  
28 situations and, upon due investigation of the facts and  
29 circumstances involved, the adoption of requirements as to

1 individual providers or services that may be lesser, greater,  
2 other, or different than those provided in this Article.

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

7 (e) This Article shall be enforced under the provisions of  
8 Article X and by any other means provided in this Act.

9 (f) The Commission may issue any orders it deems necessary  
10 to assist in the implementation or interpretation of this  
11 Article.

12 (220 ILCS 5/13E-105 new)

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

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

22 "Contributory provider" means a telecommunications  
23 provider that pays into the Universal Service Fund.

24 "Disability" means a physical or sensory impairment that  
25 limits or curtails an individual's access to or use of  
26 telecommunications services. "Disability" includes a speech,  
27 vision, or hearing impairment and any motion impairment that  
28 limits an individual's ability to handle telecommunications  
29 equipment.

30 "Emergency service numbers" means 9-1-1 where available  
31 and fire, emergency medical services, law enforcement, and  
32 poison center emergency numbers where 9-1-1 is not available.

33 "Federal high cost program" means any program established  
34 by the Federal Communications Commission under 47 CFR 54  
35 subpart D.

1 "Institutions" means:

2 (1) not-for-profit schools, including each school in a  
3 public school district, private schools, charter schools,  
4 colleges and universities, and public community college  
5 districts;

6 (2) public libraries; and

7 (3) not-for-profit hospitals.

8 "Lifeline" means the Lifeline assistance program  
9 established under Section 13E-145 to provide reduced monthly  
10 service rates for low-income customers.

11 "Link-Up" means the Link-Up America program established  
12 under Section 13E-140 to waive service connection charges for  
13 low-income customers.

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

20 "Low-income" means a household that receives benefits from  
21 one or more low-income assistance programs.

22 "Low-income assistance program" means any of the following  
23 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 to  
27 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 program,  
32 approved by the Commission, for households with income  
33 levels equal to or less than 200% of the poverty line as  
34 defined in 42 USC 9902 (2).

35 "Non-profit group" means an organization described in  
36 Section 501 (c) (3) of the Internal Revenue Code that is exempt

1 from federal income tax under Section 501 (a) of the Internal  
2 Revenue Code.

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

9 "Rural telephone company" has the meaning given to that  
10 term in 47 USC 153 (37).

11 "Two-line voice carryover" means the technique of using  
12 3-way calling and 2 telephone lines, one for voice and one for  
13 TTY or similar equipment, to connect a caller who is deaf or  
14 hard of hearing but can speak with another caller via the  
15 telecommunications relay service.

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

24 (220 ILCS 5/13E-110 new)

25 Sec. 13E-110. Essential telecommunications services.

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

29 (b) "Essential telecommunications services" means all of  
30 the following:

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

32 (A) line quality capable of facsimile  
33 transmission;

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

1           (C) dual-tone multi-frequency touch tone and  
2           rotary pulse dialing operability;

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

5           (E) equal access to interlata interexchange  
6           carriers subject to Federal Communications Commission  
7           orders and rules;

8           (F) equal access to intralata interexchange  
9           carriers pursuant to schedules, terms, and conditions  
10           imposed by Commission orders and rules;

11           (G) single party revertive calling, if 2 or more  
12           pieces of customer premises equipment can be  
13           simultaneously active on the line or channel being used  
14           by the customer;

15           (H) a reasonably adequate number of calls within a  
16           reasonably adequate local calling area, as defined by  
17           the Commission;

18           (I) connectivity with all public toll, local,  
19           wireline, and wireless networks and with various  
20           Internet service providers;

21           (J) telecommunications relay service to facilitate  
22           communication between teletypewriter users and  
23           non-teletypewriter users;

24           (K) access to operator service;

25           (L) access to directory assistance;

26           (M) toll blocking, 900 and 976 number blocking, and  
27           extended community calling blocking options, as  
28           specified in Section 13E-125;

29           (N) intercept and announcements for vacant,  
30           changed, suspended, and disconnected numbers in oral  
31           and TTY-readable formats; and

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

34           (2) Annual distribution of a local telephone  
35           directory.

36           (3) Timely repair.

1 (220 ILCS 5/13E-115 new)

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

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

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

9 (220 ILCS 5/13E-120 new)

10 Sec. 13E-120. Advanced service capabilities.

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

13 (1) Digital access lines and channels by January 1,  
14 2006.

15 (2) High-speed data transfer connectivity by January  
16 1, 2007.

17 (3) Two-way interactive video conferencing at a speed  
18 no less than 30 frames per second and 2-way interactive  
19 imaging capabilities by January 1, 2008.

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

27 (c) Upon its own motion, upon petition by a local exchange  
28 telecommunications service provider for relief from an  
29 obligation under subsection (b), or upon petition by a customer  
30 alleging that an advanced service is not available in a timely  
31 manner, is needed but not scheduled for deployment under this  
32 Section, or is not priced at an affordable level, the  
33 Commission may investigate the offering of a given advanced  
34 service capability.

1       The investigation shall address, but is not limited to  
2 addressing: (i) the reasonableness of the required investment  
3 in equipment and facilities; (ii) the presence of alternative  
4 providers; (iii) the level of demand; and (iv) other statutory  
5 factors. Following investigation, including notice and  
6 opportunity for hearing, the Commission may determine, based on  
7 the above criteria: (1) a deployment schedule; (2) a maximum  
8 reasonable rate; (3) whether the provider requires assistance  
9 from the Universal Service Fund to provide the service; and (4)  
10 and any other requirement necessary to meet customer demand for  
11 an advanced service capability.

12       (220 ILCS 5/13E-125 new)

13       Sec. 13E-125. Toll blocking.

14       (a) Each local exchange telecommunications service  
15 provider in this State shall offer the capability to block all  
16 long distance calls and, separately, the capability to block  
17 900 and 976 number calls and the capability to block extended  
18 community calling unless a timely waiver has been granted to  
19 the local exchange telecommunications service provider by the  
20 Commission.

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

25       (c) Blocking shall not prevent the customer from reaching  
26 the emergency service numbers appropriate for the customer's  
27 location.

28       (d) Each local exchange telecommunications service  
29 provider shall make all reasonable efforts to inform customers  
30 within its service areas of the availability of and the  
31 eligibility requirements for cost-free toll blocking services,  
32 900 and 976 number blocking services, and extended community  
33 calling blocking services. The local exchange  
34 telecommunications service provider shall also make reasonable  
35 efforts to instruct eligible customers requesting the service



1 in the use of the equipment or service.

2 (e) Each local exchange telecommunications service  
3 provider seeking a waiver of its blocking obligations under  
4 this Section shall submit to the Commission the following  
5 information:

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

7 (2) an explanation of why a waiver is being requested  
8 and of why the provider considers implementation of  
9 blocking to be an unreasonable expense for the provider and  
10 its customers;

11 (3) the costs of hardware, software, programming,  
12 customer education, installation, maintenance, and any  
13 other costs, on a per-customer basis, for blocking  
14 capability using customer premises equipment;

15 (4) the costs of hardware, software, programming,  
16 customer education, installation, maintenance, and any  
17 other costs, on a per customer basis, for blocking  
18 equipment installed in a central office, providing a  
19 separate calculation for each exchange for which an  
20 exemption is requested; and

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

23 (f) The Commission staff shall review the waiver request  
24 and issue a letter to the provider granting or denying the  
25 application.

26 (220 ILCS 5/13E-130 new)

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

28 (a) The Universal Service Fund is created as a special fund  
29 in the State treasury. Moneys in that Fund may be used for Fund  
30 administration and for the purpose of informing the public  
31 regarding the Universal Service Fund, its existence, purpose,  
32 intent, and areas of use.

33 (b) Subject to appropriation, moneys in the Fund may be  
34 used for any of the following programs adopted by the  
35 Commission:

1           (1) The Link-Up America program, as specified in  
2           Section 13E-140.

3           (2) The Lifeline assistance program, as specified in  
4           Section 13E-145.

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

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

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

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

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

15           (8) Rate shock mitigation, as specified in Section  
16           13E-195.

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

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

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

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

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

27           (13) Eligible telecommunications carriers designated  
28           under item (3) of subsection (b) of Section 13E-215.

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

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

33           (16) Medical telecommunications equipment programs.

34           (17) Other programs consistent with the purposes of  
35           this Article, as approved by the Commission on an interim  
36           basis.

1       (c) Moneys in the Fund may be used to provide statewide  
2 access, through the Internet, to periodical reference  
3 information databases.

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

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

9       (220 ILCS 5/13E-135 new)

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

11       (a) Local exchange telecommunications service providers  
12 shall verify an applicant's eligibility for low-income  
13 assistance programs by making timely queries of the applicable  
14 databases of the Department of Public Aid or other State  
15 agencies. Applicant eligibility shall be verified by finding  
16 the applicant to be any of the following:

17           (1) An active client of at least one low-income  
18 assistance program.

19           (2) A member of the active client's household whose low  
20 income qualifies the client for benefits under at least one  
21 low-income assistance program.

22       (b) Eligibility shall be reconfirmed on at least an annual  
23 basis for all customers receiving Lifeline assistance.

24       (c) Local exchange telecommunications service providers  
25 shall determine a customer's eligibility for low-income  
26 assistance programs on each order for initial or moved  
27 residential service and, orally or in writing, in the first  
28 contact with a customer during a year concerning disconnection  
29 or payment arrangements.

30       (d) Local exchange telecommunications service providers  
31 shall comply with client authorization requirements of the  
32 Department of Public Aid or any other State agency for database  
33 queries necessary for eligibility verification. Customers  
34 shall complete and remit any reasonably required query  
35 authorization forms or forfeit eligibility.

1       (e) The Lifeline assistance program and the Link-Up America  
2 program are not available to customers who are dependents for  
3 federal income tax purposes, as defined in 26 USC 152 (1986),  
4 unless the customer is more than 60 years of age.

5           (220 ILCS 5/13E-140 new)

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

7       (a) A local exchange telecommunications service provider  
8 shall waive all applicable nonrecurring charges when  
9 initiating or moving essential telecommunications services for  
10 low-income, single line customers. All federal, State, county,  
11 and local taxes applicable to the waived charges shall also be  
12 waived.

13       (b) Waivers apply to new service installations, to moves  
14 from one residence to another, and to reconnection of an  
15 existing service.

16       (c) Charges to be waived include the following, or their  
17 equivalents:

18           (1) service ordering;

19           (2) record change;

20           (3) central office connection;

21           (4) outside plant or line connection; and

22           (5) premises visits.

23       (d) Any customer whose claim of eligibility for Link-Up  
24 benefits cannot be verified at the time the service order is  
25 issued may be billed for installation charges. These customers  
26 shall receive a grace period for payment of installation  
27 charges until the due date of the second bill issued following  
28 installation of service.

29       The local exchange telecommunications service provider  
30 shall periodically perform an eligibility verification check  
31 within 60 days after the date on which service is connected. If  
32 a customer's eligibility cannot be confirmed within 45 days,  
33 the customer shall be notified in writing of the situation. A  
34 credit shall be issued for appropriate charges once a  
35 customer's eligibility has been confirmed.

1       (e) Each customer who has paid installation charges may  
2 receive a Link-Up waiver as a credit on his or her bill if the  
3 claim is made with the local exchange telecommunications  
4 service provider within 60 days after the completion of the  
5 service order and if all other Link-Up eligibility requirements  
6 have been met.

7       (f) Local exchange telecommunications service providers  
8 that are eligible telecommunications carriers under Section  
9 13E-215 may receive reimbursement from the Universal Service  
10 Fund for 50% of any waived nonrecurring charges. Local exchange  
11 telecommunications service providers that are not eligible  
12 telecommunications carriers may receive reimbursement from the  
13 Universal Service Fund for 100% of any waived nonrecurring  
14 charges.

15       (220 ILCS 5/13E-145 new)

16       Sec. 13E-145. Lifeline assistance program.

17       (a) A local exchange telecommunications services provider  
18 shall offer a Lifeline monthly rate to all qualified low-income  
19 customers.

20       (b) The Lifeline monthly rate shall include:

21           (1) single-party residential service;

22           (2) touch-tone service;

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

24           (4) the federal subscriber line charge; and

25           (5) 120 local calls, excluding extended community  
26 calling calls.

27       The Lifeline monthly rate shall be the total of the  
28 residential monthly rates for the services listed in items (1)  
29 through (5), minus \$7 or, if the total of the monthly  
30 residential rates for the services listed in items (1) through  
31 (5) is greater than \$22, the Lifeline monthly rate shall be  
32 \$15. In no case, however, shall the Lifeline monthly rate be  
33 less than \$3 or more than \$15.

34       (c) The Lifeline monthly rate may appear as a credit  
35 against the full standard tariffed rate on a customer's bill or

1 as a special rate designation. Whenever possible, the Lifeline  
2 rate shall begin to appear on an eligible customer's bill on  
3 the next bill date following the date of application for  
4 Lifeline assistance. If the rate does not appear on the next  
5 bill date, a credit must be given on the first bill on which  
6 the rate appears. If a customer's eligibility date in the  
7 records of the Department of Public Aid or other State agencies  
8 precedes the last bill date prior to application, credit shall  
9 also be given for one month's prior bill.

10 (d) Eligibility for Lifeline assistance continues until  
11 the next bill date following a failure to meet eligibility  
12 requirements.

13 When a low-income energy assistance program is one of the  
14 customer's qualifying low-income assistance programs, the  
15 eligibility for Lifeline assistance shall continue until the  
16 bill date in the next December following the close of the  
17 heating season. At that time, lack of eligibility shall be  
18 verified by the local exchange telecommunications service  
19 provider before removing the Lifeline assistance from the  
20 customer's bill.

21 (e) Local exchange telecommunications service providers  
22 may receive reimbursement from the Universal Service Fund for  
23 100% of that portion of the standard authorized rate for  
24 service that is in excess of the amount of the Lifeline monthly  
25 rate that is eligible for reimbursement from federal Lifeline  
26 program funds.

27 (f) Customers eligible for the Lifeline assistance program  
28 or the Link-Up America program may not be charged a deposit for  
29 service if they voluntarily accept toll blocking, may not be  
30 requested to pay in advance for more than one month's local  
31 service bill, and may not be disconnected from local service  
32 for nonpayment of toll charges billed by the local exchange  
33 telecommunications service provider. Customers that otherwise  
34 would be subject to disconnection may be counseled to accept  
35 toll blocking.

36 (g) A local exchange telecommunications service provider

1 acting under the limited conditions specified in its  
2 Commission-approved telecommunications customer assistance  
3 program under Section 13E-175 may impose toll blocking or  
4 restriction on Lifeline customers.

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

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

7 (a) Subject to appropriation, the Commission shall fund  
8 collaborative partnerships between community-based  
9 organizations and telecommunications providers to increase  
10 participation of the eligible populations in low-income  
11 assistance programs.

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

14 (c) The Commission shall annually review and grant funding  
15 based on complete responses to a request for proposals. Funding  
16 shall be limited to not more than 6 projects. At least one  
17 project shall be focused statewide and at least one project  
18 shall be focused on the Chicago area, if feasible.

19 (d) The Commission shall contract for an evaluation of the  
20 effectiveness of this program in promoting enrollment in  
21 low-income assistance programs and subscribership to telephone  
22 service. The evaluation shall be completed before May 1, 2010.  
23 The cost of this evaluation shall not exceed \$25,000. This  
24 \$25,000 shall be included as part of the \$250,000 maximum total  
25 funding available under this Section during the year in which  
26 the evaluation occurs.

27 (220 ILCS 5/13E-155 new)

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

29 (a) A person with a disability may determine whether that  
30 disability presents a barrier to use of telecommunications  
31 services. That person shall determine what accommodations are  
32 necessary to ensure effective telecommunications access.

33 (b) When a local exchange telecommunications service  
34 provider or the Fund administrator has sound reason to question

1 the self-certification of a customer under subsection (a),  
2 additional verification of disability, such as an appropriate  
3 doctor's written medical diagnosis and description of physical  
4 limitations and special needs resulting from that diagnosis,  
5 may be required for certification of special  
6 telecommunications needs.

7 (220 ILCS 5/13E-160 new)

8 Sec. 13E-160. Service and equipment pricing for  
9 individuals with special needs.

10 (a) Vouchers shall be available to assist customers with a  
11 disability who have special needs certification in the purchase  
12 of equipment necessary for personal access to and use of  
13 essential services of a telecommunications network. Vouchers  
14 may not be used to purchase equipment that will be used  
15 exclusively for commercial purposes.

16 (b) Vouchers shall be limited to the following amounts, by  
17 category of disability:

18 (1) \$200 for hard of hearing.

19 (2) \$800 for deaf and severely hard of hearing.

20 (3) \$1,600 for speech impaired.

21 (4) \$1,600 for mobility impaired.

22 (5) \$2,500 for deaf-low vision.

23 (6) \$7,200 for deaf-blind.

24 (c) A voucher recipient under item (1) of subsection (b) is  
25 not required to make a co-payment. All other voucher recipients  
26 are required to make a co-payment of \$100 at the time the  
27 equipment is purchased. Pursuant to subsection (f), for  
28 low-income customers the co-payment may be supplied by funding  
29 through the telecommunications assistance program (TAP).

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

32 (e) Customers with disabilities may obtain voucher  
33 application forms from the Fund administrator, their local  
34 exchange telecommunications service provider, or other  
35 sources. Completed voucher application forms shall be



1 submitted to the Universal Service Fund administrator.

2 (f) Applicants for vouchers under this Section shall be  
3 Illinois residents. An applicant may not receive a voucher for  
4 equipment for the same disability more than once every 3 years.  
5 An applicant may receive a voucher for equipment even if  
6 another person in the same household has also received a  
7 voucher.

8 (g) Applications shall be granted on a first-come,  
9 first-served basis, except that no single disability voucher  
10 category may account for more than 75% of the total annual  
11 budget within the first 3 quarters of each budget year.

12 (h) A waiting list shall be established for applications  
13 for vouchers held pending available funding or pursuant to  
14 subsection (g).

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

17 (j) Vendors may redeem vouchers, submitted with an invoice,  
18 from the Universal Service Fund administrator. Reimbursement  
19 may not exceed the total purchase price of the equipment,  
20 including tax, less a customer co-payment of \$100, if  
21 applicable.

22 (k) The Commission may impose reasonable limits on the type  
23 and quantity of devices that may be purchased with one voucher.

24 (l) The Fund administrator shall maintain a list of the  
25 types and quantities of equipment eligible for purchase with a  
26 single voucher in each disability category. The Fund  
27 administrator shall periodically revise the list in  
28 consultation with the Commission staff and with  
29 representatives selected by the Universal Service Fund  
30 Council. The Fund administrator may also seek input regarding  
31 revisions from vendors, representatives of interested groups  
32 servicing the disabled, and others, as appropriate.

33 (m) Equipment purchases involving individual exceptions to  
34 the eligible equipment list required under subsection (l) may  
35 be granted by the Fund administrator only after consultation  
36 with Commission staff. The Commission staff, the Fund

1 administrator, or both, may seek input regarding these  
2 exceptions from vendors, representatives of interested groups  
3 servicing the disabled, and others, as appropriate.

4 (n) Any objection to an item included on or excluded from  
5 the eligible equipment list and any objection to a  
6 determination regarding individual exceptions shall be handled  
7 as an informal complaint. The Commission staff shall review the  
8 objection and issue a letter addressing it. This decision may  
9 be appealed to the Commission.

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

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

26 (q) Customers with certified disabilities that prevent  
27 them from using the telephone directory shall not be charged  
28 for a reasonable number of directory assistance calls in a  
29 month.

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

33 (s) Customers with certified disabilities who deem one or  
34 more custom calling services essential in order to receive  
35 service that is useful and comparable to the essential service  
36 provided to other customers shall receive those services

1 without charge. Hearing impaired customers who are able to and  
2 who choose to use 2-line voice carryover shall not be charged  
3 any intrastate nonrecurring charge or monthly rate for the  
4 second line. The local exchange telecommunications service  
5 provider shall receive reimbursement from the Universal  
6 Service Fund for the amount waived.

7 (220 ILCS 5/13E-165 new)

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

9 (a) The Commission shall require a pay telephone service  
10 provider to provide a pay telephone if the Commission  
11 determines that the public health, safety, and welfare is  
12 jeopardized without the telephone and if there is not  
13 sufficient demand, usage, or other public or private funding  
14 available to ensure its installation and its continued  
15 operation. Pay telephones provided for under this Section are  
16 designated as public interest pay telephones.

17 (b) A request for designation of a pay telephone as a  
18 public interest pay telephone may be made by a pay telephone  
19 service provider or any other person. The Commission staff  
20 shall review the request and issue a letter either granting or  
21 denying the request. This decision may be appealed to the  
22 Commission.

23 (c) A public interest pay telephone:

24 (1) Shall fulfill a public policy objective concerning  
25 public health, safety, or welfare. A pay telephone that  
26 does not otherwise exceed the revenue limitations set forth  
27 in item (1) of subsection (d) shall be presumed to fulfill  
28 such a public policy objective if it is located in a public  
29 school (K-12), a public library, a town hall, a public  
30 park, a public pool, a public museum, a public boat  
31 landing, or a public wayside.

32 (2) May not be a pay telephone that is or will be  
33 provided under a contract or agreement for multiple pay  
34 telephones or that should be included in such a contract or  
35 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) Designation of a pay telephone as a public interest pay  
5           telephone does not depend on the presence or absence of any one  
6           or more of the following items, but all of these items shall be  
7           considered, in addition to other considerations that may be  
8           relevant, in determining whether to make such a designation.

9           Items favoring designation include:

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

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

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

18           (4) There is no other pay telephone located within 500  
19           feet.

20           (5) The pay telephone allows coin calls.

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

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

32           (f) The Commission shall annually review each public  
33           interest pay telephone designation in the quarter in which the  
34           designation was originally granted. For purposes of this  
35           review, the Commission may delegate initial screening or review  
36           of the qualification of facilities carrying the public interest

1 pay telephone designation to one or more private organizations.

2 (g) A pay telephone provider that is providing a public  
3 interest pay telephone shall meet all of the following service  
4 quality related requirements:

5 (1) The telephone shall be in compliance with all State  
6 and federal laws, rules, and regulations regarding the  
7 provision of pay telephone service.

8 (2) The telephone shall be kept in good working  
9 condition. Service and repairs shall be made within a  
10 reasonable time period after receiving a request for  
11 service. Preventive maintenance shall be performed on a  
12 reasonable and routine basis.

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

16 (220 ILCS 5/13E-170 new)

17 Sec. 13E-170. Responsibility for pay telephone usability.

18 (a) In this Section, "pay telephone usability" means the  
19 ability of an individual to use pay telephone equipment.

20 (b) Pay telephone usability standards include signage,  
21 volume control, monitoring height, cord length, and text  
22 telephones.

23 (c) All pay telephone service providers are responsible for  
24 compliance with all federal and State standards regarding pay  
25 telephone usability.

26 (d) This Section does not create any new obligations for  
27 pay telephone usability beyond those imposed under federal or  
28 State law or negate any obligation for pay telephone usability  
29 of other parties under the law.

30 (e) Information on how to report non-compliance with pay  
31 telephone usability standards or any other complaint under  
32 subsection (c) to the Commission must be posted at or on each  
33 pay telephone unit or bank of units.

34 (220 ILCS 5/13E-175 new)

1       Sec. 13E-175. Telecommunications customer assistance  
2 program. The Commission may authorize individual  
3 telecommunications providers to establish telecommunications  
4 customer assistance programs that meet authorized goals and  
5 objectives for increasing or stabilizing subscription levels  
6 for non-optional, essential telephone service within the  
7 provider's service territory or to address avoidance of  
8 disconnection or limitation of service to low-income  
9 households with payment problems. The programs may allow a  
10 provider to not make available certain essential  
11 telecommunications services in order to preserve at least  
12 minimal telephone service to certain low-income households  
13 with payment problems. The Commission shall determine on a  
14 case-by-case basis whether or not a telecommunications  
15 customer assistance program may receive Universal Service Fund  
16 moneys.

17       (220 ILCS 5/13E-180 new)

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

19       (a) A local exchange telecommunications service provider  
20 that is an eligible telecommunications carrier under Section  
21 13E-215 shall provide high rate assistance credits to  
22 residential customers when the price of service exceeds the  
23 levels provided in subsection (d).

24       (b) Credits shall be applied to the price of service as  
25 specified in subsection (c), except that if a local exchange  
26 telecommunications service provider charges a single rate  
27 covering basic local exchange telecommunications services and  
28 other telecommunications or related services, the Commission  
29 may determine, by order and after opportunity for hearing, the  
30 portion of those bundled rates to which rate assistance credits  
31 apply.

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

34           (1) the fixed monthly charge for essential  
35 telecommunications service;

1           (2) the Federal Communications Commission end user  
2           common line charge; and

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

4           (d) Local exchange telecommunications service providers  
5           shall issue high rate assistance credits according to the  
6           following criteria:

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

10           (2) For the portion of the price of service equal to or  
11           above 1.5% but below 2% of median household income per  
12           month for the area in which the rate applies, the local  
13           exchange telecommunications service provider shall issue a  
14           credit equal to 50% of that amount.

15           (3) For the portion of the price of service equal to or  
16           above 2% but below 2.5% of median household income per  
17           month for the area in which the rate applies, the local  
18           exchange telecommunications service provider shall issue a  
19           credit equal to 75% of that amount.

20           (4) For the portion of the price of service equal to or  
21           above 2.5% but below 3% of median household income per  
22           month for the area in which the rate applies, the local  
23           exchange telecommunications service provider shall issue a  
24           credit equal to 85% of that amount.

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

30           (6) When a rate applies in only one county, the median  
31           household income used to calculate the credit shall be that  
32           of that county in which the rate applies, as published by  
33           the Department of Commerce and Economic Opportunity. When a  
34           rate applies in more than one county, the median household  
35           income used to compute the credit shall be the average of  
36           the median household incomes in each county in which the

1 rate applies, weighted by the number of customers paying  
2 that rate in each county.

3 (7) If the amount of money required to reimburse local  
4 exchange telecommunications service providers for credits  
5 under this Section exceeds the amount budgeted for this  
6 program under Section 13E-235, the Commission may modify  
7 the formula for high rate assistance credits. The  
8 modification may be done by Commission order after notice  
9 and an opportunity for hearing.

10 (e) Except as provided in subsection (i), a local exchange  
11 telecommunications service provider shall be reimbursed from  
12 the Universal Service Fund for the value of the credits it  
13 issues, provided that it qualifies under Section 13E-185.

14 (f) When a local exchange telecommunications service  
15 provider charges a pro-rated portion of the normal monthly  
16 charge for service because the customer has had service for  
17 only a portion of the month, the rate assistance credit for  
18 that customer shall be pro-rated by the same percentage.

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

21 (h) Telecommunications carriers with rate ceiling programs  
22 in place on the effective date of this amendatory Act of the  
23 94th General Assembly may continue those programs until rates  
24 subject to those programs are changed, unless the Commission  
25 authorizes an extension of the rate ceiling program.

26 (i) Local exchange telecommunications service providers  
27 shall not be reimbursed from the Universal Service Fund for the  
28 value of credits issued to customers receiving essential  
29 telecommunications service under a contract if the contract has  
30 a duration of greater than one year. The Commission may grant  
31 waivers of this subsection.

32 (220 ILCS 5/13E-185 new)

33 Sec. 13E-185. Qualifications for Universal Service Fund  
34 support; high rate assistance credits. A local exchange  
35 telecommunications service provider receiving reimbursement



1 for high rate assistance credits under Section 13E-180 must:

2 (1) provide service that meets the minimum  
3 requirements of Section 13E-110 and any applicable quality  
4 of service rules or orders of the Commission;

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

8 (3) show that it has applied any money it receives from  
9 the federal high cost program to the rates for which it is  
10 issuing credits, to the extent permitted under Federal  
11 Communications Commission regulations, and not to other  
12 services or to ineligible customers.

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

14 Sec. 13E-190. Alternative universal service protection  
15 plans.

16 (a) As an alternative to the high rate assistance credit  
17 under Section 13E-180, the Commission may, by order, after  
18 notice and an opportunity for hearing, implement alternative  
19 high cost support plans under this Section.

20 (b) Alternative high cost support plans shall be  
21 implemented on an experimental basis, shall be reviewed within  
22 3 years and shall terminate within 5 years, unless made  
23 permanent by the Commission by order after notice and an  
24 opportunity for hearing.

25 (c) Alternative high cost support plans under this Section  
26 may make use of cost studies, bidding, defined service  
27 territories, or other mechanisms to protect universal service.  
28 The Commission may, by order, authorize payment of Universal  
29 Service Fund moneys as part of an alternative high cost support  
30 plan.

31 (d) Alternative high cost support plans may include rate  
32 ceiling programs, in accordance with subsection (h) of Section  
33 13E-180, including programs authorized for other utilities.

34 (220 ILCS 5/13E-195 new)

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

2       (a) The Commission may authorize assistance, through  
3 temporary rate credits, for customers of rate of return  
4 regulated telecommunications carriers in order to mitigate the  
5 impact of large increases in authorized rates.

6       (b) Rate shock mitigation credits shall be funded by the  
7 telecommunications carrier, if possible. If the  
8 telecommunications carrier cannot fund the rate shock  
9 mitigation credits, the telecommunications carrier shall be  
10 reimbursed for the amount of the credits from the Universal  
11 Service Fund. Funding for the rate shock mitigation shall be  
12 specified by the Commission in individual cases.

13       (c) When a telecommunications carrier charges a pro-rated  
14 portion of the normal monthly charge for service because the  
15 customer has had service for only a portion of the month, the  
16 rate shock mitigation credit for that customer shall be  
17 pro-rated by the same percentage. The Universal Service Fund  
18 shall reimburse the telecommunications carrier for the portion  
19 of the credit actually issued to the customer if the credit was  
20 not funded by that carrier.

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

23       (220 ILCS 5/13E-200 new)

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

25       (a) Partial support funding through rate discounts shall be  
26 available for institutions ordering telecommunications  
27 services to be used to provide any of the following services:

28           (1) Two-way interactive video services.

29           (2) High-speed data transfer.

30           (3) Toll call access to the Internet.

31           (4) Direct Internet access.

32       (b) Partial support funding shall be available only for new  
33 services that either were not previously available or that  
34 provide significant improvements over existing services at an  
35 institution. Partial support funding shall only be available

1 for services obtained from a contributory provider, unless  
2 exempted from payment under the provisions of subsection (a) of  
3 Section 13E-240.

4 (c) Partial support funding is available only as partial  
5 payment for new services. The amount of funding shall decrease  
6 year by year, as follows:

7 (1) For the first year, the monthly discount shall be  
8 30% of the monthly charge or \$300 per month, whichever is  
9 less.

10 (2) For the second year, the monthly discount shall be  
11 20% of the monthly charge or \$200 per month, whichever is  
12 less.

13 (3) For the third year, the monthly discount shall be  
14 10% of the monthly charge or \$100 per month, whichever is  
15 less.

16 (4) For the fourth year and thereafter, no discount  
17 shall be issued.

18 (d) An institution is eligible to receive partial support  
19 funding for only one service at a time, at a single location.  
20 If that service links 2 locations at an institution, the  
21 discount may be applied to the entire channel.

22 (e) After the discount for a service under subsection (c)  
23 has ended, the institution may receive partial support funding  
24 for a new service. An institution may not receive a discount  
25 for a service that has been canceled and reinstated.

26 (220 ILCS 5/13E-205 new)

27 Sec. 13E-205. Medical telecommunications equipment  
28 program.

29 (a) For purposes of this Section:

30 "Initial application" means an application for Universal  
31 Service Fund support under this Section that is the first such  
32 application filed by the applicant during a State fiscal year.

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

34 (1) is a non-profit organization governed by a board of  
35 directors;

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

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

6                   (A) Provides services to all patients regardless  
7                   of insurance status.

8                   (B) Uses a sliding fee scale for uninsured patients  
9                   based on income status.

10           "Public health agency" means the Department of Public  
11           Health and any local health department.

12           (b) Funding may be available to non-profit medical clinics  
13           and public health agencies for the purchase of  
14           telecommunications equipment for any of the following  
15           purposes:

16                   (1) To promote technologically advanced medical  
17                   services.

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

20                   (3) To enhance access to medical care by underserved  
21                   populations or persons with disabilities in the State, or  
22                   both.

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

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

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

30                   (1) A description of the telecommunications equipment  
31                   for which Universal Service Fund support is requested.

32                   (2) An explanation of how the applicant's purchase of  
33                   telecommunications equipment will support the purposes  
34                   identified in subsection (b).

35                   (3) Identification of the vendor that will supply the  
36                   telecommunications equipment.

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

4           (5) A description of the steps taken to secure the  
5           telecommunications equipment at reasonable prices.

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

8           (7) Any other information that the Commission deems  
9           necessary.

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

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

17               (2) the applicant's purchase of telecommunications  
18               equipment will support the purposes identified in  
19               subsection (b);

20               (3) the applicant will be able to pay for the portion  
21               of the cost of the equipment not funded under this Section;  
22               and

23               (4) the applicant has taken steps to secure the  
24               equipment at reasonable prices.

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

36          The Commission may convene a panel of experts to assist in

1 the evaluation of applications submitted under this 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 or  
9 authority for the benefit of its homeless clients or residents.

10 A voice-mail provider that is providing voice-mail boxes to a  
11 qualifying agency or authority at no charge may request and  
12 receive reimbursement only for its incremental usage and  
13 administrative costs of providing this service using available  
14 capacity. As an alternative, reimbursement may be requested and  
15 received from the Universal Service Fund at a standard rate set  
16 by the Commission to cover expected incremental costs of  
17 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 effectiveness  
23 of this program, the Commission may monitor and obtain  
24 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 groups  
32 for the facilitation of affordable access to  
33 telecommunications and information services through programs  
34 or projects, or both, that are not supported elsewhere in this  
35 Article but that are consistent with the purposes of this

1 Article.

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

11 (1) A description of a public need that is not being  
12 met at present.

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

15 (3) A description of the program or project proposed,  
16 including a description of how the public need described in  
17 item (1) may be met through affordable access to  
18 telecommunications or information services.

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

23 (5) Identification of the providers of each portion of  
24 the telecommunications services or equipment and a  
25 specific description of the following components of the  
26 program or project:

27 (A) the costs of telecommunications services and  
28 telecommunications equipment used by the program or  
29 project;

30 (B) the cost of training for those who are served  
31 by the program or project so that they can utilize the  
32 services;

33 (C) the administrative costs directly attributable  
34 to the program or project;

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

1                   (E) revenue from services or training described in  
2                   item (B).

3           (d) The Commission shall evaluate all applications  
4           submitted. In evaluating the applications, the Commission must  
5           consider information including, but not limited to, the  
6           following:

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

8                   (2) the extent to which other programs or projects  
9                   funded under this Section or otherwise funded under this  
10                  Article meet that need; and

11                  (3) the overall cost of the proposed program or  
12                  project.

13           (e) The Universal Service Fund shall reimburse applicants  
14           for up to 50% of the cost of reimbursable portions of the  
15           program or project, or both. The reimbursable costs include  
16           those listed in item (5) of subsection (c).

17           (f) The programs or projects to be funded and the amount of  
18           reimbursement for each program or project shall be determined  
19           by the Commission. The Commission shall seek comments on the  
20           programs or projects to be funded, but shall not hold a  
21           hearing. A maximum of \$500,000 in funding may be dispersed  
22           under subsections (b) through (f) of this Section per State  
23           fiscal year.

24           (220 ILCS 5/13E-215 new)

25           Sec. 13E-215. Designation of eligible telecommunications  
26           carriers.

27           (a) The Commission may designate a telecommunications  
28           carrier as an eligible telecommunications provider. An  
29           eligible telecommunications provider is eligible to receive  
30           Universal Service Fund funding under both applicable federal  
31           and State universal service programs for an area if it meets  
32           all of the following requirements:

33                   (1) It holds itself ready to offer service to all  
34                   customers in the area, except that those customers with a  
35                   demonstrated inability to pay for service may be denied



1 service in accordance with applicable law.

2 (2) It advertises its service in the area on a regular  
3 basis and those advertisements:

4 (A) are disseminated in media of general  
5 distribution in the area at least 2 times per year;

6 (B) describe the services offered; and

7 (C) describe the affordability of the services,  
8 including the availability of discounts for low-income  
9 customers.

10 (3) It makes available Lifeline and Link-Up service.

11 (4) It offers, at a minimum, all portions of essential  
12 telecommunications service. For purposes of this  
13 subsection, "essential telecommunication service" includes  
14 public interest pay telephone service pursuant to Section  
15 13E-165 and pay telephone interconnection service subject  
16 to orders of the Federal Communications Commission and the  
17 Illinois Commerce Commission.

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

20 (1) For an area that is served by an incumbent local  
21 exchange telecommunications service provider that is not a  
22 rural telephone company, the incumbent local exchange  
23 telecommunications service provider's wire center, unless  
24 the Commission designates a smaller area.

25 (2) For an area that is served by an incumbent local  
26 exchange telecommunications service provider that is a  
27 rural telephone company, the service territory comprised  
28 of one or more of the incumbent local exchange  
29 telecommunications service provider's wire centers, unless  
30 the Illinois Commerce Commission designates and the  
31 Federal Communications Commission approves a smaller area.

32 (3) For an area that is served by an incumbent local  
33 exchange telecommunications service provider that is a  
34 rural telephone company, the Commission may only designate  
35 an additional eligible telecommunications carrier after  
36 finding that the public interest requires multiple

1 eligible telecommunications carriers. For an area served  
2 by an incumbent local exchange telecommunications service  
3 provider that is not a rural telephone company, the  
4 Commission may designate an additional eligible  
5 telecommunications carrier without making such a finding.

6 (c) The Commission shall maintain a list of the eligible  
7 telecommunications carriers for all areas of the State.

8 (d) An eligible telecommunications carrier may relinquish  
9 its designation for an area by notifying the Commission and the  
10 administrators of both the State and federal universal service  
11 funds, in writing, of its intention.

12 If at least one other eligible telecommunications carrier  
13 is designated for that area, the relinquishing carrier shall be  
14 relieved of eligible telecommunications carrier status for  
15 that area 2 weeks after receipt by the Commission of notice of  
16 the carrier's intent to relinquish its designation and without  
17 Commission action.

18 If no other eligible telecommunication carrier is  
19 designated for that area, the relinquishing carrier shall  
20 remain as eligible telecommunications carrier for that area  
21 until the Commission designates an alternative eligible  
22 telecommunications carrier. In that case, the Commission shall  
23 notify the relinquishing carrier and the administrators of the  
24 State and federal universal service funds that eligible  
25 telecommunications carrier status is still in effect. The  
26 Commission may use a process similar to that described in  
27 subsections (c) through (f) of Section 13E-220 to designate a  
28 new eligible telecommunications carrier for an area for which  
29 the only existing eligible telecommunications carrier is  
30 seeking to relinquish that status.

31 A provider may continue to provide services in an area for  
32 which it has relinquished eligible telecommunications carrier  
33 status but may not continue to receive high cost assistance  
34 funding. If a provider seeks to abandon facilities or  
35 discontinue any service, it shall notify affected customers and  
36 follow any abandonment or discontinuance procedures

1 established by the Commission.

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

3 Sec. 13E-220. Intralata toll service provider of last  
4 resort.

5 (a) The intralata toll service provider of last resort for  
6 an exchange shall be the designated intralata toll provider for  
7 that exchange until intralata 1+ presubscription service is  
8 available in that exchange or until the Commission orders  
9 otherwise under subsection (g). For purposes of this Section,  
10 "provider of last resort" means the intralata toll service  
11 provider of last resort.

12 (b) When intralata 1+ presubscription service is available  
13 in an exchange, the designated intralata toll provider may  
14 petition the Commission for withdrawal of its provider of last  
15 resort requirements for that exchange.

16 The petition shall be filed in writing with the Commission.  
17 Except as otherwise provided in this subsection, the petitioner  
18 retains intralata toll service provider of last resort  
19 responsibilities until a new provider of last resort is  
20 designated or for a period of 12 months, whichever is shorter.

21 The petitioner shall notify all of its affected customers  
22 of its request to have its provider of last resort requirements  
23 lifted. The notice to customers shall be approved in advance by  
24 the Commission and clearly state the following:

25 (1) that the petitioner is seeking authority to deny  
26 service to some or all customers within the exchange;

27 (2) that toll services in the future may be available  
28 only from other telecommunications providers or from only  
29 one telecommunications provider; and

30 (3) that if a new provider of last resort is  
31 designated, all customers may be switched to that  
32 provider's service, although they may choose to obtain  
33 service from any other intralata toll service provider in  
34 the area after reassignment of the provider of last resort  
35 requirement.

1 If intralata 1+ presubscription service has been in effect  
2 in an exchange for at least one year and if the designated  
3 telecommunications carrier toll provider has less than 50% of  
4 all presubscribed residential access lines in that exchange,  
5 then the Commission may lift the provider of last resort  
6 requirement for that exchange. If future circumstances so  
7 require, the Commission may designate a new provider of last  
8 resort pursuant to subsection (c).

9 (c) If a petition under subsection (b) is filed, the  
10 Commission shall issue a notice requesting applications from  
11 all telecommunications providers interested in becoming the  
12 provider of last resort for that exchange. The provider seeking  
13 to abandon provider of last resort requirements for that  
14 exchange may not file an application to become the new provider  
15 of last resort.

16 (d) If only one telecommunications provider responds to the  
17 request for applications, that provider shall become the  
18 provider of last resort, effective 90 days after receipt of its  
19 application by the Commission. All customers shall be notified  
20 of the proposed change at least 60 days before the effective  
21 date. The notice shall include a telephone number that they may  
22 use to designate their intralata toll service provider. On the  
23 effective date, all customers who do not designate an intralata  
24 toll service provider shall be presubscribed to the new  
25 provider of last resort.

26 (e) If more than one telecommunications provider applies to  
27 become the provider of last resort, the local exchange  
28 telecommunications service provider at that exchange shall  
29 ballot customers on their choice of intralata toll service  
30 provider.

31 Only those telecommunications providers that file  
32 applications to be the provider of last resort for the exchange  
33 may appear on the ballot, although customers may "write-in"  
34 another telecommunications provider.

35 Customers who do not return ballots shall be randomly  
36 allocated to the telecommunications providers appearing on the

1 ballot according to the percentage of customers who chose each  
2 listed provider.

3 All telecommunications providers appearing on the ballot  
4 shall be the providers of last resort for at least one year.  
5 After one year, those providers may notify the Commission that  
6 they wish to be relieved of provider of last resort  
7 responsibility. When the last provider of last resort files a  
8 petition of withdrawal, the process described in this Section  
9 recommences.

10 Fifty percent of the costs of balloting shall be paid by  
11 the local exchange carrier serving the exchange and 50% shall  
12 be paid by the providers appearing on the ballot.

13 (f) If no toll providers apply to be provider of last  
14 resort for an exchange, the Commission shall hold an auction of  
15 the provider of last resort responsibility. The Commission may  
16 authorize compensation from the Universal Service Fund for the  
17 provider of last resort selected by the auction.

18 (g) If the provider of last resort for an exchange files a  
19 petition for withdrawal of its provider of last resort  
20 requirements at an exchange where intralata 1+ presubscription  
21 is not available, the Commission may investigate that petition  
22 and order that the provider of last resort obligation be  
23 withdrawn for that provider subject to conditions, notice  
24 requirements, and balloting procedures the Commission deems  
25 necessary and reasonable for the service change at that  
26 exchange. Those conditions, requirements, and procedures shall  
27 be as designated in this Section to the extent the Commission  
28 determines they are applicable.

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

32 (220 ILCS 5/13E-225 new)

33 Sec. 13E-225. Identification of charges caused by  
34 Universal Service Fund liability. Telecommunications providers  
35 may not establish a surcharge on customer bills for

1 contributing to or recovering any portion of the providers'  
2 payment of Universal Service Fund obligations.

3 (220 ILCS 5/13E-230 new)

4 Sec. 13E-230. Fund administrator.

5 (a) The Commission shall designate a Fund administrator for  
6 the Universal Service Fund and provide for an annual audit of  
7 the Fund. The Commission shall issue rules for administration  
8 and assignment of liabilities.

9 (b) The Fund administrator may propose changes to or  
10 modification of the administration of the Fund. The Commission  
11 may approve those proposals without hearing.

12 (c) The Universal Service Fund shall compensate the  
13 administrator for the administrator's costs of administering  
14 the Fund, subject to approval by the Commission.

15 (220 ILCS 5/13E-235 new)

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

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

22 (1) reallocating the budget among programs;

23 (2) modifying the support formulas or benefits within a  
24 program; and

25 (3) deferring support payments to a later period.

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

29 (c) Based on the need for funds and subject to  
30 appropriation, the Commission shall determine the assessment  
31 rates to apply to providers. The Commission may modify the  
32 assessment rates at any time based on changes in funding needs  
33 or provider revenues subject to assessment.

34 (d) The Commission shall provide notice of the proposed

1 budget under subsection (a) and any proposed changes to the  
2 budget to the Universal Service Fund Council and other  
3 interested parties with an opportunity for comment prior to  
4 Commission action.

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

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

7 (a) An assessed provider shall pay the amount of its  
8 assessment to the Universal Service Fund. Assessed providers  
9 include all telecommunications providers operating within  
10 Illinois, except those with intrastate gross  
11 telecommunications revenues of less than \$200,000 during the  
12 preceding calendar year.

13 (b) The Commission may require a person other than a  
14 telecommunications provider to contribute to the Universal  
15 Service Fund if, after notice and opportunity for hearing, the  
16 Commission determines that the person is offering  
17 nontraditional broadcast services in competition with a  
18 telecommunications service for which a contribution is  
19 required under this Article.

20 (c) Telecommunications providers shall be assessed on the  
21 basis of their gross intrastate operating revenues from  
22 telecommunications services.

23 (d) A telecommunications provider shall submit information  
24 on a schedule and in a format to be set by the Commission  
25 concerning the telecommunications provider's gross intrastate  
26 telecommunications revenues during the preceding calendar  
27 year.

28 (e) The percentage liability for a given  
29 telecommunications provider is the ratio of that provider's  
30 intrastate gross telecommunications revenues to the sum of the  
31 intrastate gross telecommunications revenues for all  
32 contributory providers.

33 (f) The amount to be assessed to a given telecommunications  
34 provider is the percentage liability of that provider under  
35 subsection (e) multiplied by the total amount to be collected.

1       (g) Telecommunications providers who provided  
2 telecommunications service in Illinois for only part of the  
3 preceding calendar year shall be assessed based on actual  
4 revenues for the year, without adjustments to annualize that  
5 revenue.

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

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

14       Objection to an assessment amount shall be made within 30  
15 days after the bill is mailed. The making of the objection and  
16 Commission action regarding that objection shall follow the  
17 process established by rule by the Commission.

18       (j) The Commission shall obtain the information necessary  
19 to process the assessment of commercial mobile radio service  
20 providers and shall mail bills to those providers.

21       (220 ILCS 5/13E-245 new)

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

25       (220 ILCS 5/13E-250 new)

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

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

32       (b) The Universal Service Fund Council shall consist of  
33 telecommunications providers and of consumers of  
34 telecommunications services. The Commission shall appoint a



1 diverse membership to the Universal Service Fund Council  
2 including representatives of: (i) the local exchange  
3 telecommunications industry; (ii) the interexchange  
4 telecommunications industry, including facilities-based  
5 carriers and resellers; (iii) the cable television industry;  
6 (iv) other telecommunications providers; and (v) consumers of  
7 telecommunications services, including residential, business,  
8 governmental, institutional, and public special interest group  
9 users.

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

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

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

24 (f) The Universal Service Fund Council shall meet at least  
25 2 times each year. Other meetings may be called, upon adequate  
26 notice to all members, to address matters of the Fund as they  
27 arise. Meetings of the Universal Service Fund Council shall be  
28 open to the public.

29 (g) Members of the Universal Service Fund Council shall  
30 serve without compensation. Members, other than those members  
31 representing the telecommunications industry and any members  
32 representing State agencies, may be reimbursed for their actual  
33 and necessary expenses incurred in the performance of their  
34 duties as part of the Universal Service Fund Council, subject  
35 to budget guidelines adopted by the Commission.

36 (h) The Universal Service Fund Council may adopt bylaws

1 appropriate for its operation. The Universal Service Fund  
2 Council may form subcommittees of its membership to review  
3 issues and make recommendations for consideration of the full  
4 Council.

5 (i) The Commission shall assign staff members as needed to  
6 facilitate the work of the Universal Service Fund Council. The  
7 Commission shall appoint a member of the Commission staff to  
8 serve as staff liaison for the Universal Service Fund Council.  
9 The liaison shall be a non-voting member and shall do all of  
10 the following:

11 (1) Assist the Universal Service Fund Council in  
12 obtaining subject matter expertise in the area of universal  
13 telecommunications service.

14 (2) Maintain the official record of the Universal  
15 Service Fund Council, including membership, minutes of  
16 meetings, agendas, and reports.

17 (3) Assist the chairperson of the Universal Service  
18 Fund Council in planning the agendas, times, and places of  
19 meetings.

20 (4) Provide other administrative assistance as  
21 required.

22 Section 99. Effective date. This Act takes effect January  
23 1, 2006.