

KANSAS OFFICE of
REVISOR of STATUTES

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MEMORANDUM

To: Chairman Olson and Members of the Committee on Utilities
From: Matt Sterling, Assistant Revisor of Statutes
Date: 02/16/2017
RE: Senate Bill 119

SB 119 would amend K.S.A. 66-2006 and 66-2008 concerning the Kansas Lifeline Service Program and the eligibility of non-facilities based carriers to receive Kansas Universal Service Support for the provision of such service.

Pursuant to federal and current state law, distributions from the KUSF must be made to entities designated as eligible telecommunications carriers (ETC). K.S.A. 66-2008 requires that an entity designated as an eligible telecommunications carrier by the Kansas Corporation Commission are eligible pursuant to federal law and the determination of the KCC. Under federal law, to be designated as an ETC, 47 U.S.C. § 214(e) requires that a carrier provide service either using its own facilities or a combination of its own facilities and the resale of another carrier's service. Therefore, a carrier that does not have its own facilities could not be designated as an eligible telecommunications carrier and would not be eligible for universal service support.

An exception to this facilities requirement is that the Federal Communications Commission has issued orders of forbearance from the facilities requirement that allow providers to be designated as an eligible telecommunications carrier for federal lifeline purposes only. This forbearance allows for non-facilities based wireless providers to be eligible for distributions from the Federal Universal Service Fund for the provision of lifeline services.

SB 119 would amend K.S.A. 66-2006 and 66-2008 to remove the requirement for a wireless telecommunications provider to have its own facilities to be able to be designated as an eligible telecommunications carrier for KLSP purposes. This change would remove the prohibition for a wireless provider that does not own facilities from being eligible to receive Kansas Universal Service Support for the provision of lifeline services.