

1 **State of Arkansas**

2 **79th General Assembly**

3 **Regular Session, 1993**

4 **By: Representative Beatty**

A Bill

HOUSE BILL 1967

5

6 **For An Act To Be Entitled**

7 *"AN ACT TO CREATE THE ARKANSAS TELECOMMUNICATIONS
8 INFRASTRUCTURE DEVELOPMENT FUND AND TO PRESCRIBE THE
9 AUTHORITY OF THE PUBLIC SERVICE COMMISSION TO EXPEND
10 MONIES DEPOSITED INTO THE FUND; AND FOR OTHER PURPOSES."*

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12 **Subtitle**

13 *"TO CREATE THE ARKANSAS TELECOMMUNICATIONS INFRASTRUCTURE
14 DEVELOPMENT FUND AND TO PRESCRIBE AUTHORITY OF PSC TO
15 EXPEND MONIES DEPOSITED INTO THE FUND."*

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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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19 SECTION 1. Arkansas Code 23-2-304(b), as amended by Act 238 of 1993, is
20 amended to read as follows:

21 *"(b) In order to enhance the development of telecommunications
22 infrastructure in the state, to provide enhanced educational opportunities
23 through the development of a distance learning network, to enhance medical
24 care through the development of a hospital and health care telecommunications
25 network, and to encourage economic development through the establishment of
26 fiber parks, a fund, to be known as the Arkansas Telecommunications
27 Infrastructure Development Fund is hereby established. The Arkansas Public
28 Service Commission is hereby vested with the authority to direct the funding
29 of, and administer, the Arkansas Telecommunications Infrastructure Development
30 Fund.*

31 1. Upon a finding by the Public Service Commission that any
32 local exchange telecommunications utility providing service in the state of
33 Arkansas is receiving revenues in excess of those which the Commission deems
34 to be just and reasonable, the Commission may direct that all or any portion
35 of those excess revenues in excess of five million dollars (\$5,000,000) during

1 any year be placed in the fund. Based upon a finding that it is in the public
2 interest to do so, the Commission may direct the Arkansas IntraLATA Toll Pool
3 to place a cap on the amount of revenues which a local exchange company,
4 receiving excess revenues, may receive from the Arkansas IntraLATA Toll Pool.
5 The balance of the revenues which such local exchange company would receive
6 from the Arkansas IntraLATA Toll Pool may, by commission order, be placed in
7 the fund.

8 2. Any telecommunications utility providing basic service
9 within the state of Arkansas may petition the Commission by its local exchange
10 company to fund distance learning, hospital interconnect with public health
11 clinics, or fiber park facilities from the fund. Upon such petition, the
12 Commission, after notice and a hearing, may authorize the petitioning local
13 exchange company or companies to build a telecommunications infrastructure and
14 purchase such equipment consistent with the Commission's order and the
15 purposes of this section. When the telecommunications infrastructure is
16 complete and the petitioning local exchange company or companies have
17 certified to the satisfaction of the Commission that the expenditures directed
18 by the Commission have been made and the telecommunications infrastructure
19 approved by the Commission has been built, the petitioning local exchange
20 company or companies may then request that the Commission distribute funds
21 from the Arkansas Telecommunications Infrastructure Development Fund to
22 reimburse the petitioning company for the project. Reimbursement from the
23 Commission for the development of telecommunications infrastructure may be
24 made upon completion of an entire project or upon completion of phases of a
25 project, as the Commission deems appropriate. Basic service means one party
26 service and touch tone dialing. Provided however, any telecommunications
27 utility which is under construction to or which has filed a plan for providing
28 basic service shall be entitled to petition the Commission to participate in
29 the fund.

30 3. Any contributions of excess earnings directed by the
31 Commission to be paid to the Arkansas Telecommunications Infrastructure
32 Development Fund may be amended from time to time, as the Commission deems
33 appropriate, taking into consideration circumstances such as whether the local
34 exchange company whose excess revenues are being diverted can show a need for
35 additional revenues, whether the Arkansas Telecommunications Infrastructure

1 Development Fund is adequately funded, and other relevant matters.

2 4. Investments by a local exchange telephone company supported
3 through funding by the Arkansas Telecommunications Infrastructure Development
4 Fund shall not be considered as a part of the rate base of such local exchange
5 telecommunications utility for ratemaking purposes; provided, however, if the
6 local exchange telephone company maintains title to and services and maintains
7 the equipment and infrastructure, then the infrastructure and equipment shall
8 be considered as a part of the rate base for ratemaking purposes."

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10 SECTION 2. All provisions of this act of a general and permanent nature
11 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
12 Revision Commission shall incorporate the same in the Code.

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14 SECTION 3. If any provision of this act or the application thereof to
15 any person or circumstance is held invalid, such invalidity shall not affect
16 other provisions or applications of the act which can be given effect without
17 the invalid provision or application, and to this end the provisions of this
18 act are declared to be severable.

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20 SECTION 4. All laws and parts of laws in conflict with this act are
21 hereby repealed.

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25 /s/David Beatty

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