

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
91st General Assembly  
Regular Session, 2017

As Engrossed: H3/21/17 H3/23/17

# A Bill

HOUSE BILL 2099

By: Representatives S. Meeks, Sabin, Gillam

## For An Act To Be Entitled

AN ACT TO AMEND THE TELECOMMUNICATIONS REGULATORY REFORM ACT OF 2013; TO MODERNIZE THE ARKANSAS HIGH COST FUND; AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND THE TELECOMMUNICATIONS REGULATORY REFORM ACT OF 2013; AND TO MODERNIZE THE ARKANSAS HIGH COST FUND.

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

*SECTION 1. Arkansas Code Title 19, Chapter 5, Subchapter 12, is amended to add an additional section to read as follows:*

*19-5-1258. Broadband Fund.*

*(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "Broadband Fund".*

*(b) The fund shall consist of moneys as may be provided for by law.*

*(c) The fund shall be used by the Arkansas Economic Development Commission for the sole support of a grant program for internet service providers and to provide support and assistance for development and growth of broadband service in the State of Arkansas.*

*SECTION 2. Arkansas Code § 23-17-404(b)(2)(A)(ii), concerning the AHCF administrator, is amended to read as follows:*

*(ii) If the AHCF administrator determines or receives a petition from two-thirds (2/3) of the AHCF participants stating*



that the Arkansas intrastate retail telecommunications services revenues are inadequate to fully fund the AHCF requirements, the AHCF administrator shall notify the Arkansas Public Service Commission and the ~~commission~~ Arkansas Public Service Commission shall open a docket that will develop and implement a plan to fully fund the AHCF requirements.

SECTION 3. Arkansas Code § 23-17-404(c)(1)(B), concerning the AHCF administrator position, is amended to read as follows:

(B) In evaluating responses to request for proposals for the AHCF administrator's position, the ~~commission~~ Arkansas Public Service Commission shall consider and give material weight to the applicant's:

(i) Familiarity with Arkansas ETCs, Arkansas access rates, AICCLP history and procedures, and AHCF and AUSF history and procedures; and

(ii) Personal availability to provide information and assistance to the General Assembly, telecommunications providers, and members of the public.

SECTION 4. Arkansas Code § 23-17-404(c)(2)(C) and (D), concerning a request for reconsideration by the Arkansas Public Service Commission, are amended to read as follows:

(C) The affected parties shall have thirty (30) days to request reconsideration by the ~~commission~~ Arkansas Public Service Commission of the AHCF administrator's determination, and the ~~commission~~ Arkansas Public Service Commission after notice and hearing, if requested, shall issue its opinion on the reconsideration within thirty (30) days after the request of reconsideration unless continued by the ~~commission~~ Arkansas Public Service Commission.

(D) Persons aggrieved by the ~~commission's~~ Arkansas Public Service Commission's opinion shall have the right to appeal the opinion in accordance with law.

SECTION 5. Arkansas Code § 23-17-404(c)(2), concerning the AHCF administrator reporting requirements, is amended to add an additional subdivision to read as follows:

(E) The AHCF administrator shall report at least annually

to the Joint Committee on Advanced Communications and Information Technology regarding plan expenditures and rates.

SECTION 6. Arkansas Code § 23-17-404(d)(2), concerning the failure to pay the AHCF charge, is amended to read as follows:

(2) Any telecommunications provider that without just cause fails to pay the AHCF charge that is due and payable pursuant to this section after notice and opportunity for hearing shall have its authority to do business as a telecommunications provider in the State of Arkansas revoked by the ~~commission~~ Arkansas Public Service Commission.

SECTION 7. Arkansas Code § 23-17-404(e), concerning the rules and procedures necessary to implement the AHCF, is amended to read as follows:

(e) After reasonable notice and hearing, the ~~commission~~ Arkansas Public Service Commission shall establish rules and procedures necessary to implement the AHCF. The ~~commission~~ Arkansas Public Service Commission shall implement the AHCF and make AHCF funds available to eligible telecommunications carriers beginning the first calendar month after one hundred fifty (150) days after March 19, 2007. In establishing and implementing the AHCF, the ~~commission~~ Arkansas Public Service Commission shall adhere to the following instructions and guidelines:

(1)(A) Moneys from the AHCF funding shall be provided directly to eligible telecommunications carriers.

(B)(i) Except in an exchange in which the electing company is authorized under § 23-17-407(d) to determine the rates for basic local exchange service and switched-access services under § 23-17-408(c), for an ETC to receive funds from the AHCF, the ETC shall agree to be subject to and comply with all telecommunications provider rules adopted by the ~~commission~~ Arkansas Public Service Commission, unless the ~~commission~~ Arkansas Public Service Commission finds the technology used by the ETC to provide telecommunications service makes a rule inapplicable.

(ii) Except in any exchange in which the electing company is authorized under § 23-17-407(d) to determine the rates for basic local exchange service and switched-access services pursuant to § 23-17-408(c), each ETC shall be subject to all TPRs concerning application for service, refusing service, deposits, notices before disconnect, late payment

penalties, elderly and handicapped protection, medical need for utility services, delayed payment agreements, and extended due dates.

(iii) If an ETC seeks to participate in the AHCF program as a new funding recipient, the funding category applicable to the ETC shall be determined by the total customer access base of the ETC on the date of the application;

(2)(A) The ~~commission~~ Arkansas Public Service Commission shall provide a report to the Legislative Council by October 31 of the year prior to a regular session of the General Assembly detailing any recommended changes to the universal service list of requirements that are to be supported by the AHCF. This list may be approved by the General Assembly, and if approved, the AHCF support to ETCs may be adjusted, due to the approved changes, to reflect an increase or decrease in the size of the AHCF by increasing or decreasing the overall financial cap on the AHCF to recover the cost of additions or revisions to the universal service list concurrent with any such revisions to the list of universal services identified in § 23-17-403.

(B) In considering revisions to the universal service list, the ~~commission~~ Arkansas Public Service Commission shall consider the need for the addition or removal of a service to the list in order to maintain end-user rates for universal services that are reasonably comparable between urban and rural areas or to reflect changes in the type and quality of telecommunications services considered essential by the public as evidenced, for example, by those telecommunication services that are purchased and used by a majority of single-line urban customers.

(C) A rate case proceeding or earning investigation or analysis shall not be required or conducted in connection with the recovery of the cost of additions or revisions or in connection with the administration of the AHCF;

(3)(A)(i) The AICCLP members shall charge the rate under subdivision (e)(3)(B) of this section to underlying carriers.

(ii) The ILECs shall charge a reciprocal rate to other ILECs.

(iii) The ~~commission~~ Arkansas Public Service Commission may review the accuracy of the reciprocal rates and the per-access minute carrier common line rate charged under subdivision (e)(3)(B) of this

section.

*(iv) If the AICCLP fails to provide an ILEC's carrier common line net revenue requirement, the ILEC may obtain concurrent recovery of the revenue loss from basic local exchange rates, intrastate access rate adjustments, or a combination thereof. Any recovery of revenue loss under this subdivision (e)(3)(A)(iv) shall not be subject to the caps on local rates under § 23-17-412.*

*(B)(i) Through June 30, 2013, except as provided in this subdivision (e)(3)(B) and subdivisions (e)(4)(A) and (B) of this section, the intrastate carrier common line charges billed to ILECs and underlying carriers shall be determined at the rate of one and sixty-five hundredths cents (1.65¢) per intrastate access minute, exclusive of the amounts specified for funding the Extension of Telecommunications Facilities Fund and the Arkansas Calling Plan Fund. However, ILECs that are not AICCLP members may charge at a rate that is less than one and sixty-five hundredths cents (1.65¢) and may recover the difference between the actual rate charged and one and sixty-five hundredths cents (1.65¢) as allowed under § 23-17-416(b)(3).*

*(ii) Beginning July 1, 2013, except as provided in this subdivision (e)(3)(B) and subdivisions (e)(4)(A) and (B) of this section, the intrastate carrier common line charges billed to ILECs and underlying carriers shall be determined at the rate of one and sixty-five hundredths cents (1.65¢) per originating intrastate access minute. However, ILECs that are not AICCLP members may charge at a rate that is less than one and sixty-five hundredths cents (1.65¢) per originating intrastate access minute and may recover the difference between the actual rate charged and one and sixty-five hundredths cents (1.65¢) as allowed under § 23-17-416(b)(3);*

*(4)(A)(i)(a) There is created an allocation of AHCF funds to be known as the "Extension of Telecommunications Facilities Fund".*

*(b) A maximum of five hundred thousand dollars (\$500,000) per year of AHCF funds shall be allocated to fund the Extension of Telecommunications Facilities Fund to assist in the extension of telecommunications facilities to citizens not served by the wire line facilities of an eligible telecommunications carrier.*

*(ii)(a) There is created an AHCF allocation to be known as the "Arkansas Calling Plan Fund".*

(b) *The Arkansas Calling Plan Fund shall receive a maximum of four million five hundred thousand dollars (\$4,500,000) per year to assist in funding the provision of calling plans in telephone exchanges in the state.*

(iii)(a) *There is created an AHCF allocation to be known as the "Arkansas 911 Rural Enhancement Program Fund".*

(b) *The Arkansas 911 Rural Enhancement Program Fund shall receive a maximum of three million dollars (\$3,000,000) per year to:*

(1) *Advance the goals of universal service and help ensure that rural areas within the State of Arkansas have access to 911 services that are comparable to 911 services in urban areas within the state; and*

(2) *Provide funding to:*

(A) *The statewide Smart911 system established in Acts 2012, No. 213;*

(B) *The SmartPrepare System; and*

(C) *911 administrative systems for emergency management under the Arkansas Emergency Services Act of 1973, § 12-75-101 et seq.*

(B)(i)(a) *The Extension of Telecommunications Facilities Fund, the Arkansas Calling Plan Fund, and the Arkansas 911 Rural Enhancement Program Fund shall be paid through the Arkansas High Cost Fund.*

(b) *Payments made under subdivision*

*(e)(4)(B)(i)(a) of this section may exceed and are in addition to the limit provided by subdivision (e)(4)(E)(ii)(a) of this section.*

(ii) *The AICCLP board, with the assistance of the AHCF administrator, shall allow recipients and payors to correct any errors concerning the AICCLP settlement process for corrections that are for the time period after December 31, 2003.*

(C)(i) *An ETC may receive support from the AHCF in accordance with this subdivision (e)(4)(C) and subdivisions (e)(4)(D) and (E) of this section.*

(ii)(a) *The formula is as follows for ETCs with fewer than five hundred thousand (500,000) access lines or customers:*

(1) *The AHCF administrator shall*

determine the support for ~~High Cost Loop Support~~ high-cost loop support by using the most current annual filing of annual unseparated unlimited loop revenue requirement cost per loop of the ETC's study area as developed each year by NECA and filed with USAC. For an ETC not submitting such information, the ETC shall submit equivalent information to the AHCF administrator for the AHCF administrator to calculate as to cost per loop for wireline or per customer for commercial mobile service providers. Unless the ~~commission~~ Arkansas Public Service Commission determines otherwise, the raw financial data submitted to the AHCF administrator to establish an alternate cost per loop shall be treated as confidential;

(2) The AHCF administrator shall then subtract the per-loop federal high-cost loop support as developed each year by NECA and filed with USAC of the ETC's study area or alternatively the total high-cost loop support per loop or per customer as calculated by the AHCF administrator with data provided by the ETC;

(3) The AHCF administrator shall also subtract the amount of three hundred forty-four dollars and forty cents (\$344.40) per loop, due to the responsibility of each ETC to fund through local rates and other revenue such as AICCLP revenue requirements and access charges, to fund a significant portion of their cost per loop. Alternatively, the AHCF administrator shall subtract three hundred forty-four dollars and forty cents (\$344.40) per loop or customer from ETCs not reporting loops and loop cost to NECA;

(4) The AHCF administrator shall determine the high-cost support for each ETC by subtracting these reductions as set forth in this formula from the annual unseparated unlimited loop revenue requirement and apply it to the total number of loops in the ETC's study area as of December 31 of the preceding year that are eligible for support for federal universal service. As to ETCs not reporting loops within its study area, the AHCF administrator shall apply the reductions to the total number of loops or customers of the ETC eligible for support for federal universal service as of December 31 of the preceding year; and

(5) The remaining balance, if positive as to each ETC, shall be the ETC's loop support element to support an ETC's ~~high-cost~~ high-cost loops. As to ETCs funded based upon customers, the remaining balance, if positive, shall be called the "customer support

*element”.*

*(b)(1) The AHCF administrator shall determine local switching support (LSS) of each ETC using the most current annual financial data submitted to NECA and calculated by USAC and applying the following procedure:*

*(A)(i) The AHCF administrator shall use the most current trued up local switching support amount that has been calculated by NECA and submitted to USAC annually for each ETC within its size group.*

*(ii) An ETC that does not submit the information required by subdivision (e)(4)(C)(ii)(b)(1)(A)(i) of this section shall submit equivalent information to the AHCF administrator for the AHCF administrator to calculate a local switching support amount.*

*(iii) For each ETC that does not have an individually calculated local switching support amount, the AHCF administrator shall calculate a local switching support amount by using an average of all ETCs within its size group that have an established local switching amount;*

*(B) The AHCF administrator shall calculate the local switching support factor for each ETC’s study area by taking the 1996 weighted dialed equipment minute factor as supplied in the NECA submission of 1999 Network Data Management – Usage filed on March 1, 2001, with the FCC and subtracting the 1996 interstate dialed equipment minute factor as supplied in the NECA submission of 1999 network usage data filed on March 1, 2001, with the FCC. This result shall be called the “local switching support factor”. For each ETC that does not have an individually calculated weighted dialed equipment minute factor and an interstate dialed equipment minute factor, the AHCF administrator shall calculate a weighted dialed equipment minute factor and an interstate dialed equipment minute factor by using an average of all ETCs within its size group that have an established weighted dialed equipment minute factor and an interstate dialed equipment minute factor;*

*(C) The AHCF administrator shall then calculate the total LSS revenue requirement for each ETC by dividing the local switching support amount calculated in subdivision (e)(4)(C)(ii)(b)(1)(A) of this section by the local switching support factor*

as calculated in subdivision (e)(4)(C)(ii)(b)(1)(B) of this section;

(D) The AHCF administrator shall then divide the total LSS revenue requirement for each ETC by the total number of loops in the ETC's study area as of December 31 of the preceding year that are eligible for support for federal universal service;

(E) The AHCF administrator shall then calculate the local switching support (LSS) to be recovered by multiplying the total LSS revenue requirement per loop as calculated in subdivision (e)(4)(C)(ii)(b)(1)(D) of this section by fifteen percent (15%); and

(F) The sum of subdivision (e)(4)(C)(ii)(b)(1)(E) of this section as to each ETC, if positive, shall be the ETC's local switching support element.

(2) If a request for support is made by an ETC that does not have switching support calculated by NECA, the ~~commission~~ Arkansas Public Service Commission shall develop a proxy method to be used to calculate such an ETC's local switching support. The sum of the calculation for each ETC from the proxy method, if positive, shall be the ETC's local switching support element.

(c)(1) For ETCs with AHCF support based on loops, the AHCF administrator shall determine each ETC's local loop support by multiplying the number of loops of the ETC as of December 31 of the preceding year that are eligible for federal universal service support by the ETC's loop support element, if applicable, and the AHCF administrator shall determine the ETC's local switching support by multiplying the number of loops of the ETC as of December 31 of the preceding year that are eligible for federal universal service support by the ETC's local switching support element. The AHCF administrator shall determine the uncapped AHCF support for each ETC by adding the sum of the ETC's total loop support, if any, and the ETC's total local switching support, if any.

(2) For ETCs with AHCF support based on customers, the AHCF administrator shall determine the ETC's customer support element by multiplying the number of customers of the ETC as of December 31 of the preceding year who are eligible for federal universal service support by the ETC's customer support element, if applicable, and the AHCF administrator shall determine the ETC's local switching support by

*multiplying the number of customers of the ETC as of December 31 of the preceding year who are eligible for federal universal service support by the ETC's local switching support element. The AHCF administrator shall determine the uncapped AHCF support for the ETC by adding the sum of the ETC's total loop support, if any, and the ETC's total local switching support, if any.*

*(3)(A) If the AHCF administrator determines that the changes in publicly available elements used to calculate loop support under subdivision (e)(4)(C)(ii)(a)(1) of this section or local switching support under subdivision (e)(4)(C)(ii)(b)(1) of this section cause an under-recovery of more than ten percent (10%) of support by ETCs with a total customer access base or total customer base of fewer than fifteen thousand (15,000) lines or customers participating in the AHCF, then the AHCF administrator shall promptly notify the ~~commission~~ Arkansas Public Service Commission.*

*(B) Once notified, the ~~commission~~ Arkansas Public Service Commission shall open a rule-making docket to replace the eliminated, frozen, or modified elements that are causing the under-recovery used to calculate loop support under subdivision (e)(4)(C)(ii)(a)(1) of this section or local switching support under subdivision (e)(4)(C)(ii)(b)(1) of this section.*

*(C) Until alternate elements are adopted by the ~~commission~~ Arkansas Public Service Commission, the AHCF administrator shall use the previous determinations as used during the year immediately preceding the year the elements were eliminated to calculate loop support under subdivision (e)(4)(C)(ii)(a)(1) of this section or local switching support under subdivision (e)(4)(C)(ii)(b)(1) of this section.*

*(D) Upon ~~commission~~ Arkansas Public Service Commission adoption of the replacement elements, the ~~commission~~ Arkansas Public Service Commission shall order the AHCF administrator to incorporate those replacement elements into the previously existing method used by the AHCF administrator to calculate loop support under subdivision (e)(4)(C)(ii)(a)(1) of this section or local switching support under subdivision (e)(4)(C)(ii)(b)(1) of this section. The calculations shall be:*

*(i) Based on the fully*

*allocated cost of the affected ETCs; and*

*(ii) Effective as of the next annual determination process date, as established by the ~~commission~~ Arkansas Public Service Commission.*

*(iii)(a) For ETCs with five hundred thousand (500,000) lines or more on or after December 31, 2010, support shall be determined using the following procedure:*

*(1) Using the FCC's synthesis model available from USAC or an equivalent replacement model, the AHCF administrator shall take the ETC's average monthly per-line cost for each eligible wire center and subtract the FCC cost model benchmark. The result of the line cost minus the benchmark is the available per-line high-cost support available for that wire center;*

*(2) The AHCF administrator then shall multiply the available high-cost support for each eligible wire center by the number of lines reported to the AHCF administrator by the carrier as of December 31 of the preceding year. Eligible wire centers shall be wire centers with three thousand (3,000) access lines or less as of March 19, 2007; and*

*(3) The total of the calculations by the AHCF administrator for all eligible wire centers shall be the high-cost support available to the ETC, as limited by cap restrictions.*

*(b) The support provided by the AHCF shall be calculated as an annual amount paid in equal monthly payments and recalculated annually by the AHCF administrator in compliance with this section and the ~~commission's~~ Arkansas Public Service Commission's rules and procedures.*

*(iv) In the event that an element used to determine AHCF support is materially changed or eliminated, the AHCF administrator shall use an equivalent or similar element in calculating the AHCF support in subdivisions (e)(4)(C)(ii) and (iii) of this section.*

*(D)(i) The AHCF administrator shall calculate each ETC's support by first calculating each ETC's uncapped AHCF support.*

*(ii) If the total calculated support to all ETCs within a size group is less than the capped amount of the size group's part of the total AHCF, each ETC within the size group shall be entitled to its*

*total calculated AHCF support.*

*(E)(i)(a)(1)(A) The AHCF administrator shall apply the cap on the total AHCF and upon the specific size groups established within the AHCF annually.*

*(B) If total support due a size group does not exceed that size group's AHCF cap, the AHCF administrator shall pay that size group's full AHCF support amount.*

*(2) If total support, using the AHCF formula for recipients of the specific size group exceeds the cap, the AHCF administrator shall determine the amount that the total calculated AHCF support exceeds that size group's cap.*

*(b)(1) To reduce each size group's authorized support to conform to the size group's cap, the AHCF administrator shall determine total calculated AHCF support to each ETC within the size group.*

*(2) The AHCF administrator shall then use the total calculated support due all ETCs within the size group as the denominator and the amount the size group's AHCF calculation exceeds the cap as the numerator.*

*(3) The AHCF administrator shall then subtract from each ETC's total calculated support a pro rata portion, using the fraction established herein to reduce AHCF funding to the capped amount, based upon each ETC's total calculated support, to reduce the size group's support level to the capped AHCF amount.*

*(ii)(a) Except as provided in subdivision (e)(4)(B) of this section, funds available for distribution to ETCs from the AHCF shall not exceed and are capped at thirty-nine million eight hundred thousand dollars (\$39,800,000) per year. Cost of administering the AHCF shall first be deducted from the total capped fund before allocation of funding to the ETCs. The annual period to be used by the AHCF administrator to adjust support levels and upon which to apply any cap shall be on the calendar year. In addition to the total fund cap, the funds available from the AHCF shall also be capped based upon size groups using access lines for loop-based ETCs and customers for customer-based ETCs. Size grouping is used to ensure funds are targeted to areas most needing high-cost assistance. For the purpose of calculating the size grouping caps, total customer access base shall be used for loop-based ETCs and total customers for customer-based ETCs.*

(b) For all ETCs with a total customer access base or total customer base of five hundred thousand (500,000) or more access lines or customers on or after December 31, 2010, the size group cap shall be twelve and five-tenths percent (12.5%) of the total capped fund.

(c) For all ETCs with a total customer access base or total customer base of one hundred fifty thousand (150,000) or more access lines or customers and fewer than five hundred thousand (500,000) access lines or customers on December 31, 2010, the size group cap shall be twelve and five-tenths percent (12.5%) of the total capped fund.

(d) For all ETCs with a total customer access base or total customer base of fifteen thousand (15,000) or more access lines or customers and fewer than one hundred fifty thousand (150,000) access lines or customers on December 31, 2010, the size group cap shall be two percent (2%) of the total capped fund.

(e) For all ETCs with a total customer access base or total customer base of fewer than fifteen thousand (15,000) access lines or customers, the size group cap shall be seventy-three percent (73%) of the total capped fund;

(5)(A)(i) The ~~commission~~ Arkansas Public Service Commission shall establish by regulation a grant program to make grants available to eligible telecommunications carriers for the extension of facilities to citizens who are not served by wire line services of an eligible telecommunications carrier. Grants may be requested by an eligible telecommunications carrier or citizens who are not served, or both.

(ii) The ~~commission~~ Arkansas Public Service Commission shall delegate to a trustee the administration, collection, and distribution of the Extension of Telecommunications Facilities Fund in accordance with the rules and procedures established by the ~~commission~~ Arkansas Public Service Commission. The trustee shall enforce and implement all rules and directives governing the funding, collection, and eligibility for the Extension of Telecommunications Facilities Fund.

(B)(i) In establishing regulations for the grant program, the ~~commission~~ Arkansas Public Service Commission shall consider demonstrated need, the length of time the citizens have not been served, the households affected, the best use of the funds, and the overall need for extensions throughout the state.

(ii) ~~The commission~~ Arkansas Public Service Commission may require each potential customer to be served by the extension of facilities to pay up to two hundred fifty dollars (\$250) of the cost of extending facilities.

(C) The plan shall be funded by customer contributions and by the Extension of Telecommunications Facilities Fund established by subdivision (e)(4)(A)(i)(a) of this section;

(6)(A) Three million dollars (\$3,000,000) shall be transferred annually from the AHCF to the Arkansas Department of Emergency Management on a quarterly basis for the Arkansas 911 Rural Enhancement Program Fund to fund:

(i) The statewide Smart911 ~~system~~ System in the amount of six hundred thousand dollars (\$600,000) annually;

(ii) The SmartPrepare system in the amount of two hundred twenty-five thousand dollars (\$225,000) annually;

(iii) The 911 administration system for emergency management under the Arkansas Emergency Services Act of 1973, § 12-75-101 et seq., in the amount of one hundred seventy-five thousand dollars (\$175,000) annually; and

(iv) Arkansas counties for 911 public safety answering points in the amount of two million dollars (\$2,000,000) annually.

(B)(i) Funding for counties under subdivision (e)(6)(A)(iv) of this section shall be transferred based on county population and distributed as follows:

(a) The twenty-five (25) least-populated counties shall receive equal portions of fifty percent (50%) of the available funds;

(b) The next twenty-five (25) least-populated counties shall receive equal portions of thirty-five percent (35%) of the available funds; and

(c) The remaining twenty-five (25) counties shall receive equal portions of fifteen percent (15%) of the available funds.

(ii) County population shall be calculated based on current data from the ~~Geography Division of the~~ United States Bureau of the Census; ~~and~~

(7)(A)(i) ~~The commission~~ Arkansas Public Service Commission

shall provide quarterly reports to the Legislative Council. The reports shall include without limitation the number of requests for grants, the number of grants awarded, the amount awarded, and the number of additional customers served.

*(ii) The ~~commission~~ Arkansas Public Service Commission shall notify members of the General Assembly of grants made in their districts.*

*(B) To allow time for potential applicants to request grants, no grants shall be awarded for three (3) months after the effective date of the rules establishing the grant program; and*

*(8)(A) The Arkansas Economic Development Commission shall establish by rule a grant program to make grants available to internet service providers. Grants may be requested by internet service providers.*

*(B)(i) The Arkansas Economic Development Commission shall promulgate rules to establish a reverse auction to determine if an internet service provider is eligible for funds from the Broadband Fund.*

*(ii)(a) The reverse auction described in subdivision (e)(8)(B)(i) of this section shall be conducted as technology neutral and the reverse auction shall not establish any minimum matching amount from internet service providers.*

*(b) If an internet service provider is providing service to an underserved or unserved area, the internet service provider may be eligible to participate in the reverse auction if:*

*(1) For unserved areas without any broadband service, the internet service provider has to deliver data transfer speeds equal to ten megabits per second (10 Mbps) download rate and one megabit per second (1 Mbps) upload rate to comply with recommended federal government standards; or*

*(2) For underserved areas, the internet service provider has to deliver the data transfer speeds for broadband as defined by the Federal Communications Commission.*

*(C) For underserved areas, before grants are awarded under the reverse auction, current telecommunication carriers in that area shall have a right of first refusal.*

*(D) The Arkansas Economic Development Commission shall make reasonable attempts to inform internet service providers about the*

availability of funds under the Broadband Fund.

(E) The Arkansas Economic Development Commission shall report at least annually to the Joint Committee on Advanced Communications and Information Technology regarding plan expenditures and rates.

/s/S. Meeks