

In the Matter of the Commission, on) Application No. NUSF-4
its own motion, seeking to determine)
the level of the fund necessary to)
carry out the Nebraska Telecommuni-) GRANTED
cations Universal Service Fund Act)
be effective fiscal year beginning)
July 1, 1999.) Entered: June 2, 1999

APPEARANCES:

For the Commission:

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BY THE COMMISSION:

This docket was opened on April 15, 1999, on the Commission's own motion, to determine the level of the fund necessary to carry out the Nebraska Telecommunications Universal Service Fund Act. Neb. Rev. Stat. sect. 86-1409(1) states that:

Annually the commission shall hold a public hearing to determine the level of the fund necessary to carry out the Nebraska Telecommunications Universal Service Fund Act. The commission shall publish notice of the hearing in at least one newspaper of general circulation in the state at least once each week for two consecutive weeks before the hearing. After the hearing, the commission shall determine the amount of the fund for the following year, including a reasonable reserve. In the initial year of the Fund's operation, the commission shall determine the amount of the fund to be equivalent to the amount which, in the commission's judgment, after careful analysis, is necessary to keep approximately ninety-six percent of Nebraska households subscribed to local telecommunications service.

Notice of the application appeared in The Daily Record, Omaha, Nebraska, on April 19, 1999. Notice of the hearing appeared in The Daily Record, Omaha, Nebraska, the Lincoln Journal Star, Lincoln, Nebraska, and the Omaha World Herald, Omaha, Nebraska, on May 4, 1999, and again on May 11, 1999, pursuant to Nebraska Revised Statutes section 86-1409. The hearing was held in the Commission Hearing Room, Lincoln, Nebraska, on May 18, 1999, at 1:30 p.m with appearances as shown above.

F I N D I N G S A N D C O N C L U S I O N S

Jeffrey Pursley, Director of the Nebraska Universal Service Fund, testified: the goals of the Nebraska Universal Service Fund (NUSF) are to ensure that all Nebraskans, regardless of their location, have comparable access to telecommunications services at affordable prices, to help ensure the development of fair and equitable competition for all competitors and end users and to keep, at a minimum, 96 percent of Nebraska households subscribed to local telecommunications services.

Mr. Pursley indicated that he had analyzed several factors in determining the appropriate surcharge necessary to raise adequate revenues to accomplish the goals of the NUSF. The factors that he examined included proposed and estimated access reductions, business reductions, toll reductions, and local rate increases as well as over-earnings, requests to keep the local rate increases, requests for additional payments because of

under-earnings, state support to qualifying lifeline customers and administrative expenses. In his initial analysis, it appeared that the surcharge should be between 7 percent and 9 percent. However, Mr. Pursley requested permission from the Commission to file a late-filed exhibit once final calculations were completed.

Upon review of the testimony and exhibits filed in this matter, the Commission is of the opinion that the Nebraska Universal Service Fund surcharge should be set at 6.95 percent for the first year of fund operations, beginning July 1, 1999.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that a 6.95 percent surcharge shall fund the Nebraska Universal Service Fund from July 1, 1999, until June 30, 2000.

IT IS FINALLY ORDERED that all affected telecommunications companies are hereby required, beginning July 1, 1999, to collect said surcharge and remit it to the Commission as previously set forth.

MADE AND ENTERED at Lincoln, Nebraska, this 2nd day of June, 1999.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Executive Director