

SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission, on
its own motion, seeking to determine
the level of the fund necessary to
carry out the Nebraska Telecommuni-
cations Universal Service Fund Act
be effective fiscal year beginning
July 1, 2001.

) Application No. NUSF-4
)
) ORDER SETTING SURCHARGE
) FOR JULY 1, 2001
) THROUGH JUNE 30, 2002
)
) Entered: June 5, 2001

APPEARANCES:

For the Commission:

Chris A. Post, Legal Counsel
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P.O. Box 94927
Lincoln, NE 68509-4927

BY THE COMMISSION:

1. This docket was opened on April 15, 1999 on the Commission's own motion, to annually determine the level of the fund necessary to carry out the Nebraska Telecommunication Universal Service Fund Act. Neb. Rev. Stat. § 86-1409 states, in part, that "the Commission shall annually hold a public hearing to determine the level of the fund necessary to carry out the Nebraska Universal Service Fund Act." Notice of this hearing appeared in The Daily Record, Omaha, Nebraska, the Lincoln Journal Star, Lincoln, Nebraska, and the Omaha World Herald, Omaha, Nebraska on May 16, 2001 and again on May 23, 2001, pursuant to Neb. Rev. Stat. § 86-1409. The hearing was held in the Commission Hearing Room, Lincoln, Nebraska, on May 30, 2001, at 1:30 p.m. with appearances as shown above.

FINDINGS AND CONCLUSIONS

2. Mr. Jeffrey L. Pursley, Director of the Nebraska Universal Service Fund, testified that the goals of the Nebraska Universal Service Fund (NUSF), should remain the same. Those goals are to:

- Ensure that all Nebraskans have comparable access to telecommunications services at affordable prices;
- Help ensure the development of full, fair and equitable competition;
- Keep, at a minimum, 96 percent of Nebraska households subscribed to local telecommunications services; and
- Maintain a consistent surcharge to the extent possible.

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3. Mr. Pursley also testified that the current mechanism was working well and accomplishing the goals set forth by the Commission. Mr. Pursley then recommended that the surcharge remain at 6.95 percent.

4. Mr. Pursley noted that the NUSF currently has a surplus but re-iterated that this was an intended result based upon the goal of maintaining a consistent surcharge and the adoption of a transitional approach to reforming telecommunications pricing in Nebraska. Mr. Pursley testified that there are several pending issues that, if implemented, will reduce the surplus in the NUSF.

These include:

- Removal of additional subsidies in both rural and non-rural telecommunications company access prices;
- FCC reform of interstate access charges;
- Expanding competition in the State;
- Slower revenue growth than estimated;
- Increased growth in NUSF payments;
- Increasing number of subscribers that qualify for the Nebraska Lifeline Program;
- Increased administrative expenses; and
- The adoption of a permanent NUSF payment mechanism.

5. Upon review of the testimony presented, the Commission is of the opinion that the recommendation of Mr. Pursley should be accepted. Accordingly, the Commission finds that the Nebraska Universal Service Fund surcharge should continue to be set at 6.95 percent for the fiscal year beginning July 1, 2001, and extending through June 30, 2002.

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, 2001 to June 30, 2002.

IT IS FINALLY ORDERED that all affected telecommunications companies are hereby required to collect said surcharge and remit it to the Commission as set forth herein.

MADE AND ENTERED at Lincoln, Nebraska, this 5th day of June 2001.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

George Johnson

Walter Guder
Chairman

Anne C. Boyle

ATTEST:

Ad S. Pollock
Executive Director

Ed Johnson

//s//Frank E. Landis