

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Commission,) Application No. NUSF-4
on its own motion, seeking to)
determine the level of the fund)
necessary to carry out the) ORDER SETTING SURCHARGE
Nebraska Telecommunications)
Universal Service Fund Act,)
effective fiscal year beginning)
July 1, 2006.) Entered: June 27, 2006

BY THE COMMISSION:

This docket was opened on the Commission's own motion to determine the level of the fund necessary to carry out the Nebraska Telecommunication Universal Service Fund Act. NUSF-4, Progression Order No. 11, was entered on May 10, 2006 to assess the surcharge level beginning July 1, 2006. Neb. Rev. Stat. § 86-328 (2004 Cum. Supp.) states, in pertinent part, that "Annually, the Commission shall hold a public hearing to determine the level of the fund necessary to carry out the Nebraska Universal Service Fund Act."

The hearing was held in the Commission Hearing Room, Lincoln, Nebraska, on June 6, 2006. Notice of hearing appeared in The Daily Record, Omaha, Nebraska, the Lincoln Journal Star, Lincoln, Nebraska, and the Omaha World Herald, Omaha, Nebraska on both May 23, 2006 and May 30, 2006, pursuant to Neb. Rev. Stat. § 86-328.

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

The Commission took administrative notice of historic NUSF-4 proceedings as well as the records in C-1628/NUSF, and NUSF-26.

Mr. Jeffrey Pursley, Director of the Nebraska Universal Service Fund, recommended that the surcharge remain at 5.75 percent pending the completion of the NUSF-50 proceeding where the Commission is evaluating changes to the distribution mechanism. Mr. Pursley testified that the fund balance will continue to rapidly decline. Mr. Pursley offered prepared testimony which was accepted into the record as Commission Exhibit 2.

The NUSF Advisory Board also informed the Commission that it could not make a specific surcharge recommendation at this time given the number of issues the Commission will be dealing with during the remaining year. The Board recommended the Commission do what it can to keep the fund solvent. The Advisory Board's letter was offered and accepted into the record as Commission Exhibit 3.

No other person offered testimony either in support of or opposition to retaining the level of the surcharge at 5.75 percent.

Upon review of the testimony given, the Commission is of the opinion that the recommendation of Mr. Pursley should be adopted. Accordingly, the Nebraska Universal Service Fund surcharge should continue to be set at 5.75 percent for the fiscal year of operations beginning July 1, 2006. The Commission directs the NUSF Director during the time period until July 1, 2007, to notify the Commission prior to 90 days before the date that the NUSF balance is projected to be less than fifteen million dollars for the purpose of allowing sufficient time for the Commission to take action, if needed, on an emergency basis, to make any needed adjustments to the fund pursuant to Neb. Rev. Stat. § 86-328.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that a 5.75 percent surcharge shall fund the Nebraska Universal Service Fund from July 1, 2006 until further order of the Commission.

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 and in Commission Universal Service Rules and Regulations and Commission orders.

MADE AND ENTERED at Lincoln, Nebraska, this 27th day of June, 2006.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chairman

ATTEST:

Deputy Director