

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of In the Matter)	Application No. NUSF-4
of the Commission, on its own)	
motion, seeking to determine the)	
level of the fund necessary to)	ORDER SETTING SURCHARGE
carry out the Nebraska)	FROM JULY 1, 2004 THROUGH
Telecommunications Universal)	JUNE 30, 2005
Service Fund Act be effective)	
fiscal year beginning July 1,)	Entered: May 26, 2004
1999.		

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 Telecommunication Universal Service Fund Act. Neb. Rev. Stat. § 86-328 (2002 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." 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 both April 27, 2004 and May 4, 2004, pursuant to Neb. Rev. Stat. § 86-328. The hearing was held in the Commission Hearing Room, Lincoln, Nebraska, on May 11, 2004, at 1:30 p.m.

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

Mr. Jeffrey Pursley, Director of the Nebraska Universal Service Fund, recommended that the surcharge remain at 6.95 percent pending the completion of the NUSF-26 proceeding where the Commission is examining the creation of a permanent funding mechanism for the Nebraska Universal Service Fund. Then, Mr. Pursley performed an overview of the current projections contained in the NUSF surcharge model. He testified that the fund balance will continue to decline. Mr. Pursley stated that they continue to see the effect of the FCC's change in the safe harbor provision, which went into effect April 1, 2003, increasing the interstate allocation from 15.0 percent to 28.5 percent for wireless companies. Another event that could have attributed to the decline in remittances is the overall downturn in the economy. The Commission is also facing true-up requests, which will cause a reduction in remittances. Finally, an item of concern was that remittances were down when compared to the historical trend. Mr. Pursley speculated that NUSF-26 would be complete around January 1, 2005.

The NUSF Advisory Board also unanimously recommended that the surcharge remain at the present level of 6.95 percent.

No other person offered testimony either in support of or opposition to retaining the level of the surcharge at 6.95 percent.

Upon review of the testimony given, the Commission is of the opinion that the recommendation of Mr. Pursley should be accepted. Accordingly, the Nebraska Universal Service Fund surcharge should continue to be set at 6.95 percent for the fiscal year of operations beginning July 1, 2004, and extending through June 30, 2005.

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, 2004 to June 30, 2005.

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 26th day of May, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Chair

ATTEST:

Executive Director