

LEGISLATIVE REVIEW OF ADOPTED REGULATIONS--NRS 233B.066
Informational Statement
LCB File No. R021-14

1. A clear and concise explanation of the need for the adopted regulation.

The regulation is needed to establish the selection process and duties of an independent administrator who will certify or recertify lifeline service eligibility in accordance with Senate Bill 498 of the 77th Session of the Nevada Legislature (“SB 498”). Accordingly, the regulation revises Chapter 704 of the Nevada Administrative Code (“NAC”) in a manner consistent with SB 498.

2. Description of how public comment was solicited, a summary of public response, and an explanation of how other interested persons may obtain a copy of the summary.

(a) Copies of the proposed regulation, notice of intent to act upon the regulation and notice of workshop and hearing were sent by U.S. mail and email to persons who were known to have an interest in the subjects of noticing and interventions. These documents were also made available at the website of the Public Utilities Commission of Nevada (“PUCN” or “Commission”), <http://puc.nv.gov>, mailed to all county libraries in Nevada, published in the following newspapers:

Ely Times
Las Vegas Review Journal
Nevada Appeal
Reno Gazette Journal
Tonopah Times-Bonanza

and posted at the following locations:

Public Utilities Commission
1150 East William Street
Carson City, Nevada 89701

Public Utilities Commission
9075 West Diablo Drive, Suite 250
Las Vegas, Nevada 89148

First Judicial District Court
885 East Musser Street
Carson City, Nevada 89701

Second Judicial District Court
75 Court Street
Reno, Nevada 89501

Eighth Judicial District Court
Regional Justice Center
200 Lewis Avenue
Las Vegas, Nevada 89155

(b) Cox Nevada Telcom, LLC (“Cox”); Nevada Bell Telephone Company, d/b/a AT&T Nevada and AT&T Wholesale, SBC Long Distance, LLC d/b/a AT&T Long Distance, AT&T Corp., Teleport Communications America, LLC, BellSouth Long Distance, Inc., and SNET America, Inc. d/b/a AT&T Long Distance East, and New Cingular Wireless PCS, LLC d/b/a Cingular Wireless (collectively, “AT&T Companies”); Nevada

Telecommunications Association (“NTA”); Central Telephone Company d/b/a CenturyLink and CenturyTel of the Gem State, Inc. d/b/a CenturyLink (“CenturyLink”); and Sprint Communications Company LP, Sprint Spectrum LP dba Sprint and Virgin Mobile USA, LP (collectively, “Sprint-Virgin Mobile”), and Budget Prepay, Inc. dba Budget Mobile (“Budget Mobile”), and the Regulatory Operations Staff of the Commission (“Staff”) filed comments in the matter. The foregoing participants generally provided comments in response to the Commission’s questions, requests for analyses, and requests for additional information related to establishing a selection process and duties of an independent administrator who will certify or recertify lifeline service eligibility in accordance with SB 498, and revising NAC 704 in a manner consistent with SB 498, accordingly.

(c) Copies of the transcripts of the proceedings are available for review at the offices of the PUCN at 1150 East William Street, Carson City, Nevada 89701 and 9075 West Diablo Drive, Suite 250, Las Vegas, Nevada 89148.

- 3. The number of persons who:**
 - (a) Attended each hearing: 7**
 - (b) Testified at each hearing: 7**
 - (c) Submitted written statements: 7**

- 4. For each person identified in paragraphs (b) and (c) of number 3 above, the following information if provided to the agency conducting the hearing:**
 - (a) Name;**
 - (b) Telephone number;**
 - (c) Business address;**
 - (d) Business telephone number;**
 - (e) Electronic mail address; and**
 - (f) Name of entity or organization represented.**

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5. A description of how comment was solicited from affected businesses, a summary of their response and an explanation of how other interested persons may obtain a copy of the summary.

Comments were solicited from affected businesses in the same manner as they were solicited from the public.

The summary may be obtained as instructed in the response to question 2(c).

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

Revisions were made to the LCB-revised regulation in order to ensure compliance with federal telecommunications rules contained in the United States Code of Federal Regulations and also to ensure that the regulation in this Docket does not conflict with the regulation in Docket No. 13-06019 (LCB File No. R143-13, Rulemaking regarding Senate Bill 41).

7. The estimated economic effect of the regulation on the business which it is to regulate and on the public.

(a) Estimated economic effect on the businesses which they are to regulate.

The regulation does not impose any economic effect on the businesses the regulation is to regulate. The proposed regulation implementing an independent administrator will increase the assessment percentage needed to fund the Nevada Universal Service Fund (“NUSF”). The NUSF will need to increase drastically during the first year to cover initial implementation costs and should then decrease, but to a level above the current assessment percentage needed to fund the NUSF. The assessment percentage is applied to the revenue of all billed intrastate retail services, and then charged as a pass through cost to telecommunications customers. However, SB 498 is the direct cause of implementing an independent administrator and, therefore, the regulation is not specifically responsible for the burdens and benefits of an independent administrator.

(b) Estimated economic effect on the public which they are to regulate.

The regulation does not regulate the public.

8. The estimated cost to the agency for enforcement of the proposed regulation:

Any costs associated with the regulation are considered incremental in nature. The Commission currently evaluates the NUSF on an annual basis and that the proposed regulation will maintain that responsibility. The Commission and/or Staff will spend some time reviewing the initial request for proposal responses and meeting with the independent administrator to get the process started, but the incremental workload will be absorbed by existing Commission resources.

9. A description of any regulations of other State or governmental agencies which the regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The regulation does incorporate provisions of federal rules, specifically federal telecommunications rules promulgated by the Federal Communications Commission contained in the United States Code of Federal Regulations.

10. If the regulation includes provisions that are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

N/A

11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

N/A

12. If the proposed regulation is likely to impose a direct and significant burden upon a small business or directly restrict the formation, operation or expansion of a small business, what methods did the agency use in determining the impact of the regulation on a small business?

The Regulatory Operations Staff (“Staff”) of the Commission conducted a Delphi Method exercise to determine the impact of this proposed regulation on small businesses. The Delphi Method is a systematic, interactive, forecasting method based on independent inputs of selected experts. In this instance, the participants were members of Staff. Each participant in the exercise used his background and expertise to reflect upon and analyze the impact of the proposed regulation on small businesses. Based upon Staff’s analysis, Staff recommended to the Commission that the Commission find that the proposed regulation will not impose a direct and significant economic burden on small businesses or directly restrict the formation, operation or expansion of a small business. The Commission accepted Staff’s recommendation and found that the proposed regulation does not impose a direct or significant economic burden upon small businesses, nor does it directly restrict the formation, operation, or expansion of a small business, and therefore a small business impact statement pursuant to NRS 233B.0608(2) is not required. This finding was memorialized in an Order issued in Docket No. 13-06021 on May 6, 2014.