

**PROPOSED REGULATION OF THE
PUBLIC UTILITIES COMMISSION OF NEVADA**

LCB File No. R187-05

November 23, 2005

EXPLANATION – Matter in *italics* is new; matter in brackets ~~[omitted material]~~ is material to be omitted.

AUTHORITY: §§1-8, NRS 703.025, 704.040, 704.210, 704.6873 and 710.140.

A REGULATION relating to telecommunications; requiring a county-owned telephone system to participate in the fund to maintain the availability of telephone service administered by the Public Utilities Commission of Nevada; providing the criteria for a county-owned telephone system to qualify for disbursement of money from the fund; and providing other matters properly relating thereto.

Section 1. Chapter 704 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this regulation.

Sec. 2. *“County telephone line or system” means a telephone line or system which is purchased, acquired or constructed by a county and controlled and managed by the board of county commissioners of that county pursuant to NRS 710.140.*

Sec. 3. *“Provider of telecommunication services” means a provider of telecommunication services that:*

- 1. Has obtained from the Commission a certificate of public convenience and necessity;*
- or*
- 2. Is a county telephone line or system.*

Sec. 4. NAC 704.6804 is hereby amended to read as follows:

704.6804 As used in NAC 704.6804 to 704.68056, inclusive, *and sections 2 and 3 of this regulation*, unless the context otherwise requires, the words and terms defined in NAC

704.68041 to 704.680424, inclusive, *and sections 2 and 3 of this regulation* have the meanings ascribed to them in those sections.

Sec. 5. NAC 704.68044 is hereby amended to read as follows:

704.68044 The Administrator of the Fund for Universal Service shall:

1. Conduct periodic audits of contributors to the Fund for Universal Service to ensure that the correct payments are being remitted by the providers of telecommunication service.
2. Verify the qualifications of an applicant who requests support from the Fund for Universal Service.
3. Collect assessments from each provider of telecommunication service ~~[certificated by the Commission]~~ and deposit that money into the Fund for Universal Service.
4. Disburse money from the Fund for Universal Service to providers of telecommunication service who qualify for funding in accordance with NAC 704.6804 to 704.68056, inclusive, *and sections 2 and 3 of this regulation* and with applicable orders of the Commission.
5. Prepare an annual report of all activities of the Fund for Universal Service including:
 - (a) The total annual payments into the Fund from each ~~[certificated]~~ provider of telecommunication service; and
 - (b) An itemization of all disbursements from the Fund to each qualified provider of telecommunication service.
6. Prepare and submit a request to the Commission to collect money for and disburse money from the Fund, which includes:
 - (a) The estimated amount of money required to support the Fund for the following year; and

(b) The percentage rate which must be applied to the intrastate retail revenues of all of the providers of telecommunication service, to raise the estimated amount of money required, as reported in paragraph (a) . ~~[of this subsection.]~~

Sec. 6. NAC 704.68046 is hereby amended to read as follows:

704.68046 To qualify for a disbursement of money from the Fund for Universal Service:

1. Except as otherwise provided in subsection 2, if the disbursement of money is for the purposes set forth in subsections 1 to 4, inclusive, of NAC 704.68043, the provider of telecommunication service must:

(a) Be an eligible telecommunications carrier; and

(b) Unless otherwise specifically authorized by the Commission, average its rates for basic service in a manner that is consistent with NAC 704.68085 within the service area in which it is designated as an eligible telecommunications carrier.

2. If the disbursement of money is:

(a) For the purpose set forth in subsection 4 of NAC 704.68043; and

(b) Intended specifically to support the provision of access to an Internet service provider pursuant to the provisions of 47 C.F.R. § 54.621,

↳ the provider of telecommunication service is not required to be an eligible telecommunications carrier, but must have a certificate of public convenience and necessity issued by the Commission ~~[;]~~ *or be a county telephone line or system.*

3. If the disbursement of money is for the purpose set forth in subsection 5 of NAC 704.68043, the provider of telecommunication service must:

(a) Hold a certificate of public convenience and necessity issued by the Commission ~~[;]~~ *or be a county telephone line or system;*

(b) Meet the requirements for eligibility set forth in 47 C.F.R. § 54.501; and

(c) Provide services described in 47 C.F.R. § 54.502 at discounted rates pursuant to NAC 704.680469.

Sec. 7. NAC 704.680461 is hereby amended to read as follows:

704.680461 1. A provider of telecommunication service who seeks designation as an eligible telecommunications carrier must file with the Commission an application in which the provider affirms that it:

(a) Holds a certificate of public convenience and necessity issued by the Commission that authorizes the provider of telecommunication service to provide basic service ~~in~~ *or is a county telephone line or system.*

(b) Unless otherwise specifically authorized by the Commission pursuant to NAC 704.680462, offers the services described in 47 C.F.R. § 54.101 throughout the service area for which the provider of telecommunication service seeks designation as an eligible telecommunications carrier. Such services must be provided at rates and in accordance with terms that are nondiscriminatory and may be provided by the provider of telecommunication service using:

(1) Its own facilities, which may include, without limitation, facilities obtained as unbundled network elements from another provider of telecommunication services; or

(2) A combination of its own facilities and resale of the services of another provider of telecommunication service.

(c) At least once every 3 months, advertises throughout the service area for which the provider of telecommunication service seeks designation as an eligible telecommunications carrier the availability of the services described in 47 C.F.R. § 54.101 and the rates and charges

applicable to those services through prominent presentation in one or more forms of media of general distribution, including, without limitation, newspapers, television or radio.

2. The Commission will issue an order approving or denying an application filed pursuant to subsection 1 within 90 days after receipt of the application.

Sec. 8. NAC 704.68054 is hereby amended to read as follows:

704.68054 1. The Commission will make an annual determination of the total amount of money required to support the Fund for Universal Service for the next calendar year based on the recommendation of the Administrator and any person given permission to intervene by the Commission. The Commission will then set the assessment based on a percentage rate on anticipated revenues from retail intrastate telecommunication service of all ~~certificated~~ providers of telecommunication service required to recover this amount.

2. The assessment must be remitted to the Administrator by a provider of telecommunication service on a quarterly basis.

3. Any shortfall or overage in the Fund for Universal Service at the end of the calendar year must be carried forward to the following calendar year and used in establishing the rate for that year.