

LCB File No. R009-98

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

In re: Investigation into the impact of)
the Telecommunications Act of 1996 on) Docket No. 97-5018
universal service in Nevada.)
_____)

**NOTICE OF INTENT TO AMEND REGULATION;
NOTICE OF WORKSHOP; AND NOTICE OF HEARING**

The Public Utilities Commission of Nevada ("Commission") opened a docket, designated as No. 97-5018, to consider the impact of the Telecommunications Act of 1996 (the "Act") and the resulting Federal Communications Commission ("FCC") orders on universal service in Nevada.

A proposed regulation was developed by interested entities participating in this docket. The purpose of the regulation was to fulfill the requirements of Section 54, Chapter 482, Statutes of Nevada, 1997, and to secure lower prices and higher quality telecommunication services for Nevada consumers. That law mandates that each utility which provides telecommunication services to public schools and libraries establish discounted rates for those entities which qualify. It also requires that a regulation be adopted to ensure that each utility which provides telecommunication services to public or private nonprofit health care providers which serve persons in rural areas or persons with low income, and persons in rural, insular and high cost areas, provides access to telecommunication services and rates that are reasonably comparable to those services available in urban areas. Furthermore, the regulations adopted by this State must be consistent with 47 U.S.C. Section 254.

After a workshop and hearing the Commission adopted the proposed regulation on November 6, 1997. This regulation amended Chapter 704 of the Nevada Administrative Code ("NAC"). On November 21, 1997, the Commission's Regulatory Operations Staff ("Staff") filed a Petition for Correction of the rule adopted by the Commission. Staff believed that certain substantive changes were made to the Commission's proposed regulation by the Legislative Counsel Bureau following the Commission's November 3, 1997, hearing in this matter. Staff later determined that further clarification was needed and filed an Amended Petition for Correction on December 30, 1997. Staff accordingly filed proposed amendments to the adopted regulation.

The amended provisions of the regulation potentially affect all entities which offer telecommunication services. At this time, the Commission does not anticipate adverse economic effects on the entities affected by these regulation, either immediate or long-term, to result from the regulation. No adverse economic effects, either immediate or long-term, are expected at this time to the public. The entities affected by these regulations may experience beneficial economic effects, both immediate and long-term, which cannot be quantified at this time, as a result of the regulations as proposed. The public may experience beneficial economic effects in that telecommunication services will be available sooner and more economically to schools, libraries, rural health care providers, or more consumers at a reasonably comparable rate.

The Commission also at this time does not envision any increased costs associated with enforcement of this proposed regulation. This regulation does not overlap or duplicate any other state or local government regulation. The proposed regulation does not establish any new fee or increase an existing fee. Interested and affected persons or entities are

HEREBY INVITED to submit written comments in response to the proposed amended regulation on or before TUESDAY, FEBRUARY 24, 1998.

NOTICE IS HEREBY GIVEN that pursuant to 233B.061, the Commission has scheduled a workshop as follows:

TUESDAY, MARCH 10, 1998

10:00 a.m.
Public Utilities Commission
Hearing Room A
727 Fairview Drive
Carson City, Nevada 89701

(VIA VIDEO CONFERENCE TO)

Sawyer Office Building
Hearing Room A
555 E. Washington Ave., Suite 4500
Las Vegas, Nevada 89101

for the purpose of addressing the proposed amendments to the regulation. Furthermore, any comments submitted regarding the proposed regulation will also be considered at the workshop. The workshop may continue day to day as deemed necessary by the Commission.

The proposed amendments to the regulation and comments received to date by the Commission are available for public viewing at the offices of the Commission, 727 Fairview Drive, Carson City, Nevada 89710, and at the Sawyer Office Building, 555 East Washington, Suite 4500, Las Vegas, Nevada 89101.

Furthermore, NOTICE IS HEREBY GIVEN that pursuant to NRS 233B.061, the Commission will hold a hearing on the proposed regulation as follows:

TUESDAY, MARCH 10, 1998

1:00 p.m.
Public Utilities Commission
Hearing Room A
727 Fairview Drive
Carson City, Nevada 89701

(VIA VIDEO CONFERENCE TO:)

Sawyer Office Building
Hearing Room A
555 E. Washington, Suite 4500
Las Vegas, Nevada 89101

at which time interested persons may appear and be heard. If necessary, the hearing will continue from day to day until completed.

At the hearing, the Commission will discuss the proposed amendments to the regulation and the various comments received in an effort to draft and issue a final Commission sponsored regulation. At the hearing, the Commission may also consider issues related to the provisions of Chapters 233B, 703 and 704 of the Nevada Revised Statutes ("NRS") and NAC, may discuss public comments, and may make decisions on the procedural

and substantive issues raised at the hearing. A copy of this notice and the regulation to be amended are on file at the State Library, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours. Additional copies of the notice and the regulation to be adopted or amended or repealed will be available at the Public Utilities Commission of Nevada, 727 Fairview Drive, Carson City, Nevada, 89710 and 555 East Washington Avenue, Suite 4500, Las Vegas, Nevada, 89101 and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. Copies will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

Upon adoption of any regulation, the Commission, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, will issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reasons for overruling the consideration urged against its adoption.

This notice has been posted at the county courthouses in Carson City, Reno, and Las Vegas.

By the Commission,

JEANNE REYNOLDS, Commission Secretary

Dated: Carson City, Nevada

(SEAL) _____

R009-98**Amended Proposed Corrections to LCB Version of Universal Service Regulation
LCB File No. R150-97**

Brackets denote existing language to be deleted.

Underlining denotes language to be added.

1. Sec. 22 1. The commission will establish service areas to determine the area for which a provider of telecommunication service that seeks designation as an eligible telecommunications carrier:

(a) Must provide the telecommunication services set forth in 47 C.F.R. Part 54.010(a).

(b) Is eligible to receive federal universal service support.

2. Except as otherwise provided in subsection 3, the service area **[of a provider of last resort of basic service]** designated by the Commission pursuant to subsection 1 must be identical to the study area of the provider of last resort of basic service that provides basic telecommunications service within that area.

3. In an area served by a non-rural telephone company, any person may petition the commission for the establishment of a service area **[for a rural telephone company]** that differs from the service area established pursuant to subsection **[3] 2** **[for that rural telephone company]**. In determining whether to establish an alternative service area, the commission will consider:

(a) Whether the establishment of an alternative service area will promote competition;

(b) Whether the establishment of an alternative service area will promote universal service;

(c) The potential effect that establishment of an alternative service area may have on the fund for universal service; and

(d) Any other factor that the commission determines to be relevant.

4. As used in this section:

(a) [**“Rural telephone company”** has the meaning ascribed to it in 47 C.F.R. § 51.5.]

Non-rural telephone company” means a provider of last resort of basic service that does not meet the definition of a rural telephone company, as that term is defined in 47 C.F.R. §51.5.

(b) “Study area” means a geographic area defined by the Federal Communications Commission for each provider of last resort of basic service.

2. Sec. 23 1. An eligible school or library that wishes to receive discounts in the rates for intrastate telecommunication service must, in accordance with the procedures and requirements set forth in 47 C.F.R. § 54.504, apply for such discounts to the entity designated by the Federal Communications Commission and satisfy all of the requirements of that federal regulation.

3. Sec. 25.

2. Information which demonstrates that federal universal service support is not available for the [**fiscal**] funding year to reimburse the amount of the discount in the rate for intrastate services.

4. Sec. 26 1. A provider of health care that wishes to receive:

(a) The urban rate for an eligible telecommunications service, as determined pursuant to 47 C.F.R. § 54.605; or

(b) Access to an internet service provider,

must, in accordance with the procedures and requirements set forth in 47 C.F.R. § 54.615, file an application for such discounted service with the entity designated by the Federal Communications Commission and satisfy all of the requirements of that federal regulation.

5. Sec. 27 1. ~~Except as otherwise provided in subsection 2, a provider of telecommunication service~~ An eligible telecommunications carrier who provides telecommunication service to a public or private nonprofit provider of health care that serves persons in a rural area shall, to the extent that federal universal service support or money from the fund for universal service is available, charge that provider of health care rates for available intrastate eligible telecommunications services that are no higher than the urban rates for such services, as determined pursuant to 47 C.F.R. § 54.605.

2. A provider of telecommunication service [**is not required to comply with the provisions of subsection 1 if the requested service is**] who provides access to an internet service provider to a public or private nonprofit provider of health care that serves persons in a rural area, shall provide credits for toll charges associated with such access pursuant to 47 C.F.R. § 54.621(a).

6 Sec. 28

4. (g) Information which demonstrates that federal universal service support is unavailable for the [**fiscal**] funding year to pay the amount of the discount or the costs of the toll charges.

7. Sec. 30 [**A provider of telecommunication service**] An eligible telecommunications carrier shall offer to subscribers within its service area the following services:

(a) Lifeline; and

(b) Link up.

2. In offering lifeline service pursuant to subsection 1, [a provider of telecommunication service] an eligible telecommunications carrier shall offer to qualifying low-income subscribers a lifeline discount of at least \$5.25 per line per month[. The rate for lifeline service after deduction of the discount must be] but no more than 60 percent of the amount of the monthly rate charged by the provider for one-party residential basic local exchange service, including, without limitation, the charge for a federal subscriber line.

8. Sec. 31 Except as otherwise provided in subsection 2, [a provider of telecommunication service] an eligible telecommunications carrier shall not disconnect service provided pursuant to a lifeline program if the subscriber fails to pay charges for toll calls.

2. [A provider of telecommunication service] An eligible telecommunications carrier may file with the commission an application for a waiver from the requirements of subsection 1.

3. The commission will approve an application for such a waiver only upon determining after investigation that the [provider of telecommunication service] an eligible telecommunications carrier:

9. Sec. 32 Except as otherwise provided in subsection 2, [a provider of telecommunication service] an eligible telecommunications carrier shall not charge a service deposit to initiate service provided pursuant to a lifeline program if the qualifying low-income subscriber elects voluntarily to receive toll blocking from the provider.

2. [The provider of telecommunication service] The eligible telecommunications carrier may charge a service deposit to initiate service provided pursuant to a lifeline program

if the qualifying low-income subscriber does not elect voluntarily to receive toll blocking or if toll blocking is unavailable.

10. Sec. 33 A provider of telecommunication service who is designated as an eligible telecommunications carrier may file an application requesting a disbursement of money from the fund for universal service for reimbursement of the costs of providing a discount in the rate for lifeline service pursuant to section 30 of this regulation. The amount of reimbursement requested per month per line must not exceed[:] the difference between the amount of the lifeline discount offered by the provider pursuant to section 30 of this regulation and the amount of federal universal service support available for the discount in accordance with 47 C.F.R. § 54.403(a).

[(a) The first \$5.25 per line per month; and

(b) One half of any available federal universal service support that exceeds \$5.25 per line per month, up to the maximum level of federal support of \$7.00 per line per month, in accordance with 47 C.F.R. § 54.403(a).]