

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
717 14TH STREET, N.W., WASHINGTON, DC 20005

ORDER

January 31, 2000

FORMAL CASE NO. 962, IN THE MATTER OF THE IMPLEMENTATION OF THE DISTRICT OF COLUMBIA TELECOMMUNICATIONS COMPETITION ACT OF 1996 AND IMPLEMENTATION OF THE TELECOMMUNICATIONS ACT OF 1996; FORMAL CASE NO. 988, IN THE MATTER OF DEVELOPMENT OF UNIVERSAL SERVICE STANDARDS AND THE UNIVERSAL TRUST FUND FOR THE DISTRICT, Order No. 11595

By this Order, the Public Service Commission of the District of Columbia ("Commission") removes the universal service issues from the Formal Case No. 962 proceeding and opens a new proceeding to resolve these issues. The Commission also requests the parties to review the attached universal service issue list, and file a joint statement detailing which issues should be removed, added, or retained in this new proceeding.

I. OPENING OF FORMAL CASE NO. 988

The District of Columbia Telecommunications Competition Act of 1996 required the Commission to initiate a proceeding to resolve issues regarding the deregulation of the telecommunications marketplace.¹ By Order No. 10855,² the Commission opened Formal Case No. 962 to implement this Act. Following an informal conference on September 19, 1997, the Commission requested that the parties participating in Formal Case No. 962 develop a list of universal service issues that needed to be addressed by the Commission.

On October 7, 1997, many of the parties submitted a list of universal service issues to be addressed by the Commission.³ As this list contained numerous complex issues that are distinct from the unbundling, collocation, and other issues relating to promoting competition in the District raised in Formal Case No. 962, the Commission has determined that a separate proceeding is needed to address and resolve fully those issues related solely to universal service. Therefore, the Commission is establishing Formal Case No. 988 to deal solely with universal service issues in the District.

¹ D.C. Code Ann. § 1452(k) (1998 Repl.).

² Formal Case 962, Order 10855, 962-T-1, October 9, 1996.

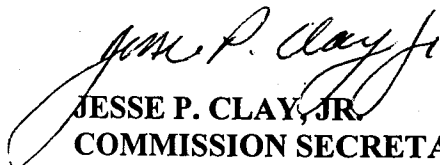
³ Formal Case 962, Joint Proposed Universal Services List, 962-T-242, filed October 7, 1997.

II. REFINEMENT OF THE ISSUES TO BE CONSIDERED IN FORMAL CASE NO. 988

The October 7, 1997, universal service issues list submitted by the parties contains a preliminary itemization of the issues to be addressed in a universal service proceeding. However, since the filing of the universal service list, some issues have been rendered moot, substantially changed, or added due to subsequent rulings by the Federal Communications Commission, Bell Atlantic – Washington, DC, Inc.'s designation as a carrier eligible for low-income universal service support, and other activities in the marketplace. Therefore, the Commission invites the parties that originally developed the attached universal service issues list, as well as any other interested parties, to participate in discussions to update and submit a revised list. This revised list should eliminate those issues that have become obsolete, retain those issues that are still relevant to this proceeding, and include any new issues that should be addressed. After review of the revised list, the Commission will determine the final list of universal service issues to be addressed.

THEREFORE, IT IS ORDERED THAT

1. Formal Case No. 988 is opened to resolve the issues regarding universal service in the District; and
2. All interested parties, including those that developed the October 7, 1997 list of universal service issues, shall jointly update the October 7, 1997 list, and submit this revised list by February 29, 2000.
3. Any party unable to join in the consensus for providing an updated list of universal service issues may submit its own list by February 29, 2000.

A TRUE COPY:**BY DIRECTION OF THE COMMISSION:****CHIEF CLERK**

JESSE P. CLAY, JR.
COMMISSION SECRETARY

**JOINT PROPOSED
UNIVERSAL SERVICE ISSUES LIST**

A. PRINCIPLES/GENERAL OVERVIEW

A1. What specific objectives and public policy goals should the Commission expect to achieve in this proceeding?

A2. Is there any issue with respect to rate rebalancing which should be considered in connection with this proceeding?

A3. What changes, if any, would be required to the existing price cap plan of regulation for BA-DC to accomplish the universal service objectives of this proceeding? Do these objectives and the steps required to achieve them have any effect on the existing Infrastructure Fund established in conjunction with the price cap plan?

A4. How, if at all, do the Universal Service policy objectives under the 1996 Telecommunications Act differ from those under Section 4 of the D.C. Act (D.C. Code 43-1453)?

A5. How, if at all, does the federal universal service funding mechanism affect the District's universal service fund?

A6. What service quality standards should apply to the universal services and/or carriers eligible to provide them?

A7. In addition to the specific issues listed herein, are there are other implementation issues arising from the FCC Universal Service Order (issued May 7, 1997) or from the D.C. Act (D.C. Code 43-1453) which the Commission should address?

B. DEFINITION OF UNIVERSAL SERVICE

B1. What specific services should be identified as universal services in the District? How, if at all, should the services considered universal services for purposes of the D.C. Act differ from those established by the FCC in its May 8, 1997 Order? Specifically by non-limiting example, (a) should flat-rated voice service be considered a universal service or should a certain amount of measured local usage?, and b) should Telecommunications Relay Service be considered as a universal service to comport with the general definition of universal services as including accounting for "those with disabilities" under the D.C. Act? See also Section F, below.

B2. How often and in what manner should the services included as universal services in the District be reviewed by the Commission for possible expansion?

C. AFFORDABILITY

C1. Are existing rates for universal services in the District "just, reasonable and affordable"?

C2. On a going-forward basis, how should the Commission determine the benchmark rate(s) of "affordability" for universal services? How does this benchmark compare to the FCC suggested benchmark?

C3. To what extent should factors such as subscribership level, expenditures as a percentage of income, cost of living and local calling area size (including "community of interest" factors such as population density and other socio-economic indicators) bear on determining the "affordability" issue?

C4. What factors determine subscribership level and how, if at all, do these factors bear on universal service policies?

D. CARRIERS ELIGIBLE FOR UNIVERSAL SERVICE SUPPORT

D1. How should the local calling area be defined for purposes of determining carrier eligibility for receipt of federal support (paragraph 184 of the FCC's May 7 Order)?

D2. What guidelines, if any, should the Commission establish regarding the requirement under section 21(e)(1)(B) of the Telecommunications Act that eligible carriers advertise, throughout their service areas, the availability of and charges for the supported services using media of general distribution (paragraph 148 of the FCC's May 7 Order)?

D3. How should eligible carriers be required to advertise the availability of, and charges for, Lifeline Service pursuant to their obligations under Section 214(e)(1) of the Telecommunications Act?

D4. What is the proper definition of "facilities" under Section 214(e)(1)(A) of the Telecommunications Act for purposes of determining eligible carriers?

H4. Through what mechanism and on what basis should any such required contributions under the Telecommunications Act be accomplished? What is the specific way in which any calculated contribution would be derived and what should be included in making that calculation (e.g. if revenues are used, how should the revenues be measured)?

H5. Should wireless intrastate telecommunications providers contribute to any such fund and, if so, does the Commission have authority to require such contributions?

H6. On what basis should funds from the federal universal service fund be distributed (e.g. per line basis or some other measure?)

H7. Through what mechanism and in what form should each carrier's contribution to the Universal Service Trust Fund under the D.C. Act (Section 43-1453(b)) be determined and made?

H8. How should eligible customers receive the benefits of the Universal Service Trust Fund, through existing programs (as possibly modified) or through some other mechanism?

H9. What actions are required by the Commission to ensure that all eligible low income consumers in the District benefit from the additional federal universal service fee of \$1.75 from \$3.50 to \$5.25 (para. 351 of the May 7 Order) and the additional increase of \$1.75 to a total of \$7.00 in federal support para. 352)?

H10. What process should the Commission follow to determine how and/or who should be named the Universal Service Trust Fund Administrator under the D.C. Act? By non-limiting example, issues relevant to this include whether a third-party administrator should be established, whether the Administrator should be a non-governmental entity, or whether the Commission itself should assume this role and is authorized to do so.

H11. What general process and guidelines should the Administrator follow in carrying out the Administrator's statutory responsibilities and how should the Administrator's adherence to these requirements be monitored? Who will audit the Administrator?

I. PUBLIC INTEREST PAYPHONES: IMPLEMENTATION AND FUNDING ISSUES

11. Should issues pertaining to funding and the establishment of "public interest payphones" (FCC Report and Order in CC Docket Nos. 96-128 and 91-35 at ¶¶ 277-286, Sept. 20, 1996) be addressed in this Universal Service proceeding?

12. If issues relating to public interest payphones are to be addressed in this proceeding, what are those issues and considerations which the Commission must address?