

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

July 14, 2000

IN RE:)
)
GENERIC DOCKET ADDRESSING) **DOCKET NO. 00-00523**
RURAL UNIVERSAL SERVICE)
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)

ORDER OPENING DOCKET FOR PURPOSE OF ADDRESSING RURAL UNIVERSAL SERVICE AND APPOINTING HEARING OFFICER

At a regularly scheduled Authority Conference on June 20, 2000, the Directors voted unanimously to open a docket for the purpose of addressing Rural Universal Service.

History

In 1995, the Tennessee General Assembly passed laws to facilitate competition in the telecommunication market. Realizing that the conversion from a monopolistic to a competitive environment could affect local rates set during rate of return regulation, the General Assembly enacted Tenn. Code Ann. § 65-5-207 which states: "Universal service, consisting of residential basic local exchange telephone service at affordable rates and carrier-of-last-resort obligations must be maintained after the local telecommunications markets are opened to competition."

The federal government also addressed the need for Universal Service. Section 254 of Telecommunications Act of 1996 ("the Act") states:

Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably