

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

JULY 27, 2001

IN RE:

UNIVERSAL SERVICE GENERIC
CONTESTED CASE

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DOCKET NO.
97-00888

THIRD INTERIM ORDER ON PHASE II AND
FIRST INTERIM ORDER ON PHASE III

This matter came before the Tennessee Regulatory Authority (“Authority”) at a regularly scheduled Authority Conference held on May 15, 2001 to resolve certain issues raised by the Authority during the February 21, 2001 Authority Conference.¹

I. Procedural History

The Authority convened the Universal Service Docket to establish an intrastate Universal Service funding mechanism pursuant to Tenn. Code Ann. § 65-5-207; Section 214 of the Telecommunications Act of 1996 (the “Act”);² and Federal Communications Commission (“FCC”) Order 97-157.³ The Authority initially determined that it would divide the docket into two phases, but later added a third phase to address rate rebalancing.

In Phase I, the Authority defined the general parameters for “determining the appropriate size of the intrastate [fund]” and recognized that “the size of the fund could have a significant

¹ The Authority set forth the specific issues and due dates for briefs in the *Second Interim Order on Phase II* issued May 22, 2001.

² See 47 U.S.C. § 214 (Supp. 2000)

³ See *In re Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, FCC 97-157, 12 FCC Rcd. 8776 (May 8, 1997) (Report and Order).