

IDAHO PUBLIC UTILITIES COMMISSION

Case No. GNR-T-04-12, Order No. 29570

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Surcharge for universal service increases

Boise – A surcharge that helps telephone companies provide service in high-cost rural areas will increase slightly, as a result of an order signed today by the Idaho Public Utilities Commission.

The Idaho Telecommunications Act of 1988 created the Universal Service Fund to maintain universal availability of local telephone service at reasonable rates in areas where greater distances and fewer customers makes providing service more costly than providing the same service in urban areas. Idaho Code 62-610A, states that, “all consumers in this state, without regard to their location, should have comparable accessibility to basic telecommunications services at just and reasonable rates.”

All telephone companies contribute to the fund through a surcharge on customer bills. Today’s order increases the amount telephone customers pay from 8 cents per residential line per month to 10 cents and from 13 cents per business line to 15 cents. Customers of long distance companies also contribute to the fund. Under today’s order, in-state toll calls increase from \$0.0025 cents per minute to \$0.003 cents per minute.

Disbursements from the fund to the eight qualifying local telephone companies were \$1,898,303 during the last fiscal year. Surcharge revenue for the last fiscal year totaled \$1,485,790. An administrator for the fund reports that leaving the surcharge at current levels will result in a negative balance this fiscal year of about \$51,807.

The eight telephone companies that qualify for USF disbursements include: Albion Telephone Company, Cambridge Telephone Company, Direct Comm of Rockland, Inland Telephone Company of Roslyn, Wash. (serving Idaho customers in Lenore and Leon), Fremont Telecom, Inc. of St. Anthony; Midvale Telephone Exchange, Rural Telephone Co. of Glens Ferry and Silver Star Telephone Co. of Freedom Wyo. (serving Idaho customers in the eastern portions of Bonneville and Caribou counties).

With assistance from the Universal Service Fund, these rural telephone companies are able to keep their rates at no more than 25 percent higher than rates in more urban areas.

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