DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

RITA SCOTT

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

JOE CUSICK

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DAVID SCOTT

WORKING FILE

FROM:WELDON STUTZMAN

DATE:JUNE 18, 1998

RE:CASE NO. GNR-T-98-6

IMPLEMENTING AMENDMENTS TO THE IDAHO TELECOMMUNICA­TIONS SERVICE ASSISTANCE PROGRAM (ITSAP)

On June 2, 1998, the Commission issued a Notice of Proposed Order to initiate implementation of 1998 amendments to the Idaho Telecommunications Service Assistance Program (ITSAP).  The Notice informed interested parties that the Commission intends to implement the program changes by July 1, 1998, and that the Proposed Order establishes the ITSAP surcharge at 13¢ per end user business, residential and wireless access service.  The Commission requested that interested parties file comments regarding the Proposed Order within 14 days of its service date.  Only U S WEST filed comments during the comment period.

In its comments, U S WEST stated that it is prepared to implement the changes to the ITSAP program as proposed by the Commission’s Proposed Order, but that U S WEST’s southern Idaho operations “pose one problem for the full implementation of the legislation and the Proposed Order in calendar year 1998.”  U S WEST stated that its current ITAP charge is not a separate billing item but is bundled in the local exchange rate for business and residential customers.  Because revising its billings for southern Idaho is “an extremely difficult and time consuming process,” U S WEST stated that it cannot separately identify the ITSAP surcharge on customer bills until January 1999.  Although formal comments were not filed, Staff also was contacted by a representative of independent telephone service providers, who indicated that similar billing difficulties exist for the smaller companies and that it may not be possible to begin collecting the new surcharge until the August billing cycle.

Given the fairly rapid implementation by the Commission of the new ITSAP amendments, it is understandable that individual telephone providers may have difficulty in fully implementing the program changes by July 1, 1998.  Staff therefore recommends that the Commission issue the Proposed Order, realizing that there may be a delay before the surcharge is separately identified on customer bills.  The telephone companies should begin collecting the surcharge amount and remitting it to the ITSAP administrator as soon as possible.  Until it appears as a line item charge, Staff recommends that the telephone companies provide a notice on customer bills that the Commission has approved an ITSAP surcharge of 13¢.

The Commission’s Notice of Proposed Order did not identify an ITSAP administrator “because the Commission desires additional information regarding administrator’s duties and cost  before making a final determination.”  Staff contacted the current administrator for the State USF and the TRS programs to obtain input on the administrator’s duties and to request administration proposals.  Alyson Anderson, the current USF administrator, provided a written letter of interest regarding the administration of the ITSAP program.  In addition, Staff prepared an administration cost estimate.    Both the letter and cost estimate are attached to this memorandum.

Finally, Staff was able only to provide an estimate of wireless providers for the Proposed Order.  Despite additional efforts to obtain more information, Staff has been unable to better identify the number of wireless subscribers in the state.  Staff therefore recommends that the estimate provided in the Proposed Order be used and that more specific information regarding wireless providers be obtained as Staff and the ITSAP administrator begin contacting wireless providers in regard to the ITSAP surcharge.

Staff recommends that the Commission issue the Proposed Order to implement the ITSAP amendments on July 1, 1998, and designate Alyson Anderson as the ITSAP administrator.  The Commission can expect that some telephone companies will not be able to separately identify the surcharge on customer bills, and may not begin remitting surcharge revenues to the administrator until August.

Commission Decision:

Should the Commission adopt the Proposed Order as a Final Order to implement the 1998 amendments to the ITSAP program?

What changes should be made to the Proposed Order?

Weldon Stutzman

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