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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF DESIGNATING TELECOMMUNICATIONS SERVICES, IN ADDITION TO BASIC LOCAL SERVICE, AS UNIVERSAL SERVICES, FOR THE PURPOSES OF RECEIVING 1998 TELECOMMUNI-CATIONS UNIVERSAL SERVICE FUNDS.                                                                                       | ))))))) | CASE NO. GNR-T-98-7COMMISSION STAFFANSWER TO MOTION FORRECONSIDERATION |

COMES  NOW  the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Cheri C. Copsey, Deputy Attorney General, pursuant to Commission Rule 331(5), IDAPA 31.01.01.331.05, and answers U S WEST Communications, Inc.’s Motion for Reconsideration, filed September 29, 1998.  U S WEST requests the Commission to reconsider two things:  (1) its decision rejecting the recommendation that it define universal services as including flat rate calling within the EAS regions, and (2) its rejection of U S WEST’s recommendation that universal services be defined as including support for every residential line and up to five business lines.

On September 8, 1998, in Order No. 27715, the Commission adopted the following as its definition of “universal services” that should be made available to consumers by eligible telecommunications carriers to meet their obligation to provide universal service:

(1)Voice grade access to the public switched network.  “Voice grade access” is defined as a functionality that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call.  Voice grade access shall occur within the frequency range of between approximately 300 Hertz and 3,000 Hertz;

(2)Local usage.  “Local usage” means an amount of minutes of use of exchange service, prescribed by the FCC, provided free of charge to end users;

(3)Dual tone multi-frequency signaling or its functional equivalent.  “Dual tone multi-frequency” (DTMF) is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time;

(4)Single-party service or its functional equivalent.  “Single-party service” is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user's particular transmission;

(5)Access to emergency services where available.  “Access to emergency services where available” means providing the network components necessary to allow access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations.  Universal service does not include provision of theunderlying services themselves, which combine telecommunications service and the operation of thePublic Service Access Point (“PSAP”) and, in the case of E911 service, a centralized database containing information identifying approximate end user locations.  911 is defined as a service that permits a telecommunications user, by dialing the three-digit code “911,” to call emergency services through a PSAP operated by the local government.  “Enhanced 911” is defined as 911 service that includes the ability to provide automatic numbering information (“ANI”), which enables the PSAP to call back if the call is disconnected, and automatic location information (“ALI”), which permits emergency service providers to identify the geographic location of the calling party.  “Access to emergency services” includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems;

(6)Access to operator services.  “Access to operator services” is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call;

(7)Access to interexchange service.  “Access to interexchange service” is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network;

(8)Access to directory assistance. “Access to directory assistance” is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings; and

(9)Toll limitation for qualifying low-income consumers.  “Toll limitation for qualifying low-income consumers” is either toll blocking and toll control.

Order at pp. 1-2.   The Commission specifically rejected both flat rate calling within the EAS region as a universal service and that support for multiple residential lines and up to five business lines be designated as universal services.  Order at pp. 8-9.  The Commission Staff does not support reconsideration.

1.The Commission correctly determined that U S WEST’s recommendation that all residential lines and up to five business lines be designated as a universal service to receive 1998 Telecommunications USF is not appropriately before the Commission in this docket.

U S WEST argued that the Commission concluded that “only single line will be supported.”  U S WEST’s Motion for Reconsideration at p. 7.  However, the Commission did not conclude this.  Instead, the Commission ruled

Finally, the Commission finds that U S WEST’s recommendation that all residential lines and up to five business lines be designated as a universal service to receive 1998 Telecommunications USF is not appropriately before the Commission in this docket.

Order at p. 8.  (Emphasis added).  It ruled that

This issue involves the extent of USF support and not what services should be designated as universal service.  The Commission notes that contrary to U S WEST’s statutory analysis, Idaho Code § 62-603(1) simply defines the Commission’s Title 61 jurisdiction as extending to the provision of two way interactive switched voice communication to residential and small business customers within a local exchange calling area.  It does not define universal service.  The Commission agrees with the FCC that when the Commission determines how to calculate forward-looking economic costs, the Commission will necessarily examine the forward-looking costs of supporting additional residential connections or multiple connection businesses.  Therefore, the Commission will address this issue when it adopts its cost methodology.

Id.  The Commission Staff agrees.  This is not an issue of “universal service.”  It should be addressed when the Commission adopts a cost model.  Therefore, the Commission should deny reconsideration of this issue.  Moreover, U S WEST is not foreclosed from addressing what is essentially a request for 1998 Telecommunications USF support for every residential line and up to five business lines when the Commission adopts its cost model.

2.The Commission was correct in not designating “flat rate calling within a customer’s EAS region” as a universal service.

While U S WEST attempts to bootstrap the Staff recommendation that “flat rate calling within a customer’s local exchange” should be designated as a universal service into a recommendation that flat rate calling within a customer’s EAS region should be designated as a universal service.  Staff continues to oppose designating flat rate calling within a customer’s EAS region as a universal service.  As Staff noted in its opening comments,

. . . Staff does not support including EAS regions in the definition of universal services because requiring approved EAS calling regions be included as part of universal services could serve as a barrier to entry for some providers and may violate Section 253 of the federal Telecommunications Act of 1996.  It could be argued that a competitive local exchange carrier may not have the financial or technical ability, or the desire, to offer EAS if it is targeting a niche market and wants to compete for those customers who have no desire for EAS services.

Staff Comments at p. 5.  Moreover, there are several problems with U S WEST’s contention.

Both Staff and U S WEST recommended in GNR-T-98-8 (designation of “service area”) that the service area within which these universal services be offered be designated at the ILEC’s wire center.  The wire center is generally not the same geographic area as the EAS regions.  It is generally much smaller.  If the Commission were to adopt U S WEST’s recommendation in this general docket and U S WEST recommendation in GNR-T-98-8, a competitive local exchange carrier (“CLEC”) would be in the anomalous position of being required to provide toll free calling to an area larger than the service area.  Moreover, EAS often involves more than one carrier.  This would require any CLEC to enter into multiple interconnection agreements.  That is why the Commission ruled

The Commission finds that this issue should be considered when the Commission considers the designation of service areas (Case No. GNR-T-98-8) and later when it considers the designation of support areas.  This issue addresses the question of where universal services should be available and not the underlying service itself.  Therefore, the Commission will consider this issue in Case No. GNR-T-98-8.

Order at p. 8.  The Staff, therefore, opposes reconsideration of this issue.

DATED  at Boise, Idaho, this            day of October 1998.

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