DECISION MEMORANDUM

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WORKING FILE

FROM:CHERI C. COPSEY

DATE:JULY 1, 1998

RE:GENERAL POLICY DOCKETTO DESIGNATE TELECOMMUNICATIONS SERVICES, IN ADDITION TO BASIC LOCAL SERVICE, AS UNIVERSAL SERVICE  -- CASE NO. GNR-T-98-7.

The 1998 legislature amended Idaho Code § 62-610 creating a1998 Telecommunications Universal Service Fund (“Telecommunications USF”).  See Idaho Code §§ 62-610A-F.  Idaho Code § 62-610F anticipates that the Telecommunications USF will be established by March 1, 1999.  One of the purposes for creating the Telecommunications USF was to make “universal service,” as to be defined by the Commission,widely available to all Idahoans.  Id.  Once established, disbursements from the Telecommunications USF will be used to defray costs, as to be determined by the Commission, for providing “universal service” to customers within a geographic support area.  Those costs will be calculated using a “forward-looking cost methodology.”  Idaho Code §§ 62-610F. The Commission has already opened a docket to consider what that methodology should be.  GNR-T-97-22.

One of the first steps in establishing the Telecommunications USF, is for the Commission to designate what telecommunications services, in addition to basic local exchange service, should be “widely available to consumers in all regions of the state at just and reasonable rates.”  Idaho Code § 62-610B(6).  The legislature stated that universal service is an evolving level of telecommunication services and directed the Commission to “review the level of telecommunication services within the state on a periodic basis and designate those service(s) which should be made available to consumers by eligible telecommunications carriers to meet their obligation to provide universal service . . .”  Idaho Code § 62-610C.

In considering those services, in addition to basic local exchange service ,that are to be designated, the Commission must consider the extent to which such other telecommunication services:

(a) Have, through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers;

(b) Are being deployed in public telecommunications networks by telecommunications carriers; and

(c) Are consistent with the public interest, convenience and necessity.

(d) The commission shall also consider definitions of universal service adopted by the federal communications commission pursuant to the telecommunications act of 1996.

Id.

The FCC has generally defined those universal services as: “single-party service; voice grade access to the public switched network; Dual Tone Multifrequency signaling or its functional equivalent; access to emergency services; access to operator services; access to interexchange service; access to directory assistance; and toll limitation for qualifying low-income consumers.”  More specifically, universal services are defined by the FCC as follows:

(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,(footnote: 1)

(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.  "Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations.  911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911," to call emergency services through a Public Service Access Point (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 both toll blocking and toll control.

STAFF RECOMMENDATION

Staff recommends that the Commission solicit public comment concerning those telecommunication services which should be made available to consumers by eligible telecommunications carriers to meet their obligation to provide universal service.  As required by Idaho Code § 62-610C (d), Staff reviewed the definition of universal service adopted by the FCC and found that definition to be consistent with the public interest, convenience and necessity.  Staff, therefore, proposes that the Commission adopt the FCC definition for universal services as its definition for Idaho universal services.  The Commission previously granted waivers for providing toll control.  Staff recommends the Commission adopt a twenty-one (21) day opening comment period with reply comments due seven (7) days later.

Commission Decision

Does the Commission want to solicit public input concerning the types of telecommunication services within the state which should be made available to consumers by eligible telecommunications carriers to meet their obligation to provide universal service?

Does the Commission want to adopt a twenty-one (21) comment period with reply comments due seven (7) days later?

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Cheri C. Copsey

**FOOTNOTES**

1:

 This part was amended in the Fourth Reconsideration on December 30, 1997.  Originally, the bandwidth was set at 500 Hertz to 4,000 Hertz.  Bandwidth, as a measure of channel capacity for analog signals, is the range of frequencies that the channel can carry with attenuation less than some specified amount. On reconsideration, the FCC stated:

16.  We reconsider, on our own motion, the Commission's specification of a bandwidth for voice grade access to the PSTN and conclude that bandwidth for voice grade access should be, at a minimum, 300 Hertz to 3,000 Hertz.  In the Order, the Commission determined that voice grade access bandwidth be approximately 500 Hertz to 4,000 Hertz.  We reconsider that determination based on our recognition that the 500 Hertz to 4,000 Hertz bandwidth established in the Order would require eligible carriers to comply with a voice grade access standard that is more exacting than current industry standards, a result that we did not intend.