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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF REVIEWING U S WEST COMMUNICATIONS’ SOUTHERN IDAHO REVENUE SHARING PLAN FOR THE COMPLETED 1994 SHARING YEAR. | )))))) | CASE NO. USW-S-95-1NOTICE OF FILED PLANNOTICE OF MODIFIED PROCEDURE |

On March 7, 1996, the Commission issued Order No. 26355 approving the distribution of the 1994 revenue sharing funds.  In particular, the Commission reserved approximately $4.2 million for enhancing public educational communications services in that portion of southern Idaho served by U S WEST Communications.  Following an evidentiary hearing, the Commission rejected an educational proposal submitted by the Access 96 Coalition.  Instead, the Commission directed that the Idaho Council for Technology in Learning, submit a revised plan for educational and library infrastructure projects no later than April 22, 1996.  The Council has submitted its proposal.  The Commission has decided to process this proposal under Modified Procedure and encourages the parties and other interested persons to this case to submit comments on the proposal within 21 days from the date of this Order.

BACKGROUND

In Order No. 26355, the Commission distributed the 1994 revenue sharing funds to three areas: (1) approximately $1.25 million for telephone switch replacements; (2) $1.25 million to be used as credits for 65,000 rural zone customers; and (3) the remaining balance of approximately $4.2 million be set aside for enhancing educational communications services in southern Idaho.  The Commission directed that the Council resubmit a revised proposal “demonstrating the public interest benefits of expanding educational communications for public schools and libraries.  A revised proposal should address procedures to ensure that educational infrastructure will be a community resource available for use by other entities.”  Order No. 26355 at 12.  The Commission further noted that the recently enacted federal Telecommunications Act of 1996 gives the communication needs of public education and library facilities special consideration.  The revised proposal was to outline the recommended uses for 1994 revenue sharing funds for the deployment of communications infrastructure, its access, or equipment.

When the Commission issued its Order reserving the balance of the 1994 revenue sharing funds for educational communications infrastructure, there was approximately $4,213,703 reserved for such projects.  Interest at a rate of 11.9% per annum continues to accrue on this amount.  Consequently, the Commission estimates that $4,341,359 will be available for the Council’s proposal as of June 1, 1996.

NOTICE OF FILED PLAN

YOU ARE HEREBY NOTIFIED that the Council’s communication plan has two major components.  First, the Council has proposed that approximately $382,000 be used for various library projects.  Approximately 58 public libraries are targeted for communication projects.  Twenty-five libraries would be equipped with communication facilities necessary to establish Internet capability and 28 additional libraries would receive financial support to obtain access for Internet conductivity.  Six additional libraries would receive funds to upgrade their existing facilities so that their library catalogs are accessible via the Internet, while two other library systems would place their library catalogs on line via the Internet.  The Council also proposed to create an Internet website for accessing the library network.  The use of library funds is guided by the Statewide Plan for Library Development (1994-98) and the Statewide Plan for Multi-type Library Cooperation and Resource Sharing (1996-99).  The library project funds will be leveraged with approximately $25,000 appropriated by the Legislature in fiscal year 1997.

YOU ARE FURTHER NOTIFIED that the Council indicated that the revenue sharing funds for local libraries will greatly improve the public’s ability to access on-line catalogs of the state’s major libraries via the Internet.  The public will also be able to access these catalog systems through home and office computers.  Members of the public will also be able to obtain access to the Internet’s wider array of information resources through the public libraries.

YOU ARE FURTHER NOTIFIED that the second component of the Council’s proposal earmarked approximately $3.828 million for use in public schools located within the U S WEST service area.  The Council proposed to make available $10,000 for each eligible school district and approximately $9,000 for each school facility.  The Council calculated that there are 61 school districts and approximately 373 school facilities that would receive revenue sharing funds.  The school district projects include the networking of school buildings, creating wide area networks to connect schools, adding teleconferencing capability for distance learning, and connecting schools to other community resources and the Internet.  The Coalition stated that the revenue sharing funds will allow the affected districts to complete two years of their planned telecommunication projects in a single year.

YOU ARE FURTHER NOTIFIED that the school projects are tailored to suit the needs of individual schools and school districts, and are not restricted to any particular communications technology or provider. For example, the Meridian School District will leverage its revenue sharing funds of approximately $210,000 to network and install service in four elementary schools thereby providing Internet access a year earlier than planned.  The Pocatello School District plans to utilize its $210,000 revenue sharing funds to establish a distance learning link between its two high schools as well as implementing a wide-area network to connect its schools via cable.  The $71,000 of revenue sharing funds targeted for the Jerome Joint School District will allow the district to finish implementing its wide-area network and wire additional classrooms and libraries.

YOU ARE FURTHER NOTIFIED that the Council declared that school districts will share their telecommunications resources with their communities.  For example, school districts and schools may make their computer labs or media centers open at night so members of the community may be provided access to advanced telecommunication facilities.  In addition, such facilities may also be made available to health, business and government entities located within the various communities.

YOU ARE FURTHER NOTIFIED that revenue sharing funds targeted for school projects will be leveraged with additional funding administered by the Council.  The Legislature appropriated $12.9 million to the Council for FY 1997.  The Council stated that use of the revenue sharing funds will position Idaho schools and public libraries to effectively utilize advanced communication services that will soon be available to them at discounted rates as required by the federal Telecommunications Act of 1996.

YOU ARE FURTHER NOTIFIED that the Council has allocated money from its Administrative budget to cover the cost of administering and distributing the revenue sharing funds.  The State Department of Education will act as fiscal agent for the revenue sharing funds.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through -.204.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this proposal may file a written comment in support or opposition with the Commission within twenty-one (21) days from the service date of this Notice.  The comment must contain a statement of reasons supporting the comment.  Persons desiring a hearing must specifically request a hearing in their written comments.  Written comments concerning this application shall be mailed to the Commission and the Council at the addresses reflected below:

COMMISSION SECRETARYCATRIONA AYER

IDAHO PUBLIC UTILITIES COMMISSIONICTL SECRETARY

PO BOX 83720PO BOX 83720

BOISE, IDAHO  83720-0074BOISE, IDAHO 83720-0027

Street Address for Express Mail:

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

These comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that if no written comments are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing.  If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Idaho Council for Technology in Learning’s proposal has been filed with the Commission and is available for public inspection and copying during regular business hours at the Commission offices.

YOU ARE FURTHER NOTIFIED that the Council will require a complete accounting of the revenue sharing grants.  Each school district will be required to address how the revenue sharing fund has helped it complete its educational technology goals.  The Commission specifically invites comments whether it should require an actual accounting of how revenue sharing funds were spent by each library and school district.  The Commission contemplates that such a report would be filed after the projects have been implemented or approximately July 1, 1997.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Titles 61 and 62 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Titles 61 and 62.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

DATED at Boise, Idaho this day of May 1996.

Myrna J. Walters

Commission Secretary

vld/N-USW-S-95-1.dh

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

May 2, 1996