

Decision 98-06-007 June 4, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

Investigation on the Commission's own motion into the method of implementation of the Moore Universal Telephone Service Account.

OII 83-11-05
(Filed November 30, 1983;
Petition for Modification
filed November 27, 1991; and
Order to Show Cause
Filed November 23, 1993)

FINAL OPINION

General Order 153 was established on November 7, 1984 to set forth the administrative procedures for the Universal Lifeline Telephone Service (ULTS) program, which provides eligible subscribers with reduced-rate basic telephone service funded through a tax on intrastate inter-local access and transport area (LATA) toll calls. On July 16, 1987, this ULTS tax was rescinded and replaced with a ULTS surcharge applicable to intraLATA toll and intrastate interLATA toll equally, as addressed in Decision (D.) 87-10-088 (25 CPUC2d 555). The change of funding from a tax to a surcharge made the General Order obsolete. Hence, a workshop was held to update the General Order.

Prior to completion of the workshop, we issued a November 23, 1993 Order to Show Cause (OSC) seeking reimbursement of approximately \$36 million to the ULTS Fund from Pacific Bell for alleged ULTS overpayments to Pacific Bell. This OSC resulted in a settlement agreement between Pacific Bell and the Division of Ratepayer Advocates (DRA, now known as the Office of Ratepayer Advocates). As part of the settlement agreement, Pacific Bell and DRA submitted a joint motion requesting that the General Order be revised.

This joint motion was deemed moot in D.94-10-046 (56 CPUC2d 683 at 688) because a workshop was already in place to revise the General Order. Given the

technological and funding changes that occurred since the General Order was implemented, workshop participants were asked to recommend revisions to the General Order that would accommodate future changes to the ULTS program without requiring additional modifications to the General Order.

A final workshop report was filed with the Commission on December 20, 1995. Comments and reply comments were filed on March 12, 1996 and March 27, 1996, respectively. A proposed order was prepared but not issued because ULTS changes affecting the General Order continued to occur. For example, D.96-02-072 and D.96-10-066 implemented new ULTS program changes which required, among other matters, competitive local carriers (CLCs) providing residential service to offer ULTS and permitted such CLCs to seek reimbursement for their costs of providing ULTS service from the ULTS Fund.

Subsequent action on the federal level also impacted the ULTS program. For example, the Federal Communications Commission (FCC) adopted new rules on May 7, 1997 governing the provision of universal service and federal funding support for "Lifeline and Link Up" services to qualifying low-income customers beginning January 1, 1998, as part of its universal service proceeding (CC Docket No. 96-45). By Resolution T-16086, dated October 9, 1997, California carriers were allowed to offer the federal Lifeline and Link-Up services designated for federal support.

Resolution T-16128, dated March 12, 1998, requires the establishment of a new proceeding to revisit the ULTS program and General Order 153 in their entirety. The goal of this new proceeding is to make the ULTS program more consistent with the competitive developments in the local exchange telecommunications markets and more consistent with the federal ULTS program. This new proceeding will result in the issuance of an updated ULTS program and an updated General Order 153. Hence, the 1995 workshop report

and the associated comments filed by the parties should be incorporated into the formal record of the new proceeding. With the incorporation of the 1995 workshop report into the record of the proceeding ordered by Resolution T-16128, there is nothing left to consider in this proceeding. This consolidated proceeding should be closed.

Findings of Fact

1. A workshop report recommending changes to General Order 153 was filed in this docket on December 20, 1995.
2. Changes in the ULTS program continued to occur after the workshop report was filed.
3. D.96-02-072 and D.96-10-066 implemented new ULTS program changes.
4. The FCC adopted new rules on May 7, 1997 governing the provision of universal service and federal funding support to low-income customers.
5. Resolution T-16086, dated October 9, 1997 allowed carriers to offer the federal Lifeline and Link-Up services designated for federal support.
6. Resolution T-16128, dated March 12, 1998 requires the opening of a new proceeding to update the ULTS program and General Order 153.

Conclusions of Law

1. The workshop report filed on December 20, 1995, along with the comments filed by the parties, should be incorporated into the record of the new proceeding required by Resolution T-16128.
2. There is nothing left to be considered in this consolidated proceeding. Hence, this consolidated proceeding should be closed effective today.

O R D E R

IT IS ORDERED that:

1. The workshop report filed on December 20, 1995, and the comments on the workshop report, shall be included in the formal record of the proceeding to be established pursuant to Resolution T-16128.

2. Order Instituting Investigation 83-11-05 is closed.

This order is effective today.

Dated June 4, 1998, at San Francisco, California.

RICHARD A. BILAS

President

P. GREGORY CONLON

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners