



Oregon

Kate Brown, Governor

Public Utility Commission

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October 5, 2020



RE: Oregon Universal Service Fund - Notice of Surcharge Change

Staff is proposing that the surcharge rate effective January 1, 2021 will be 5% and is intending to seek Commission approval of this rate at the Public Meeting on October, 20, 2020.

Due to the amount of interest and requests for information regarding this change in the surcharge rate Staff details below the process that was followed in order to come to the above percentage amount.

Staff will also be available to answer questions via conference call at 9am on Monday, October 12th.

1-866-434-5269 Access code 7102081.

1. Staff requested historical revenue (subject to the OUSF surcharge) amounts from companies who are not currently paying into the fund but will have revenues subject to the surcharge on January 1, 2021.
 - a. A total of 110 requests were sent out and 45 companies replied.
 - b. Although not all companies replied to the information request, Staff did get replies from all major contributors and believes missing revenue information would not have had a significant effect on the results.
2. Staff requested historical revenue (subject to the OUSF surcharge) amounts from companies who are currently paying into the fund but who would have substantial additional revenues subject to the surcharge rate in January 2021.
 - a. All companies contacted replied to these requests.
3. Staff conducted various reasonable tests on the information received.
 - a. Company to company
 - b. Comparison to FCC published line and subscriber information
 - c. Comparison to FCC published Intrastate revenue data
4. Staff contacted numerous companies indicated in 1 above to confirm numbers.
 - a. Through this Staff discovered some companies had submitted annual numbers (not quarterly) and had made numerical errors.
 - b. Staff requested updated information when errors were indicated.

5. Once Staff confirmed the above information, the additional contribution base was added to the forecast contribution base of the current OUSF and a range of surcharge rates calculated.
6. Staff is aware that due to numerous companies not replying to the information requests coupled with many companies providing estimates, the relevant surcharge rate will only be known once contributions start coming into the fund in May 2021 and that additional surcharge rate changes will be necessary.

/s/ Nicola Peterson

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