

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December, 17, 2019**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A** _____

DATE: November 19, 2019

TO: Public Utility Commission

FROM: Nicola Peterson

THROUGH: Michael Dougherty, Bryan Conway, and Roger White **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
Request to open an investigation of the Oregon Universal Service Fund.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) open an investigation of the Oregon Universal Service Fund (OUSF).

DISCUSSION:

Issue

Whether the Commission should open an investigation of the OUSF.

Applicable Rule or Law

ORS 759.425(a) states that the Commission shall establish and implement a competitively neutral and nondiscriminatory universal service fund. It also states that the Commission may adopt rules to conform the universal service fund to section 254 of the federal Telecommunications Act of 1996 (Public Law 104-104), and to related regulations adopted by the Federal Communications Commission, to the extent that the Commission determines it is appropriate.

ORS 756.515(1) states that whenever the Commission believes that an investigation of any matter relating to any public utility or telecommunications utility should be made, the commission may on its own motion summarily investigate any such matter, with or without notice.

Analysis

The OUSF began in 1994 with Docket No. UM 731, which was the initial investigation into the concept of an OUSF, and addressed the fundamental policy and implementation procedures. On June 16, 2000, Order No. 00-312 approved an initial plan for the OUSF and initiated the funds operations for non-rural companies. Further modifications to the OUSF were initiated in 2001 with Docket No. UM 1017. One of the modifications came in Order No 03-082, which brought the rural companies into the OUSF and detailed how their support would be calculated.

Changes in technology and anticipated Federal Communications Commission action led to the Commission opening another investigation of the fund in April 2010 in Docket No. UM 1481. This docket ended up occurring over three phases and concluded in March 2016 with a 5-year stipulation, adopted in Order No.16-093. This order determined the disbursement amounts, capped the surcharge rate, repurposed the fund, and recommended that the Commission commence, no later than 2019, a proceeding to review the OUSF in order to issue a final ruling on changes associated with that review prior to the end of the 5-year term of the Stipulation.

Conclusion

In adopting the Phase III stipulation in Docket No. UM 1481, the Commission directed staff to begin a review of the OUSF in 2019. This investigation will identify the procedures to be used in that review, changes that need to be made to the operation of the fund, and other relevant factors affecting the OUSF.

PROPOSED COMMISSION MOTION:

Open an investigation of the OUSF.