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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 731

Phase IV

In the Matter of the Investigation of)
Universal Service in the State of Oregon.) **ORDER**

DISPOSITION: SURCHARGE/CONTRIBUTION RATES CHANGED

On June 16, 2000, we issued Order No. 00-312 resolving issues raised in Phase IV of this proceeding. At our July 10, 2000, public meeting we established the end user surcharge rate at 2.35 percent of all retail telecommunications sales. The end user surcharge is the rate that telecommunications providers may bill end users for recovery of universal service contributions. We also established the contribution rate due from telecommunications carriers at 2.30 percent. The contribution rate is the rate that the universal service administrator applies to Oregon retail telecommunications revenues to be collected from the telecommunications carriers. The rates were effective as of September 1, 2000. On July 14, 2000, our Staff sent notice of our actions to all Oregon telecommunications providers. The notice explained our decisions and required the filing of information so the universal service program could expeditiously move forward.

At our November 7, 2000, public meeting, Staff recommended that the surcharge and contribution rates be increased. The recommendation for the rate increases was the result of lower than expected Oregon retail telecommunications revenues. Staff recommended that the end user surcharge rate of 2.35 percent be increased to 3.24 percent and the contribution rate be increased from 2.30 percent to 3.14 percent. The rate increases are necessary to adequately fund the universal service program, and we adopted Staff's recommendation during the public meeting. The new rates will be effective as of January 1, 2001.

On November 14, 2000, Staff sent notice of our November 7 decisions to all Oregon telecommunications providers. The notice explained our decisions and provided additional details about obligations and participation in the universal service program. This order memorializes our decisions on universal service reached in our public meetings.

ORDER

IT IS ORDERED that:

1. The end user surcharge rate of 2.35 percent effective since September 1, 2000, is increased to 3.24 percent effective January 1, 2001;
2. The contribution rate for Oregon telecommunications carriers of 2.30 percent effective since September 1, 2000, is increased to 3.14 percent effective January 1, 2001.

Made, entered, and effective DEC 01 2000.

Ron Eachus
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
Commissioner

A party may appeal this order to a court pursuant to ORS 756.580.