

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 3, 2005**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** May 4, 2005

DATE: April 20, 2005

TO: Public Utility Commission

FROM: David Sloan

THROUGH: Lee Sparling, Phil Nyegaard and Lance Ball

SUBJECT: SPRINT/UNITED TELEPHONE CO OF THE NORTHWEST: (Advice No. OR05-05) Introduces policy for school and library services funded by Federal Universal Service Fund.

STAFF RECOMMENDATION:

Staff recommends the filing be allowed to go into effect.

DISCUSSION:

On April 5, 2005, Sprint/United Telephone Company of the Northwest (Sprint) filed Advice No. OR05-05. The filing adds language to the Company's retail services tariff, P. U. C. OR. No. 3, to clarify the responsibilities of schools and libraries receiving discounted services funded by the federal universal service fund (USF). The filing does not change the way Sprint administers school and library services funded by the federal USF. The filing merely documents current policies in the company's tariff.

Pursuant to Federal Communications Commission (FCC) Docket No. 96-45, FCC 97-157 (Universal Service Order), schools and libraries (customers) may be eligible for reduced rates funded by the federal USF. The filing clarifies that it is the customer's responsibility to insure that full payment is made for all services provided to the customer by Sprint. For example:

- It is the customer's responsibility to abide by all E-Rate Program rules.
- It is the customer's responsibility to file for support with the Universal Service Administrative Company (USAC).
- It is the customer's responsibility to notify Sprint when it receives its Funding Commitment Decision Letter from USAC.

- It is the customer's responsibility to apply for any additional support (i.e., from state and/or local funding sources).
- It is the customer's responsibility to pay, in full, invoices for services provided prior to notification of approval from any funding source. Appropriate credit will be issued for discounts applicable to previously paid invoices.
- Customer will reimburse Sprint if its funding source fails, for any reason, to pay amounts invoiced for service provided to customer.
- For service agreements of more than one year, customer may not terminate Agreement solely due to its failure to receive support.
- Sprint is not responsible for customer's compliance with FCC, USAC, or any funding source rules, regulations, decisions or actions.

From my analysis, I conclude that the filing is reasonable and necessary. When invoices for services provided to any particular customer go unpaid, the costs incurred by Sprint to provide the services may get passed along to other customers through future rate adjustments.

The filing is in compliance with ORS 759.190, which requires the Company to give a 30-day notice to the Public Utility Commission for any change made to its tariff schedules. The filing is not contrary to the public interest.

PROPOSED COMMISSION MOTION:

The tariff sheets filed with Sprint/United Telephone Company of the Northwest's Advice No. OR05-05 be allowed to go into effect for service rendered on or after May 4, 2005.