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PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, NW, SECOND FLOOR, WEST TOWER
WASHINGTON, DC 20005

Public Service Commission
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ORDER

**FORMAL CASE NO. 988, IN THE MATTER OF THE DEVELOPMENT OF
UNIVERSAL SERVICE STANDARDS AND THE UNIVERSAL SERVICE TRUST
FUND FOR THE DISTRICT OF COLUMBIA, Order No. 15622**

I. INTRODUCTION

1. By this Order, the District of Columbia Public Service Commission (“Commission”) adopts the 2010 budget of the District of Columbia Universal Service Trust Fund (“DC USTF”) as outlined in Attachment A. This budget amends the proposed budget submitted by Rolka Loube Saltzer Associates (“RLSA”) on October 30, 2009.¹ The Commission also approves the assessment rate of 0.002961 for calendar year 2010.

II. BACKGROUND

2. Chapter 28 of the Commission’s Rules of Practice and Procedure (“Commission rules”) establishes the rules and procedures for the DC USTF. The Commission rules provide funding for low-income telecommunications assistance and Telecommunications Relay Service (“TRS”). Section 2805.2 requires the DC USTF Administrator to propose an annual budget for the DC USTF.²

3. On October 30, 2009, RLSA submitted its proposed budget for the 2010 DC USTF. The Commission requested comments on the proposed budget in Order No. 15598.³ No comments on the proposed budget were filed. On November 24, 2009, the Commission extended the deadline to approve the 2010 DC USTF budget until December 15, 2009.⁴

III. DISCUSSION

4. RLSA proposes a total 2010 DC USTF budget of \$1,826,288 and an assessment factor of 0.004393. The budget consists of the following: 1) \$800,000 for Lifeline support; 2)

¹ *Formal Case No. 988, In the Matter of the Development of Universal Service Standards and the Universal Service Trust Fund for the District of Columbia*, Letter to the Commission Secretary, from David Rolka, President, Rolka Loube Saltzer Associates (“DC USTF Budget”), filed October 30, 2009.

² 50 D.C. Reg. 10940 (November 26, 2004), to be codified at 15 DCMR § 2805.2.

³ *Formal Case No. 988*, Order No. 15598, rel. November 13, 2009.

⁴ *Formal Case No. 988*, Order No. 15606, rel. November 24, 2009.

\$530,628 for TRS provider support; 3) \$54,360 for CapTel provider support; 4) \$83,500 for eligibility verification; 5) \$18,000 for independent audit fees; 6) \$2,000 for TRS Advisory Board expenses; 7) \$76,800 for Administration; and 8) an operating reserve of \$261,000. RLSA proposes an assessment factor of 0.004393 based on local exchange carrier retail revenue.⁵

5. Upon review of the proposed budget, the Commission finds that several adjustments are necessary. While the proposed budget's figures for Lifeline reimbursement, the CapTel provider payment, TRS Advisory Board expenses, and the Administrator's fee are reasonable, the figures for TRS provider payments, eligibility verification services, and the external audit should be changed. For the TRS provider payments, the DC USTF should only be compensating the TRS provider for intrastate TRS minutes, not intrastate and interstate minutes. By including only intrastate minutes in the budget, the figure declines from \$530,628 to \$205,000. The Commission increases the figure for eligibility verification services, given that the entry of the second eligible telecommunications carrier ("ETC") into the Lifeline market will increase the amount of eligibility verification activity. The Commission increases the figure for eligibility verification from \$83,500 to \$120,000. Because the external audit conducted this past year cost more than the amount of \$18,000 included in the proposed budget, the Commission increases the external audit figure to \$22,000. Taken as a whole, these changes reduce the 2010 budget to \$1,493,160.⁶ Because the Commission reduces the 2010 DC USTF budget, the Commission also changes the assessment rate to 0.002961. The adopted 2010 DC USTF budget is included as Attachment A.

THEREFORE, IT IS ORDERED THAT:

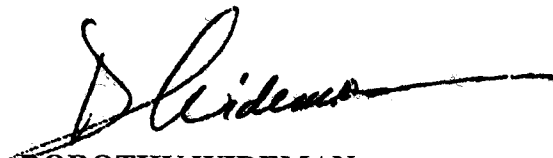
6. The January - December 2010 District of Columbia Universal Service Trust Fund budget shall be \$1,493,160 with an assessment rate of 0.002961; and

7. All local exchange carriers ("LECs") shall contribute to the 2010 District of Columbia Universal Service Trust Fund by making payments to the District's Universal Service Trust Fund Administrator on or before the 15th of every month beginning with the January 2010 payment.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

CHIEF CLERK:


DOROTHY WIDEMAN
COMMISSION SECRETARY

⁵ DC USTF Budget at 6.

⁶ The 2010 DC USTF budget includes expenses of \$1,280,160 and two months operating reserve of \$213,000.

Attachment A (Order No. 15622)

**DC Universal Service Trust Fund
2010 Budget**

2010 Budget

Lifeline Reimbursement	\$800,000
TRS Provider Payments	\$205,000
CapTel Provider Payments	\$54,360
Eligibility Verification Services	\$120,000
External Audit Fees	\$22,000
TRS Advisory Board Expenses	\$2,000
<u>Administration</u>	<u>\$76,800</u>

Estimated Expense Sub Total	\$1,280,160
<u>Two Months Operating Reserve</u>	<u>\$213,000</u>

Budget Total \$1,493,160

Cash Requirements

Estimated Cash Requirements	\$1,280,160
Less: Draw Down of Cash Balance	(\$589,835)
Less: Estimated Interest	(\$2,000)
<u>Net Cash Requirements</u>	<u>\$688,325</u>

Estimated Carrier Revenue \$232,500,000
Surcharge 0.002961 or 0.2961%