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

2008 DEC 18 P 3:18

ORDER

DISTRICT OF COLUMBIA  
PUBLIC SERVICE COMMISSION

December 18, 2008

**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. 15142**

**I. INTRODUCTION**

1. By this Order, the District of Columbia Public Service Commission ("Commission") adopts the attached 2009 budget and assessment calculation for the District of Columbia Universal Service Trust Fund ("DC USTF budget"). This budget amends the budget submitted by the DC USTF Administrator, Rolka Loube Saltzer Associates ("RLSA") on October 31, 2008.<sup>1</sup> The Commission also directs local exchange carriers ("LECs") to contribute to the 2009 DC USTF by making payments to the District's Universal Service Trust Fund Administrator on or before the 15<sup>th</sup> of every month beginning with the January 2009 payments.

**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.<sup>2</sup>

3. On October 31, 2008, RLSA submitted its proposed budget for the 2009 DC USTF. For the DC USTF budget, RLSA recommended a total amount of \$1,686,647 and an assessment factor of 0.005042.<sup>3</sup> On November 10, 2008, the Commission sought

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<sup>1</sup> *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 Dorothy Wideman, Commission Secretary, from David Rolka, President, Rolka Loube Saltzer Associates ("DC USTF Budget"), filed October 31, 2008.

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

<sup>3</sup> DC USTF Budget at 4.

comments from interested parties on the 2009 budget.<sup>4</sup> On November 18, 2008, RLSA submitted a revised 2009 budget.<sup>5</sup> No other comments were filed.

4. On December 1, 2008, the Commission released Order No. 15132, in which the Commission *sua sponte* proposed to increase the amount of the budget and the contribution rate.<sup>6</sup> No comments were filed in response to this Order.

### III. DISCUSSION

5. In its October 31, 2008 filing, RLSA proposes a 2009 DC USTF budget of \$1,686,697 and an assessment factor of 0.005042.<sup>7</sup> The budget consists of the following: 1) \$553,600 for Lifeline support; 2) \$465,417 for TRS provider support; 3) \$247,380 for CapTel provider support; 4) \$83,500 for eligibility verification; 5) \$18,000 for independent audit fees; 6) \$1,000 for TRS Advisory Board expenses; 7) \$76,800 for Administration; and 8) an operating reserve of \$241,000. RLSA proposes an assessment factor of 0.005042 based on local exchange carrier retail revenue.<sup>8</sup> In its Revised 2009 DC USTF budget, RLSA notes that it has received additional information regarding local exchange carrier retail revenue that suggests changing the assessment factor to 0.004854.<sup>9</sup> In Order No. 15132, the Commission proposes to increase the Lifeline portion of the proposed budget from \$553,600 to \$800,000, thus retaining Lifeline funding at the 2008 level. This would increase the operating reserve to \$282,000 and the assessment factor to 0.006003. The rest of the budget would remain as proposed by RLSA, for a final proposed budget of \$1,974,097.

6. The Commission approves the revised 2009 DC USTF budget. The Commission believes that this budget will allow for the continuation of Lifeline services for the District's low-income residents and TRS and CapTel service for the District's deaf and hard-of-hearing residents. The budget also includes funds for an audit and administration fees in accordance with District of Columbia law.<sup>10</sup> Accordingly, the Commission approves a 2009 DC USTF budget of \$1,974,097 and an assessment rate of 0.006003.

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<sup>4</sup> *Formal Case No. 988*, Order No. 15106, rel. November 10, 2008.

<sup>5</sup> *Formal Case No. 988*, Letter to Dorothy Wideman, Commission Secretary, from David Rolka, President, Rolka Loube Saltzer Associates ("Revised DC USTF Budget"), filed November 18, 2008.

<sup>6</sup> *Formal Case No. 988*, Order No. 15132, rel. December 1, 2008.

<sup>7</sup> DC USTF Budget at 4.

<sup>8</sup> DC USTF Budget at 4.

<sup>9</sup> Revised DC USTF Budget at 1-2.

<sup>10</sup> *See*, D.C. Official Code § 34-2001 *et seq.* (2008 Supp.).

**THEREFORE, IT IS ORDERED THAT:**

7. The January - December 2009 District of Columbia Universal Service Trust Fund budget shall be \$1,974,097 with an assessment rate of 0.006003; and

8. All local exchange carriers ("LECs") shall contribute to the 2009 District of Columbia Universal Service Trust Fund by making payments to the District's Universal Service Trust Fund Administrator on or before the 15<sup>th</sup> of every month beginning with the January 2009 payment.

**A TRUE COPY:**

**BY DIRECTION OF THE COMMISSION:**

A handwritten signature in black ink, appearing to read 'D. Wideman', with a long horizontal flourish extending to the right.

**CHIEF CLERK:**

**DOROTHY WIDEMAN  
COMMISSION SECRETARY**

**D.C. Universal Service Trust Fund  
2009 Budget**

2009 Budget

Lifeline Reimbursement	\$800,000
TRS Provider Payments	\$465,417
CapTel Service	\$247,380
Eligibility Verification Services	\$83,500
External Audit Fees	\$18,000
TRS Advisory Board Expenses	\$1,000
USTF & TRS Administration	<u>\$76,800</u>
Estimated Expense Subtotal	\$1,692,097
Two Months Operating Reserve	<u>\$282,000</u>
Budget Total	\$1,974,097

Cash Requirements

Estimated Cash Requirements	\$1,692,097
Less: Drawdown of Cash Balance	(\$169,715) *
Less: Estimated Interest	<u>(\$21,600)</u>
Net Cash Requirements	\$1,500,782

Estimated Carrier Revenue

\$250,000,000

Surcharge

0.6003%

(0.006003)

\* Estimated cash balance less two months operating reserve