

# STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
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INDIANAPOLIS, INDIANA 46204-2764

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IN THE MATTER OF THE INVESTIGATION )  
ON THE COMMISSION'S OWN MOTION, UNDER )  
INDIANA CODE § 8-1-2-72, INTO ANY AND ALL )  
MATTERS RELATING TO THE COMMISSION'S )  
MIRRORING POLICY ARTICULATED IN )  
CAUSE NO. 40785 AND THE EFFECT OF THE )  
FCC'S MAG ORDER ON SUCH POLICY, )  
ACCESS CHARGE REFORM, UNIVERSAL )  
SERVICE REFORM, AND HIGH COST OR )  
UNIVERSAL SERVICE FUNDING )  
MECHANISMS RELATIVE TO TELEPHONE )  
AND TELECOMMUNICATIONS SERVICES )  
WITHIN THE STATE OF INDIANA )

**FILED**

**MAY 15 2002**

**INDIANA UTILITY REGULATORY COMMISSION**

**CAUSE NO. 42144**

You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") has caused the following entry to be made:

In preparation for Phase II of this proceeding, the Presiding Officers have determined that in order to allow the Parties to review the issues without the need to prefile testimony an Executive Committee ("Executive Committee") comprised of representatives of the various Parties to this proceeding should be formed.

The Executive Committee should work cooperatively with the Commission's staff in order to file a Preliminary ("Preliminary Report") and Verified Final Report ("Final Report") on Phase II issues with the Commission. The Preliminary Report should identify the issues to be examined in Phase II of this proceeding and should contain a timeline to resolve issues. As part of this Docket Entry, the Presiding Officers have developed a preliminary, but non-exhaustive, list of issues that should be addressed by the Parties. In order to facilitate the Parties' discussion of the issues, the Presiding Officers intend to schedule a series of preliminary hearings --in the form of Technical Conferences-- in this Cause. At the conclusion of the Technical Conferences, the Parties should file a Final Report with the Commission. The Final Report should include a discussion of the issues identified in the Preliminary Report along with any additional issues addressed by the parties, and the Parties' proposed resolution of each issue. If any members of the Executive Committee do not agree with the findings and recommendations contained in the Final Report, a minority report may be submitted to the Commission.

While the Commission outlined general topics for Phase II of this proceeding in its December 27, 2001 Order, in furtherance of the objectives identified in the December 27, 2001 Order the Presiding Officers have developed a preliminary list of issues that should be discussed by the Parties as part of Phase II of this proceeding:<sup>1</sup>

***Phase II Preliminary Discussion Topics***

1. The Necessity for a State Universal Service Fund
  - a. How will companies demonstrate need?
  - b. What is the interaction between a potential fund and the DEM Weighting and High Cost funds?
  - c. What costs are not being currently recovered through federal support?
  - d. How will rate comparability be ensured?
  - e. Some of the companies have been granted exemption from IURC jurisdiction. Should these companies be treated differently if a state USF is created?
  - f. Some of the companies have CLEC subsidiaries. Should these companies be treated differently if a state USF is created?
  
2. Wireless carriers: Contributors and/or Recipients?
  - a. What is the state definition of telecommunications carriers?
  - b. Have there been any legal challenges to wireless contributors/recipients.
  - c. Should there be a wireless ETC requirement/basic service offering to receive funds?
  - d. In the past when the issue of wireless carriers contributing to a potential state USF arose, there was a debate about how wireless revenues were calculated for the IURC annual report. How should this issue be addressed?
  
3. Fund Establishment
  - a. What is the cap or size of the fund?
  - b. What is the mechanism used for collecting funds?
  - c. Is a computer model necessary for costs and how should one be selected?
  - d. Will there be specific software needs (a computer model) for the Commission?
  - e. How and to whom is the charge assessed?
  - f. What type of consumer education is necessary?
  - g. What will the purpose of the state fund be?
  - h. What programs, if any, will be included in a state fund?

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<sup>1</sup> As a preliminary matter, counsel for each Party, either individually or in conjunction with other Parties, should file a legal brief with the Commission in which they analyze, discuss, and present conclusions regarding the Commission's legal authority to establish a state universal service fund as part of Phase II of this proceeding. This issue should be fully briefed by the Parties, and filed with the Commission, by June 29, 2002.

- i. What services are eligible for USF support?
  - j. How is eligibility determined?
4. Fund Administration
- a. Is there a fund administrator?
  - b. How will an administrator be selected (sole source or competitive bidding, NECA)
  - c. What type of administrative fees are associated with a fund administrator?
  - d. Will the administrator get paid solely from fund monies?
  - e. Is the administrator's fee dependent on the number of carriers contributing to the fund/size or the number of programs it manages?
  - f. Should the fund be audited annually and how should this be done and by whom?
  - g. Are there financial reporting requirements?

During the Evidentiary Hearing scheduled in this matter for May 16, 2002, the Parties should be prepared to discuss any questions they have regarding the approach outlined in this Docket Entry, and should be prepared to schedule dates for the Technical Conferences.

**IT IS SO ORDERED.**



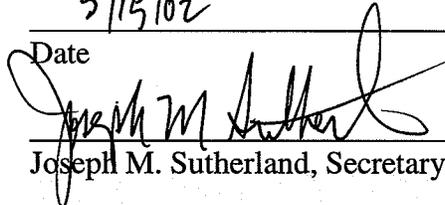
Camie J. Swanson-Hull, Commissioner



Scott R. Storms, Chief Administrative Law Judge

5/15/02

Date



Joseph M. Sutherland, Secretary to the Commission