



Chris Nelson, Chairperson
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South Dakota

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NOTICE VIA ELECTRONIC FILING

April 27, 2015

Marlene Dortch, Secretary
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

Re: Notice of Oral Ex Parte Contact filed in the proceeding captioned: *Universal Service Contribution Methodology*, WC Docket No. 06-122

Dear Ms. Dortch:

The New Mexico State University Center for Public Utilities Advisory Council recently conducted its Current Issues 2015 forum in Santa Fe, NM. On April 21, 2015, a panel presentation was held entitled "Universal Service Contribution Reform." Universal Service Joint Board members Chris Nelson and Elin Katz were members of the panel. Other presenters were Doug Garrett from Cox Communications, Pamela Hollick from Level 3, Paul Vasington from Verizon, Idaho Public Utilities Commissioner Paul Kjellander, and New Mexico Public Regulation Commissioner Valerie Espinosa.

As moderator of the panel, I am filing this ex parte to cover comments related to this docket made during the panel discussion.¹

Doug Garrett suggested any recommendation include three principles. Those should be simple and efficient (e.g. not necessarily revenues based but perhaps a flat fee), sustainable, and equitable in that all customer classes are treated fairly. A flat fee is more understandable from the consumer perspective compared to a percentage of interstate revenue.

Pamela Hollick stated that there is no bright line to jurisdictionalize services and revenues today and as technology changes it is even harder to clarify jurisdiction. Any recommendation needs to provide clear guidance to the industry on jurisdictional lines and have a mechanism for industry to obtain speedy and accurate interpretations of how to classify revenues for USF contributions. A revenues based approach is difficult from the jurisdictional perspective. If a non-revenue-based method is implemented, it must be simple and clear.

Paul Vasington stated that the initial joint board recommendation should lay out the various alternatives for contribution methodologies, the ramifications of those alternatives, and how each impacts consumers. The joint board would then have the option of later making a specific recommendation or leaving it to the full FCC to choose which methodology to adopt.

If you have any questions about the foregoing, do not hesitate to contact me.

Sincerely,

Chris Nelson
South Dakota Public Utilities Commission

cc: Elin Katz

¹ I respectfully request any waivers needed to file this notice of oral ex parte out-of-time.