

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INQUIRY INTO UNIVERSAL	)	ADMINISTRATIVE
SERVICE AND FUNDING ISSUES	)	CASE NO. 360

O R D E R

On August 20, 1999, GTE Wireless of the South Incorporated, GTE Mobilnet of Clarksville Incorporated, GTE Wireless of the Midwest Incorporated, and Kentucky RSA No. 1 Partnership (collectively, "GTE Wireless") filed a petition requesting rehearing of the Commission's Order dated July 28, 1999 requiring that GTE Wireless bill customers retroactively for the five cent monthly surcharge for the Universal Service Fund ("USF"). GTE Wireless argues, among other things, that its delay in implementing the surcharge on its customer bills resulted from issues in regard to billing system capabilities. GTE Wireless also claims that it cannot fairly apply a retroactive surcharge across its customer base because its billing system cannot apply different surcharge amounts based upon customers' dates of activation. GTE Wireless points out that it has paid the appropriate amounts to the USF and that the USF, therefore, will not be shortchanged.

The Commission's policy in this matter has been to require all companies to bill their customers for all USF charges. Those companies unable to implement billing software changes in time to implement the charge by January 1999 have been required to backbill customers accordingly. When the Commission ordered such implementation of the Lifeline portion of the USF, however, it did not anticipate the administrative difficulties that have arisen. Rigidity in regard to the backbilling policy, particularly in

regard to the small amounts in question, serves no one. As GTE Wireless states, the effect on the USF will be neutral, whether or not GTE Wireless's customers are backbilled.

The Commission is aware that anti-competitive effects may in theory result from some carriers' billing for the Lifeline charge before other carriers begin to do so; however, the amount in question here is de minimis and would only in unusual cases result in a customer's decision to change carriers.

For the foregoing reasons, the Commission finds that, if GTE Wireless implements reasonable efforts to backbill appropriately, it is not essential that the entire amount due at the time GTE Wireless's billing system is capable of billing the Lifeline charge be billed to every GTE Wireless customer of historical record.

IT IS SO ORDERED.

Done at Frankfort, Kentucky, this 9<sup>th</sup> day of September, 1999.

By the Commission

ATTEST:

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Executive Director