

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF ESTABLISHING) ORDER OPENING DOCKET
 DISCOUNT RATES FOR INTRASTATE)
 TELECOMMUNICATIONS SERVICES) TC97-058
 PROVIDED TO SCHOOLS AND LIBRARIES)

On May 20, 1997, the Public Utilities Commission (Commission) received a Petition to Adopt Discount Rates Implemented by the Federal Communications Commission for Interstate Telecommunications Services for Schools and Libraries from Commission Staff. The petition requests the Commission to adopt the discount rates implemented by the Federal Communications Commission (FCC) for interstate telecommunications services for schools and libraries as the discount rates for intrastate telecommunications services provided for schools and libraries. The FCC Order implementing the Telecommunications Act of 1996 states that in order for a state to receive Federal Universal Service Funds for discounts to schools and libraries it must have intrastate discount rates in place at least equal to the interstate discount rates.

Staff requests that the following discount matrix, which the FCC adopted using the school lunch eligibility program to calculate the poverty level of both schools and libraries, be adopted as the schools and libraries discount to be used by South Dakota:

SCHOOLS AND LIBRARIES DISCOUNT MATRIX		DISCOUNT LEVEL	
HOW DISADVANTAGED?		urban discount (%)	rural discount (%)
% of students eligible for national school lunch program ¹	(estimated % of US schools in category)		
< 1	3	20	25
1-19	31	40	50
20-34	19	50	60
35-49	15	60	70
50-74	16	80	80
75-100	16	90	90

¹ Based on 1993 National Data Research Center data.

On May 28, 1997, at a duly noticed ad hoc meeting, the Commission considered the filed petition. The Commission has jurisdiction in this matter pursuant to SDCL Chapter 49-31. The Commission unanimously voted to open a docket in this matter. It is therefore

ORDERED that a docket be opened to consider the adoption of the discount rates implemented by the FCC for interstate telecommunications services for schools and libraries as the discount rates for intrastate telecommunications services provided for schools and libraries in South Dakota.

Dated at Pierre, South Dakota, this 3rd day of June, 1997.

CERTIFICATE OF SERVICE	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u><i>Dalvin Kaelo</i></u>
Date:	<u>6/4/97</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner