

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 09-M-0527 – Proceeding to Examine Issues Related to a Universal Service Fund.

NOTICE COMMENCING PHASE III NEGOTIATIONS

(Issued September 13, 2012)

On August 17, 2012 the Commission issued the Order Adopting Phase II Joint Proposal (Phase II Order).¹ Among the provisions of the Joint Proposal and Settlement Agreement adopted by the Commission in that Order is the requirement that the parties hold discussions in an attempt to resolve Phase III issues beginning on a date thirty days after the Commission issues the Phase II Order (the Phase III Commencement Date) – that is, September 17, 2012. The Phase II Order provides that such discussions will continue for no more than sixty days in total and that, unless the parties’ consensus on the thirtieth day after the Phase III Commencement Date is that there is a reasonable possibility that all unresolved issues can be resolved by the sixtieth day, collaboration will end and litigation of all unresolved Phase III issues will begin. The Commission notes, however, that even if Phase III shifts to a litigation track, parties would be free to resume negotiations and to seek modification of a litigation schedule to accommodate further collaborative discussions should they prove fruitful.²

Parties are on notice that any initial proposals for settlement – both substantive and procedural – should be circulated among the parties, and to Settlement Judge Eleanor Stein, by September 21, 2012. An expeditious procedure is necessary to allow parties to assess the productivity of such negotiations within thirty days and further process will be developed by Judge Stein directly with the parties. Parties are also

¹ Case 09-M-0527, *Proceeding to Examine Issues Related to a Universal Service Fund*, Order Adopting Phase II Joint Proposal (issued August 17, 2012).

² Phase II Order, p. 19.

CASE 09-M-0527

reminded that such settlement negotiation proposals are confidential pursuant to Commission Rules of Procedure 3.9(d) and (e).

(SIGNED)

JACLYN A. BRILLING
Secretary