

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Consideration of)
Potential Changes in the Regulation of the)
Utah Universal Public Telecommunications) Docket No. 12-999-10
Service Support Fund, in Response to)
Recent Changes in the Federal Universal)
Service Fund Program)

Reply Comments of AARP

AARP welcomes the opportunity to reply to the various comments that were submitted on November 30, 2012, to the Public Service Commission (“PSC”) regarding potential changes in the regulation of the Utah Universal Public Telecommunications Service Support Fund (“Fund”), in response to recent changes in the Federal Universal Service Fund Program.¹ AARP has approximately 211,000 members in Utah, many of whom are living on fixed incomes and who reside throughout the state, in Utah’s urban and rural areas. The affordability and the availability of essential services such as basic voice service and broadband access to the Internet are among the top issues for AARP’s Utah members. AARP fully supports state policies that further the goal of achieving a reliable, advanced telecommunications network that is affordable and accessible to all consumers, regardless of their age, income and location.

I. Executive Summary

Consumers ultimately pay for the Fund, and, therefore, AARP fully supports a fund that is efficient, and that targets support specifically and only where such support has been demonstrated to be necessary to ensure that carriers offer service at affordable rates and reasonable levels of service quality to all consumers, regardless of where they reside. AARP

¹ AARP reviewed the comments of AT&T Corp. and TCG Utah (“AT&T”), the Office of Consumer Services (“OCS”), Qwest Corporation d/b/a CenturyLink QC (“CenturyLink”), the Utah Rural Telecom Association (“URTA”), and Verizon and its various affiliates (“Verizon”).

supports a careful re-examination of the Fund and its purpose, but cautions the PSC from implementing major changes to the Fund before the full ramifications of the FCC’s universal service reform are better understood.²

Initial comments address, among other things, whether the Fund should subsidize broadband service. There are two equally important aspects to broadband policy – encouraging the *availability* of broadband service, which in turn is affected by industry’s progress in deploying broadband-capable networks and ensuring the *affordability* of broadband service, which affects consumers’ ability and willingness to adopt broadband service. As these comments demonstrate, although the FCC’s overhaul of the nation’s universal service fund (“USF”) promises to lead to more widespread broadband deployment, the FCC’s comprehensive universal service fund reform sets forth only tiny steps toward making broadband service affordable. Accordingly, AARP urges the PSC to assess not only the availability of reliable voice and broadband services throughout the state, but also the affordability of these services.

² The FCC issued its order, which comprehensively reforms the federal universal service fund, on November 18, 2011. *In the Matter of Connect America Fund*, WC Docket No. 10-90; *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *High-Cost Universal Service Support*, WC Docket No. 05-337; *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link-Up*, WC Docket No. 03-109; *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208, *Report and Order and Further Notice of Proposed Rulemaking* (“USF/ICC Transformation Order”), rel. November 18, 2011. However, the order has been subject to various further notices of proposed rulemaking, motions for reconsideration and appeal. See, e.g., *In the Matter of Connect America Fund*, WC Docket No. 10-90; *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *High-Cost Universal Service Support*, WC Docket No. 05-337; *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link-Up*, WC Docket No. 03-109; *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208, *Fifth Order on Reconsideration*, rel. November 16, 2012; *In the Matter of Connect America Fund*, WC Docket No. 10-90, *Further Notice of Proposed Rulemaking*, rel. November 19, 2012; United States Court of Appeals For the Tenth Circuit Appellate Case No. 11-9900.

II. Affordable Voice Service

Consumers ultimately pay for the State's Universal Service Fund³, and, therefore, AARP concurs with Verizon that it is critical that the Fund be structured in a manner that is efficient and that "satisf[ies] legitimate public needs and in a manner that is consistent with federal universal service policies" (Verizon, at 2), and similarly concurs with CenturyLink that the Fund should not be used as "a mechanism for ILECs to recover all revenues lost from federal high cost funding" (CenturyLink, at 2). As these reply comments demonstrate, however, it is premature to discontinue the Fund because of the significant uncertainty surrounding the impact of the FCC's reform on Utah's carriers and consumers; as CenturyLink observes, the "FCC order creates a sea change in federal universal service support" (CenturyLink, at 3; see also AT&T, at 2).

Verizon discusses households' increasing reliance on wireless service for their communications needs and asserts that wireless service is an affordable alternative to traditional landline service (Verizon, at 6-7). AARP concurs with URTA that for the majority of households, wireless service is a complement to rather than a substitute for or alternative to wireline service (URTA, at 5-6). In Utah, as of the second half of 2011, 63% of adults aged 18 and over lived in households that continue to rely on wireline service.⁴ That is, approximately 549,000 households of the total estimated 871,358 households in Utah⁵ continue to rely on

³ Verizon indicates that the surcharge is now set at one percent of retail revenues. Verizon, at 16.

⁴ Stephen J. Blumberg, Ph.D., and Julian V. Luke, Division of Health Interview Statistics, National Center for Health Statistics; Nadarajasundaram Ganesh, Ph.D., Michael E. Davern, Ph.D., NORC at the University of Chicago; and Michel H. Boudreaux, M.S., State Health Access Data Assistance Center, University of Minnesota, *Wireless Substitution: State-level Estimates From the National Health Interview Survey, 2010-2011*, National Health Statistics Reports Number 61, rel. October 12, 2012, at Table 2. (Available at: <http://www.cdc.gov/nchs/data/nhsr/nhsr061.pdf>) Almost 11% of adults aged 18 and over rely mostly on landline and another 8.6% rely solely on landline telephones in Utah. *Id.*

⁵ U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business

wireline service, and although state-specific data are not available, nationally, only 8.5 percent of adults aged 65 and over live in households that are wireless-only (i.e., have discontinued their wireline service entirely).⁶ For 91.5 percent of adults who are aged 65 and over, wireless clearly *supplements* rather than *replaces* wireline service.

Verizon’s observation that “70 percent of the 3.23 million voice ‘lines’ in Utah are wireless” (Verizon, at 5) is irrelevant to an assessment of competitive alternatives – AARP does not dispute the popularity of wireless phones. Indeed it is common for multiple members of a household to subscribe to wireless service, but that fact and the sheer quantity of wireless “lines” do not in any way alter the fact that most households continue to subscribe to wireline service.

AARP also concurs with URTA that “wireless service cannot substitute for the reliability and dependability of a wireline service, especially in extreme situations, such as natural disasters” (URTA, at 5). Rural communities are particularly vulnerable to outages, and rural residents, because they are miles from public safety agencies, especially require reliable connection to 911 services. The elderly, including residents who may be mobility-impaired, are most vulnerable during outages to the harmful consequences of lacking a connection to the telecommunications network.

AARP disagrees with Verizon that “extensive” competition has developed and further disagrees that the purported competition “will continue to ensure that basic telephone service is available to Utah consumers at affordable rates” (Verizon, at 2; see also, Verizon, at 3-8). There

Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report, available at: <http://quickfacts.census.gov/qfd/index.html> (accessed December 18, 2012).

⁶ Stephen J. Blumberg, Ph.D., and Julian V. Luke, Division of Health Interview Statistics, National Center for Health Statistics, Centers for Disease Control and Prevention, *Wireless Substitution: Early Release of Estimates From the National Health Interview Survey, July-December 2011*, rel. June 20, 2012, at 2. (Available at: <http://www.cdc.gov/nchs/data/nhis/earlyrelease/wireless201206.pdf>) (“CDC Wireless Substitution Report”)

is no meaningful competition for basic local service (typically, only the incumbent local exchange carriers offer “stand-alone” basic local service) and for those consumers who seek a bundled “triple play” consisting of voice, Internet access and video, the “competition” at best consists of a telephone company’s slow DSL-based triple play and the much faster broadband-based triple play of the cable company.⁷ When cable companies do offer stand-alone voice service, it is typically priced significantly above the local carrier’s basic offering and therefore, contrary to Verizon’s assertion (Verizon, at 5), cannot be considered a reasonably comparable substitute for basic local service.

Contrary to Verizon’s assertion (Verizon, at 3) that “[b]ecause the competitive market has developed with virtually no financial support from the Fund, perpetuating the Fund is not necessary to ensure that Utah consumers have access to affordable voice service,” until the impact of the FCC’s universal service reform on Utah’s rural carriers is clearer, it would be premature to discontinue the fund.

Although it is premature to discontinue the Fund, the PSC should undertake a rigorous analysis of the costs and revenues associated with carriers’ provision of voice services to ensure that subsidies are prudently provided. Verizon asserts that carriers should not receive support from the Fund if they are “charging unreasonably low local service rates” and recommends that the PSC establish an “affordable rate benchmark.” Verizon, at 14. AARP does not oppose an assessment of affordability, provided that interested parties have the opportunity to comment on the establishment of any benchmark.

⁷ In some other parts of the country, Verizon’s FiOS provides an alternative for those seeking high-speed Internet access. AT&T’s U-Verse brings fiber only to the node and relies on copper wires for the last mile.

Verizon also describes various elements of the FCC's reform of the federal USF (Verizon, at 16-17) in support of its position that the FCC's comprehensive order provided means by which carriers can recover the FCC-mandated reduction in intercarrier compensation revenues and traditional federal USF support.⁸ AARP concurs in part with URITA that "once the federal regulatory landscape has been revealed" (URITA, at 11), it may be more appropriate to reform the Fund. (See also, URITA, at 29-31.) However, the PSC can undertake some advance work now regarding the merits of the Fund, rather than simply waiting for some uncertain time in the future when the federal regulatory "dust has settled."

As Attachment A to these reply comments shows, Utah carriers received a total of \$2.2 million in High Cost Fund disbursement in September 2012. Attachment A provides data for each Utah carrier receiving federal funds. Attachment B provides the Universal Service Administrative Company's projections of High Cost Fund disbursements for the first quarter of 2013. Carriers in Utah are set to receive a total of \$6.65 million in the first quarter.

In order to assess accurately the impact of the FCC's reform on Utah's carriers, additional and comprehensive information is necessary. Toward that end, AARP recommends that the PSC direct those carriers that rely on the Fund to provide detailed comparisons of the federal USF support and net intercarrier compensation revenues (that is the difference between the intercarrier compensation they pay and the intercarrier compensation revenue they receive) *before* and *after* the FCC's reform and also include the revenues they project from the new federal "access recovery charge." Furthermore, AARP recommends that the PSC compile a table of the basic local rates that prevail throughout the state to assist Utah is assessing whether

⁸ See also, Verizon at 17 quoting the FCC's order: "the FCC concluded that 'states will not be required to bear the burden of establishing and funding state recovery mechanisms' to compensate carriers for changes resulting from those reforms." Verizon, at 17, quoting the FCC's USF/ICC Transformation Order, at para. 795.

rural and urban rates are reasonably comparable. Also, the PSC could coordinate with relevant state agencies to survey households to measure state-specific income-based and age-based gaps in broadband adoption.

Not only does the PSC require detailed USF subsidies and revenue data from subsidized carriers, but also it requires detailed data on the costs that subsidized carriers confront in offering service in Utah. Although AARP does not support the elimination of the Fund at this time, AARP also does not support letting the Fund become a “blank check” and instead urges the PSC to establish measurable mechanisms for establishing accountability for the Fund’s use (which consumers ultimately subsidize) and ensuring that carriers genuinely need the subsidies to provide affordable reliable service. URTA states that its members use the Fund’s subsidies “to provide robust and advanced telecommunications services to rural high cost areas of the state where it would be cost prohibitive to provide such service without universal service support” and further contends that their networks depend on continuing Fund support so that the carriers can maintain and operate the networks effectively (URTA, at 5). As URTA observes, end user fees support the Fund (URTA, at 10, footnote 4). Therefore it is particularly important that these consumer-generated subsidies are used efficiently and prudently, with adequate oversight by the PSC. AARP acknowledges URTA’s concern that the FCC has asked carriers to “do more with less” (URTA, at 19), but also urges the PSC to gather and analyze relevant pricing, cost, and revenue data.

AARP disagrees with CenturyLink’s attempt to link the receipt of universal service support subsidies with the carrier of last resort (“COLR”) obligation (CenturyLink, at 4, 6, 8, 11-12). The question of whether COLR requirements should continue to apply to incumbent local exchange carriers is a critically important policy decision that is entirely distinct from whether

any given carrier requires federal or state subsidies to offer affordable service in the high cost areas of Utah. AARP disagrees with AT&T's recommendation that the Utah Legislature and PSC should begin considering eliminating COLR obligations (AT&T, at 2). The elimination of such obligations is premature and would harm consumers because they would lose the consumer protection that regulatory oversight now provides.

III. Broadband

Verizon opposes the transformation of the Fund into a program that supports broadband networks and services (Verizon, at 17). However, it is not evident that there is sufficient federal funding to ensure broadband deployment throughout the unserved areas of Utah. URTA recommends that the Fund subsidize broadband services and states that the Fund's subsidies "already indirectly support broadband deployment of URTA members through replacement of copper facilities with fiber optic cables" (URTA, at 36).

Before reaching any decision about whether the Fund should be used to contribute to the achievement of Utah's broadband goals, the PSC should assess whether there is a gap between federal broadband funding (through the FCC's Connect America Fund and the NTIA's Broadband Technology Opportunities Program and Broadband Initiative Program)⁹ and carriers' cost to deploy broadband to unserved areas. If there is such a gap, the size of that disparity should be estimated. Moreover, if the Fund is to be used for broadband subsidies, the subsidies should not be earmarked for the incumbent carriers but rather should be used to support the most

⁹ Verizon also relies on the FCC's Mobility Fund in support of its position that Utah's Fund does not need to subsidize broadband (Verizon, at 17), but AARP does not agree with Verizon's implication that wireless access to the Internet is a reasonable substitute for wireline access to the Internet. Similarly, Verizon refers to the presence of wireless broadband providers (Verizon, at 18), which also should be given little weight.

cost-effective deployment of broadband to unserved areas, which could include, for example, municipally owned broadband networks in unserved communities. Furthermore subsidies should be used to encourage not only the deployment but also the use and adoption of broadband service by all consumers, regardless of their age and income.

URTA observes that rural carriers have traditionally used their federal high cost support “to build dual-purpose telephone and broadband networks” (URTA, at 23). Looking ahead, the PSC should assess the most efficient way to ensure that unserved areas obtain affordable access to broadband service. As Verizon has suggested, the PSC could assess the merits of the FCC’s broadband competitive bidding process and broadband cost model (Verizon, at 20; see also, CenturyLink, at 6).

Verizon discusses the FCC’s broadband programs, but overlooks the fact that the vast majority of federal subsidies relate to the deployment and not to the adoption of broadband service (Verizon, at 9-10, 17-19). Verizon gives short shrift to the issue of broadband affordability (Verizon, at 9-10). The FCC set aside \$25-million nationwide for its pilots for broadband subsidies for the Lifeline program,¹⁰ but there are 17.6 million Lifeline participants nationwide, just under 41,000 of them in Utah.¹¹ A simple example illustrates that the federal funding represents just a beginning toward closing the income-based broadband gap: assuming a \$10 monthly broadband subsidy would yield a total required annual subsidy of approximately \$2

¹⁰ As part of the Lifeline Reform Order, the FCC created a Pilot Program to test methods to provide broadband to low-income consumers. The FCC authorized \$25 million in funding for the Pilot Program. *In the Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42, Lifeline and Link Up, WC Docket No. 03-109, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Advancing Broadband Availability Through Digital Literacy Training*, WC Docket No. 12-23, *Report and Order and Further Notice of Proposed Rulemaking*, FCC 12-11, released February 6, 2012

¹¹ Universal Service Administration Company, *Federal Universal Service Support Mechanisms Fund Size Projections for First Quarter 2013*, filed with the Federal Communications Commission on November 2, 2012, at Appendix LI08: Lifeline Subscribers by State or Jurisdiction, January 2012 to June 2012.

billion, which is approximately 80 times the monies the FCC has set aside for its pilots. Furthermore, only approximately 10% to 20% percent of eligible households participate in Lifeline in Utah,¹² which underscores the vast gap between the funds that are available for the Lifeline Broadband Pilot and the funds that would be necessary to address the well-established broadband income gap.

On July 11, 2012, the FCC released a statement on the FCC's blog noting that 24 broadband pilot applications had been received. None of those applications included a project in Utah.¹³ On December 19, 2012, the FCC announced 14 broadband pilot projects. Among other things, the FCC state:

Using \$14 million in savings from reforms, the FCC's Wireline Competition Bureau has chosen 14 high- quality pilot projects to advance broadband adoption through Lifeline. The projects will provide critical data and rigorous analysis regarding how Lifeline can efficiently and effectively increase broadband adoption and retention among low-income consumers. Located in 21 states and Puerto Rico, the pilots will also provide broadband for nearly 75,000 low-income consumers who now lack service.¹⁴

The Pilot Program will run for 18 months, beginning on Feb. 1, 2013. It may be prudent for the state of Utah to begin to explore comparable efforts to encourage broadband adoption

¹² Source: Universal Service Administrative Company, 2010 Lifeline Participation Rate Data, available at: <http://www.usac.org/res/documents/li/pdf/participation-rates/li-participation-rate-map-2010.pdf>. USAC notes: "Each year, USAC completes a study of participation rates in the Lifeline Program for each state. The study compares the eligibility criteria used by each state against government and other publicly available data to determine the number of households eligible under each program. In addition, because many states, including those that use the federal default criteria, include income as a criterion, the study uses the Poverty Guidelines to determine the number of households eligible based on income in these states. The study relies on data published for Medicaid, Supplemental Security Income (SSI), and Food Stamps to calculate an average number of households that are receiving assistance through more than one program. This amount was subtracted from the total number of eligible households in states that included multiple programs in their eligibility criteria. The study then compares the number of eligible households in each state against USAC's data on Lifeline participation to calculate an estimated participation rate for each state."

¹³ See: <http://www.fcc.gov/blog/charting-broadband-opportunities-low-income-americans> (accessed December 18, 2012).

¹⁴ FCC Press Release, December 19, 2012, "Lifeline Reforms Saved More than \$210 Million in 2012, Beating Target; FCC Announces 14 Pilot Projects to Increase Broadband Adoption Using a Portion of Savings from Lifeline Reform."

among the elderly and low-income population rather than to wait until August 2014, when the FCC's Pilot Program ends (data collection and analysis must be completed in the final three months of the program). Clearly affordability is a barrier to adoption. There is an unambiguous link between household income and broadband adoption. For example, 46% of Americans with incomes of less than \$30,000 have broadband access to the Internet at home compared to 87% of Americans with incomes above \$75,000.¹⁵ This variable does not need to be "tested" in a pilot program. Affordability is an indisputable barrier to broadband adoption, but is not the only barrier. Usability and privacy are examples of two other relevant issues that affect consumers' willingness to adopt broadband service. As consumers become familiar with data-intensive applications, such as the use of video communication, which can facilitate, for example, telehealth, social connections (Skype) and aging in place, this familiarity will contribute to overcoming barriers to broadband service adoption.

There is a clear link between age and broadband adoption. Only 39% of Americans aged 65 and over obtain access to the Internet with broadband at home.¹⁶ AARP is hopeful that programs will focus on assisting the elderly with broadband adoption. Moreover, AARP supports more far-reaching policies and programs by the state of Utah to ensure that all of its citizens, regardless of income and age, can avail themselves of an affordable, reliable broadband ramp to the Internet.

Verizon opposes imposing new obligations on carriers, and contends that there is no reason to assess broadband services (Verizon, at 15-16). Verizon contends that forcing

¹⁵ Source: Pew Research Center's Internet & American Life Project, Spring tracking, March 15-April 3, 2012. See: <http://pewinternet.org/Commentary/2012/May/Pew-Internet-Broadband.aspx> (accessed December 18, 2012).

¹⁶ Source: Pew Research Center's Internet & American Life Project, Spring tracking, March 15-April 3, 2012. See: <http://pewinternet.org/Commentary/2012/May/Pew-Internet-Broadband.aspx> (accessed December 18, 2012). This compares to 77% of Americans ages 30 to 49 who access the Internet through a broadband connection at home. *Id.*

broadband services “to contribute to a Fund designed to support basic voice services” would thwart the continuing growth of broadband services (Verizon, at 16). AARP offers a two-part response to Verizon’s concerns. First, as URTA observes, common network facilities support voice *and* broadband, and, therefore, the PSC should examine carefully the impact of the USF on rural carriers’ ability to upgrade their network to support voice and broadband service. Second, Utah may decide as a matter of state policy to use the Fund to support broadband deployment and adoption. Such policy may be warranted because broadband access to the Internet is an essential service, and has multiple positive effects for the state such as improved educational opportunities, economic development, and health. AARP fully supports an assessment on broadband services to support subsidies for broadband deployment and for broadband adoption and concurs with CenturyLink that if the Fund is expanded to support broadband services then broadband service providers should pay into the Fund (CenturyLink, at 10).

IV. Process for Proceeding

AARP concurs with OCS that the PSC should afford interested parties the opportunity to submit comments on the draft report of the Division of the PSC before it is finalized and submitted to the Governor and to the Legislature (OCS, at 4). The issues in this proceeding are complex and controversial, and therefore it is important to provide parties with the option of commenting on the Division’s analysis and recommendations.

V. Conclusion

AARP fully supports the PSC's careful and comprehensive assessment of the role of the Fund in achieving the state's telecommunications goals, and, is hopeful that the PSC will afford parties the opportunity to review and comment on the report that the Division prepares.

Respectfully submitted,

AARP

A handwritten signature in black ink, appearing to read "Alan K. Ormsby". The signature is fluid and cursive, with the first name "Alan" and last name "Ormsby" clearly distinguishable.

By

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Attachment A: Universal Service High-Cost Fund Disbursements in Utah – September 2012

Study Area Code	Study Area Name	High Cost Loop	Interstate Common Line Support	Safety Net Additive Support	Frozen High Cost Support	Incremental Support	Connect America Fund Intercarrier Compensation	Total High Cost Support
	DIRECT COMMUNICATIONS							
500758	CEDAR VALLEY, LLC	\$80,671	\$83,451	\$3,708	\$0	\$0	\$58,986	\$226,816
502277	CENTRAL UTAH TEL INC	\$21,646	\$59,020	\$0	\$0	\$0	\$73,622	\$154,288
502278	EMRY DBA EMRY TELCOM	\$0	\$104,886	\$0	\$0	\$0	\$0	\$104,886
502279	GUNNISON TEL CO	\$0	\$15,366	\$0	\$0	\$0	\$8,846	\$24,212
502282	MANTI TEL CO	\$0	\$28,516	\$0	\$0	\$0	\$13,575	\$42,091
502283	SKYLINE TELECOM	\$2,801	\$33,043	\$0	\$0	\$0	\$7,007	\$42,851
502284	BEEHIVE TEL CO - UT	\$113,290	\$104,413	\$4,308	\$0	\$0	\$251,797	\$473,808
502286	SOUTH CENTRAL UTAH	\$17,972	\$116,710	\$0	\$0	\$0	\$8,437	\$143,119
502287	UBTA-UBET COMM INC.	\$120,300	\$224,078	\$0	\$0	\$0	\$75,181	\$419,559
502288	ALL WEST COMM-UT	\$51,404	\$116,545	\$8,004	\$0	\$0	\$36,910	\$212,863
503032	BEAR LAKE COMM	\$13,559	\$12,566	\$0	\$0	\$0	\$17,639	\$43,764
504429	CITIZENS-FRONTIER-UT	\$0	\$0	\$0	\$152,727	\$0	\$3,575	\$156,302
504449	NAVAJO-UT-FRONTIER	\$0	\$0	\$0	\$9,936	\$0	\$196	\$10,132
505107	QWEST CORP-UT	\$0	\$0	\$0	\$80,590	\$5,167	\$25,624	\$111,381
509002	SMITH BAGLEY, INC. - CL	\$0	\$0	\$0	\$9,795	\$0	\$0	\$9,795
	Total Utah	\$421,643	\$898,594	\$16,020	\$253,048	\$5,167	\$581,395	\$2,175,867

Source: Universal Service Administrative Company, Funding Disbursement Search Tool, available at: <http://www.usac.org/hc/tools/disbursements/default.aspx>. Note: All high cost components for which Utah carriers received funds are included. Missing components, such as Local Switching Support, indicate that no Utah carrier received those funds.

Attachment B: Projected First Quarter 2013 High Cost Disbursements in Utah

SAC	Study Area Name	Frozen High Cost Monthly Support	Connect America Fund ICC Monthly Support	HCL Monthly Support	ICLS Monthly Support	SNA Monthly Support	SVS Monthly Support	Total High Cost Monthly	Total High Cost Quarterly
500758	DIRECT COMMUNICATIONS CEDAR VALLEY, LLC	\$-	\$58,986	\$70,175	\$83,658	\$3,708	\$-	\$216,527	\$649,581
502277	CENTRAL UTAH TEL INC	\$-	\$73,622	\$22,560	\$60,035	\$-	\$-	\$156,217	\$468,651
502278	EMRY DBA EMRY TELCOM	\$-	\$-	\$-	\$111,367	\$-	\$-	\$111,367	\$334,101
502279	GUNNISON TEL CO	\$-	\$8,846	\$-	\$16,249	\$-	\$-	\$25,095	\$75,285
502282	MANTI TEL CO	\$-	\$13,575	\$-	\$28,572	\$-	\$-	\$42,147	\$126,441
502283	SKYLINE TELECOM	\$-	\$7,007	\$4,091	\$30,877	\$-	\$50	\$42,025	\$126,075
502284	BEEHIVE TEL CO - UT	\$-	\$251,797	\$124,047	\$117,338	\$3,106	\$-	\$496,288	\$1,488,864
502286	SOUTH CENTRAL UTAH	\$-	\$8,437	\$-	\$116,142	\$-	\$-	\$124,579	\$373,737
502287	UBTA-UBET COMM INC.	\$-	\$75,181	\$109,377	\$259,856	\$-	\$-	\$444,414	\$1,333,242
502288	ALL WEST COMM-UT	\$-	\$36,910	\$82,537	\$108,982	\$-	\$-	\$228,429	\$685,287
503032	BEAR LAKE COMM	\$-	\$17,639	\$12,930	\$16,543	\$-	\$-	\$47,112	\$141,336
504429	CITIZENS-FRONTIER-UT	\$152,727	\$3,575	\$-	\$-	\$-	\$-	\$156,302	\$468,906
504449	NAVAJO-UT-FRONTIER	\$9,936	\$196	\$-	\$-	\$-	\$-	\$10,132	\$30,396
505107	QWEST CORP-UT	\$80,590	\$25,624	\$-	\$-	\$-	\$-	\$106,214	\$318,642
509002	SMITH BAGLEY, INC. - CL	\$9,796	\$-	\$-	\$-	\$-	\$-	\$9,796	\$29,388
	Utah Total	\$253,049	\$581,395	\$425,717	\$949,619	\$6,814	\$50	\$2,216,644	\$6,649,932

Source: Universal Service Administrative Company, High Cost Support Projected by State by Study Area, 1Q2003, available at: <http://www.usac.org/about/tools/fcc/filings/2013/q1.aspx>.