



State of Utah
Department of Commerce
Division of Public Utilities

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Recommendation

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Brenda Salter, Utility Technical Consultant Supervisor

Casey J. Coleman, Utility Technical Consultant

Michael Healy, Utility Analyst

Date: September 15, 2020

Re: **Docket No. 20-999-05**, In the Matter of State Certification of Rural Carriers'
Compliance with 47 U.S.C. Section 254(e)

CC Docket No. 96-45, In the Matter of Federal-State Joint Board on Universal
Service

Annual State Certification Pursuant to 47 C.F.R. §54.314

Recommendation (Approve)

Consistent with the Division of Public Utilities' (Division) prior year recommendation, the Division recommends the Utah Public Service Commission (Commission) support Utah's rural incumbent local exchange carriers' (Companies) request for certification of eligibility to receive federal high-cost support by submitting a timely certification letter to the Federal Communication Commission (FCC) and Universal Service Administration Company (USAC).

Issue

Pursuant to 47 C.F.R. Paragraph 54.314, the Commission is required to certify that all rural carriers within its jurisdiction will use Federal Universal Service Funds (USF) “only for the provision, maintenance, and upgrading of facilities and services for which the support is intended,” as required by 47 U.S.C. 254(e). This certification may be in the form of a letter to the FCC regarding the carriers’ compliance and is due to the FCC and USAC by October 1, 2020 clearly referencing **WC Docket No. 10-90**.

Background

Exceptions to the Certification:

CenturyTel of Eagle, Inc., a subsidiary of CenturyLink, Inc., provides local exchange service to approximately 6 to 8 Utah customers on the border of Colorado via facilities located in Colorado. Farmers Telephone Company provides local exchange service to approximately 8 Utah customers on the border of Colorado via facilities located in Colorado. Albion Telephone Company provides local exchange service to approximately 27 Utah customers on the border of Idaho via facilities located in Idaho. All ratemaking procedures for these companies have historically been deferred to the Colorado Public Utilities Commission or Idaho Public Utilities Commission accordingly.

Certification:

As of August 31, 2020, the Commission has received an electronic copy from the USAC portal of the FCC Form 481 from each of the following companies:

Company Name (Exchange Carrier Study Area Code)

All West Communications, Inc. (502288)
Bear Lake Communications (503032)
Beehive Telephone Company, Inc. (502284)
Carbon/Emery Telcom, Inc. (502278)
Central Utah Telephone (502277)
Citizens Telecommunications Company of Utah (504429)

Direct Communications Cedar Valley, LLC (500758)
Emery Telcom (502278)
Gunnison Telephone Company (502279)
Hanksville Telcom, Inc. (502278)
Manti Telephone Company (502282)
Navajo Communications Company Inc. (504449)
Qwest Corporation dba CenturyLinkQC (505107)
Skyline Telecom (502283)
South Central Utah Telephone Association, Inc. (502286)
UBTA-UBET Communications, Inc. dba STRATA Networks (502287)
Union Telephone Company (512297 – Utah segment only)

In conducting this investigation, the Division has reviewed the information contained in the Form 481 and each of the Companies' Annual Reports to the Commission. The Division has relied on desk audits and annual reports for a more rigorous review of data.

In reviewing the Form 481, emphasis was placed on compliance to the following three requirements:

1. Broadband Services Rate Comparability (Line 1030)

Pursuant to 47 C.F.R. § 54.313(a)(3) the companies outlined in the report that the rates charged for Broadband services are no higher than the most recent applicable benchmark announced by the Wireline Competition Bureau.

2. Voice Services Rate Comparability (Line 1010)

Pursuant to 47 C.F.R. § 54.313(a)(6) and 47 C.F.R. § 54.202(a)(2) companies must indicate its services meet the requirement to provide voice services at rates no more than two standard deviations above the national average urban rate for voice service.

3. Functionality in Emergency Situations (Line 610)

Pursuant to 47 C.F.R. § 54.313(a)(6) and 47 C.F.R. § 54.22(b)(4) as set forth in 47 C.F.R. § 54.202 (a)(2) companies must indicate it meets the requirements to remain functional in emergency situations.

Conclusion

The Division recommends the Commission support Utah's incumbent local exchange carriers' request for certification of eligibility to receive federal high-cost support by submitting a timely certification letter to the FCC and USAC.

Cc: Jenny Prescott, Vice President of Finance, All West Communications, Inc.
Eddie L. Cox, President, Bear Lake Communications/Central Utah Telephone/Skyline Telecom
Larry Mason, Senior VP of Regulatory Affairs, Beehive Telephone Company, Inc.
Carl E. Erhart, Manager, Government and External Affairs, Citizens and Navajo Communications
Kip Wilson, General Manager, Direct Communications Cedar Valley, LLC
Brock Johansen, CEO, Emery Telcom/Carbon-Emery Telcom, Inc./Hanksville Telecom
Natalie Gleave, Controller, Gunnison Telephone Company
Dallas Cox, President, Manti Telephone Company
Jennifer Somers, Director, Regulatory Affairs, Qwest Corporations dba CenturyLinkQC
Michael R. East, President/CEO, South Central Utah Telephone Association, Inc.
Bruce H. Todd, CEO/GM UBTA-UBET Communications, Inc. dba STRATA Networks
James H. Woody, Treasurer and CFO, Union Telephone Company