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Department of Commerce Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Brenda Salter, Utility Technical Consultant Supervisor

Paul Hicken, Technical Consultant

Date: November 9, 2020

Re: **Docket No. 20-041-T04**, Citizens Telecommunications Company of Utah d/b/a Frontier Communications of Utah's proposed tariff revisions.

Recommendation (Approve Tariff Sheets)

The Division of Public Utilities (DPU or Division) has reviewed the tariff filing and recommends the Public Service Commission (PSC or Utah Commission) approve Citizens Telecommunications Company of Utah d/b/a Frontier Communications of Utah's (Citizens or Company) request to reduce the Federal Lifeline support amount.

Issue

On October 29, 2020 the Company submitted to the PSC, Advice Letter UT-20-04 including revised tariff sheets, with the purpose to reduce Federal Lifeline support for voice only Lifeline service from \$7.25 per month per Lifeline subscriber to \$5.25, as a result of the FCC's Lifeline Modernization Order, WC Docket No. 11-42, issued April 27, 2016. The Utah Commission issued an Action Request on October 29, 2020 for the Division to investigate the proposed tariff changes and report its findings and recommendation. This memo represents the Division's response to the Utah Commission's Action Request.

Background

The Lifeline program provides a discount on phone service for qualifying low-income consumers to ensure that all Americans have the opportunities and security that phone service brings, including being able to connect to jobs, family and emergency services. Lifeline is part of the Universal Service Fund. The Lifeline program is available to eligible low-income consumers in every state, territory, commonwealth, and on Tribal lands. The Federal Communications Commission (FCC or Commission) set out minimum service standards and support amounts for Lifeline-supported services to ensure maximum value for the universal service dollar, and established a National Eligibility Verifier to make independent subscriber eligibility determinations. The program is administered by the Universal Service Administrative Company (USAC), who is responsible for the data collection, maintenance, support and disbursements for the low-income program.

Discussion

On March 31, 2016, the FCC adopted a comprehensive reform and modernization of the Lifeline program. The Lifeline Modernization Order included broadband as a support service in the Lifeline program and established that support amounts for voice service would start at \$9.25 per month per subscriber and be stepped down over the next 5 years. On December 1, 2019, the amount was reduced to \$7.25 per month and on December 1, 2020, it will be reduced to \$5.25 per month. It will be reduced again on December 1, 2021, to \$0.00 for voice support.

Conclusion

The Division has reviewed Citizen's filing and has no objection to the proposed changes. Therefore, the Division recommends the Utah Commission approve this filing with the proposed effective date of December 1, 2020, as requested.

cc: Carl E. Erhart, Manager, Government & External Affairs, Citizens and Navajo Communications
Leslie Zink, Sr. Manager, Pricing & Tariffs, Frontier Communications
Michele Beck, Director, Office of Consumer Services