



Gleave from Gunnison Telephone Company participated in the hearing by telephone, and the Division of Public Utilities appeared in the matter. No other parties appeared at the hearing.

The Commission noted in the Notice and at the hearing that the public comments in this docket would remain open until 5:00 p.m., May 31, 2016. URTA, on behalf of its members, hereby files these additional comments on two discrete issues: (1) Petitions to Deviate from the Affordable Base Rate; and (2) Affordable Base Rate for Business lines.

**A. Petition to Deviate From the Affordable Base Rate.**

The proposed Amendment published by the Commission in this docket provides:

R746-360-2.B Rate Floor

1. Unless a petition brought pursuant to Subsection (B)(2) is granted, to be eligible for USF subsidization, a telecommunications corporation shall charge, at a minimum, the following Affordable Base Rates for basic telecommunications services;

- a. As of July 1, 2016:
  - i. \$18.00 per residential line; and
  - ii. \$27.50 per business line.
- b. As of July 1, 2017:
  - i. \$20 per residential line; and
  - ii. \$27.50 per business line.

2.a. A telecommunications corporation may petition the Commission to deviate from the Affordable Base Rates set forth in this Subsection (B)(1).

b. A telecommunications corporation that files a petition under this Subsection (B)(2)(a) has the burden to demonstrate that the Affordable Base Rate is not reasonable in the particular geographic area served.

In its previously submitted comments URTA noted that there appears to be a procedural inconsistency between the proposed amendments to R746-360-6 and the Notice issued by the Commission. The Notice provides that a telecommunications provider that does not wish to adopt the Utah affordable base rates may petition the Commission to deviate from those rates. According to the Notice, “a telecommunications provider that does not file a revised tariff *risks* losing its UUSF subsidy *unless a petition to deviate is on file with the Commission by June 7, 2016.*” See Notice, p. 2. However, the proposed rule amendment as

drafted by the Commission provides that charging the Affordable Base Rate or having a petition to deviate **granted** is a requirement for being eligible for UUSF. Is the Commission stating that a Petition to Deviate, if brought by June 7, 2016 shall be granted or denied prior to July 1, 2016 to enable a telecommunications provider to comply with the proposed Amendments as drafted? Or, is the Commission's position only that the Petition need be filed by June 7, 2016 as stated in the notice, or July 1, 2016, as identified in the proposed Amendment? If a company's Petition to Deviate is denied, will the company who brought the Petition to Deviate be permitted to raise its rates at that time to avoid losing eligibility for UUSF support?

As URТА previously indicated in its comments, it does not seem procedurally possible that a telecommunications corporation could file a petition to deviate from the Affordable Base Rate in a formal proceeding **and** have that petition **granted** prior to July 1, 2016. URТА and its members respectfully request that the Commission clarify these issues in the proposed Amendment. URТА further respectfully requests that the dates for filing such Petition be set such that a telecommunications provider will not be required to file a Petition to Deviate prior to the proposed Amendments which require the Petition actually being in effect.

Additionally, as requested at the hearing, it would be helpful to the URТА members to have some guidance from the Commission on the criteria the Commission will consider when determining whether a deviation from the Affordable Base Rate will be granted by the Commission. In particular, the URТА members would like some guidance from the Commission on factors the Commission will consider when determining whether the Affordable Base Rate is reasonable in the particular geographic area served.

**B. Affordable Base Rate for Business Service.**

In its initial Request for Comments, issued March 4, 2016, and its Notice issued April 18, 2016, the Commission identified the Federal Communications Commission's local rate floor benchmark as the reason for its consideration of an increase in Utah's Affordable Base Rate.<sup>1</sup> As the Commission is aware, the FCC does not mandate a local rate floor benchmark for business service. Therefore, as indicated in URTA's Comments, the business rate of \$27.50 proposed by the Commission is inconsistent with the Federal local rate floor benchmark, and is not needed. For the sake of clarity and consistency with the federal local rate floor benchmark, URTA urges the Commission to eliminate the affordable base rate for business service, permitting companies to set their business rates as the market permits, with the Affordable Base Rate imputed against the companies if their business rates are below the Affordable Base Rate.

Respectfully submitted this 31<sup>st</sup> day of May, 2016.

BLACKBURN & STOLL, LC

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Association

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<sup>1</sup> See Request for Comments, p. 1; and Notice of Requirement to File a Petition to Amend Tariff or to Deviate from the Utah Affordable Base Rate, p. 1.

CERTIFICATE OF SERVICE

I hereby certify that on the 31<sup>st</sup> day of May, 2016, I served a true and correct copy of Utah Rural Telecom Association's Supplemental Comments on the Affordable Base Rate Rule R746-360, Docket 16-R360-01, via e-mail transmission to the Public Service Commission Distribution list in this docket and the following persons at the e-mail addresses listed below:

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