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BEFORE THE UTAH PUBLIC SERVICE COMMISSION

In the Matter of the Utah Universal Service
Fund Surcharge

DOCKET NO. 16-R360-02

**COMMENTS
OF THE AT&T COMPANIES**

The certificated AT&T Companies, together with AT&T wireless providers, including AT&T Corp., Teleport Communications America, LLC, New Cingular Wireless PCS, LLC, d/b/a AT&T Mobility, and Cricket Wireless, LLC (collectively, the “AT&T Companies”) submit these Comments in response to the Request for Comments dated April 13, 2016 (the “Request”). The Request invites comments as to (1) factors “which might explain why the current surcharge is generating less revenue, and (2) possible changes to the Universal Service Fund (“USF”) collection process, focusing on two alternatives (a) an increase to the existing surcharge on rates, and (b) a per line methodology.

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COMMENTS

The AT&T Companies express no opinion on question 1 of the Request. Not enough is known, perhaps, of the reasons for this decline. If, however, the Commission does feel that the collection rate needs adjustment due to decline in assessable revenue, the AT&T Companies recommend that the current surcharge rate be increased, rather than moving the carriers to a new collection methodology. There are several reasons for doing this.

First, the statutory assessment appears to contemplate a rate- or revenue- based assessment. UC Section 54-8b-15 subsection 10(a)(4) provides that the USF assessment “shall be in the form of end-user surcharges applied to intrastate retail *rates*.” (Italics added) Second, as a practical matter, it is substantially less expensive for carriers to adjust the rate on an existing collection methodology than to task their IT departments or contractors to program a new collection methodology. Finally, FCC rules require that state USF contribution methodologies must not rely on or burden federal universal service support mechanisms. See 47 USC § 254(f). Although fairly clear guidance has been given by the FCC for revenue based methodology, this is not true for non-revenues-based contribution methodologies (e.g., connections-based or per line assessment). Lacking such guidance, for Utah to adopt a per line assessment might risk the FCC later concluding that such a methodology impermissibly relies on or burdens the federal USF.

For these reasons, the AT&T Companies encourage the Commission to continue with the existing rate or revenue based assessment, to maintain alignment with statutory requirements, to minimize administrative costs for providers, and to avoid any possible conflicts with federal law.

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The AT&T Companies appreciate the opportunity to provide these comments.

Submitted May 12, 2016.

By: _____/s/_____
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MAILING CERTIFICATE

I hereby certify that on the 12th day of March 2016, I caused to be served a copy of the COMMENTS OF THE AT&T COMPANIES on the following person by overnight delivery and electronic mail:

Melissa Paschal
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I also hereby certify that on the 12th day of March 2016 I caused to be served a copy of the COMMENTS OF THE AT&T COMPANIES on the following persons by electronic mail:

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