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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

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Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services
Michele Beck, Director
Cheryl Murray, Utility Analyst
Danny A.C. Martinez, Utility Analyst

Date: June 2, 2016

Subject: Docket No. 16-R360-02, In the Matter of the Utah Universal Service Fund Surcharge

Introduction

On April 13, 2016, the Utah Public Service Commission (Commission) requested comments on the following issues in the matter of the Utah Universal Service Fund Surcharge:

1. Industry trends or other circumstances that might explain why the current surcharge is generating less revenue.
2. Mechanisms to maintain funding of the UUSF, including but not limited to the following two options, either of which could be accomplished through a future administrative rule filing by the Commission, contemplated to be effective by October 1, 2016:
 - a. Increasing the current surcharge from 1% of billed intrastate retail rates to 1.65% of billed intrastate retail rates. See Utah Administrative Code R746-360-4(C).
 - b. Repealing the current surcharge and implementing a \$0.32 surcharge on:
 - i. each residential and business access line of each customer of local exchange telephone service in Utah; and
 - ii. each residential and business telephone number of each customer of a mobile telephone service in Utah, not including a telephone number used exclusively to transfer data to and from a mobile device.

The Office of Consumer Services (Office) offers these reply comments in response to the Commission's request.

Discussion

The Office concurs with other parties in this docket that additional information and analysis is necessary to inform the Commission's decision on the appropriate surcharge. The Office supports having a technical conference which should address calculations and impacts of the two options put forth by the Commission. After more information about the calculation and the options are known, the Office recommends that the Commission allow another round of comments to be filed by parties in this docket prior to a Commission decision.