



CARLA M. BUTLER

March 8, 2018

Via Electronic Filing Only

Gary Widerburg
Commission Administrator
Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111
psc@utah.gov

Re: Docket No. 17-R008-01

Dear Mr. Widerburg:

Attached for filing in the above entitled docket please find CenturyLink's Issues List, along with a Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Carla".

Carla Butler
Lead Paralegal

Attachment
cc: Service List

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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Utah Administrative Code R746-8, Proposing
To Repeal R746-360, R746-341, and R746-343
Telecommunications Service Support Fund

DOCKET NO. 17-R008-01
CENTURYLINK'S ISSUES LIST

ONE-TIME UTAH UNIVERSAL SERVICE FUND (UUSF) DISTRIBUTION ISSUES LIST

On February 9, 2018, the Utah Public Service Commission (“Commission”) issued a Scheduling Order and Notice of Technical Conferences in this proceeding.¹ In the notice the Commission set March 8, 2018 as the deadline for interested parties to file a list of issues, regarding one-time Utah Universal Service Fund (“UUSF”) distributions, that will be discussed during the scheduled March 15, 2018 workgroup meeting and technical conference.

Qwest Corporation d/b/a CenturyLink QC and CenturyLink Communications, LLC (“CenturyLink”) appreciate the opportunity to file an issue list, which is contained in Attachment A to this filing. During the technical conference, CenturyLink will be available to discuss the various issues and recommendations included in Attachment A.

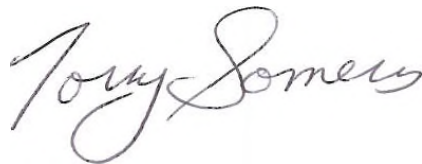
¹ Located on the Commission’s website for Docket No.17-R008-01. Website link:
<https://psc.utah.gov/2017/07/06/docket-no-17-r008-01/>

In establishing the rules that will govern one-time UUSF distributions, CenturyLink believes it important that the new rules are designed to be flexible. They need to be flexible enough to allow for consideration of any viable option/technology to serve, or continue serving in high cost areas. One-time UUSF distributions should be non-discriminatory and technology and provider neutral. Consistent with the state UUSF statute, any Carrier-of-Last-Resort (COLR)² should be able to petition the Commission for approval of one-time UUSF distributions by presenting a business case for funding. In the business case, at minimum, the COLR must provide support for the requested level of funding and explain why it is in the public interest for the Commission to approve the business case and fund the project.

CenturyLink looks forward to participating in the upcoming technical conference and providing its input to the Commission and discussing the issues with the other parties.

RESPECTFULLY SUBMITTED this 8th day of March, 2018.

CENTURYLINK



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² Consistent with provisions of 54-8b-15(1)(b) and (3)(c) and (3)(d), only COLRs can receive one-time UUSF distributions, and COLRs can be a provider other than an incumbent telecommunications corporation.

ONE-TIME UNIVERSAL SERVICE FUND DISTRIBUTIONS

One-time distributions from the Utah Universal Service Fund (“UUSF”) can be used to incent a carrier-of-last resort (COLR) to place and maintain facilities, including high-speed internet facilities, capable of supporting voice service, in a geographic area that otherwise is not economical to serve or upgrade. A technology and provider neutral flexible approach, that realistically considers the aid to construction needed to economically provide service to certain areas of Utah in need of reliable voice and internet, will benefit customers and citizens in Utah. The items below identify the criteria and issues that should be considered by the Public Service Commission of Utah (“Commission”) when distributing one-time UUSF as an aid to construction.

To receive funding for a project the Commission needs to find that it is in the public interest to approve one-time UUSF support for the project. The Commission should consider various criteria and information in determining whether it will fund a project. The Commission can also use criteria to prioritize projects when there are more requests than available funding.

- Timing and cost of the project and the impact upon the size of UUSF.
 - The Commission can set an annual budget for one-time distributions, such as no more than 10% of the total annual UUSF.
 - If needed, CenturyLink supports having the Utah Legislature approve grants from the general fund to the UUSF for funding one-time UUSF distributions.
- Number of customers and citizens that will benefit from the project.
 - Cost per customer to fund the project.
- Public safety benefits of funding backbone facilities necessary to serve wireless cell sites.
 - There are geographic locations within Utah where there is a lot of public use, but with no or very limited cell service in the area, creating significant public safety concerns when there are emergencies.
- Opportunity to partner with and benefit other public or private entities, such as the Utah Department of Transportation, Utah Education Network, state emergency services, etc.
- Percentage of full-time residential and business locations within the project area in comparison to seasonal dwellings.
 - Areas with a higher percentage of full time residential and business locations are a higher priority.
- Pursuant to the UUSF statute, the Commission does not have authority “to regulate Broadband Internet access service.” (Utah Statute 54-8b-15(14)(b)). In situations where a COLR is seeking one-time UUSF funds, and it is placing High Speed Internet (HSI) facilities capable of supporting voice service, even though the Commission does not regulate HSI, the Commission can establish reasonable requirements that the COLR must meet if it is going to

accept funding for the project. (Reasonable requirements/obligations if the COLR takes the money.)

- The COLR is not already receiving direct support/subsidy from another source such as through the Connect America Fund (CAF II) or other broadband grants for the same customers in a geographic area.
 - Unless additional funding from the UUSF will enable the COLR to increase the coverage area, increase speeds and benefit more customers and citizens.
- When applying for a one-time UUSF distribution, the COLR will provide specific estimated cost information, identifying how much UUSF funding is required.
 - The Commission will establish the amount of investment that will required by the COLR for the Commission to approve funding.
 - The COLR must cover a share of the costs of construction that are at minimum at a level that would normally be considered a prudent investment for the COLR.
- One-time USF distributions can be used for the placing of HSI facilities capable of supporting voice service in specific project (geographic) areas that are not currently served, under-served, or for the amelioration of inadequate service.
 - Generally, areas to be considered for funding will be areas where there is no unsubsidized competitor serving at least a significant portion of the project area.
 - For determining the areas that may qualify for funding, the definition of unserved and under-served to be consistent with the FCC goals.
 - Unlike the CAF II program which funds at the census block level, there is flexibility to fund projects at the sub census block level to better target areas that are under-served or unserved.
- In situations where HSI facilities capable of supporting voice services are being placed, the deployed HSI speeds will at minimum be consistent with FCC goals.
- Generally, the 1-time UUSF distributions will be treated as a grant and customers contribution will not normally be required, unless it is very high cost. In high cost situations, the COLR may propose other solutions, such as a plan to place back bone facilities necessary to support a wireless option.
- When a COLR places HSI facilities capable of supporting voice, the Commission will consider the costs of increasing the speeds, necessary to support cell sites and other business needs in the area, and decide how much of the added cost will be funded from the UUSF.
- For each project that is to be funded, the Commission will establish the maximum amount that the UUSF will pay once the project has been completed. If actual costs end up lower than estimate costs, the amount that the UUSF will pay may be adjusted downward.

CERTIFICATE OF SERVICE
VIA EMAIL TRANSMISSION
Docket No. 17-R008-01

I hereby certify that on the 8th day of March, 2018, I caused a true and correct copy of the foregoing CENTURYLINK'S ISSUES LIST to be served upon the following persons via electronic mail at the e-mail addresses shown below.

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