

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Utah Administrative Code R746-360 Universal Public Telecommunications Service Support Fund	<u>DOCKET NO. 17-R360-01</u> <u>REQUEST FOR COMMENTS</u>
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ISSUED: March 27, 2017

To date, the Utah Universal Public Telecommunications Service Support Fund (UUSF) has been funded through a surcharge applied to each provider's billed intrastate retail rates. Senate Bill 130 (5th Substitute), passed during the 2017 General Legislative Session and signed by Governor Herbert on March 25, 2017, gives the Public Service Commission of Utah (PSC) more flexibility in funding the UUSF. Specifically, the new law allows the UUSF to be funded as follows:

- (a) through a surcharge that is applied to a provider's annual intrastate revenue;
- (b) through a surcharge that is applied to the number of access lines or connections maintained by a provider; or
- (c) through a combination of the above two methodologies.

In addition, Senate Bill 130 applies the surcharge to all providers that facilitate telecommunications services, including through voice over Internet protocol (VoIP) technology.

Given these changes, it is necessary for the PSC to amend Utah Administrative Code R746-360-5 to state the amount of the surcharge and the method through which it will be applied.¹ The PSC therefore requests comments from affected parties. Specifically, the PSC requests the Division of Public Utilities (Division) to identify all access line providers and

¹ Senate Bill 130 requires additional rulemaking, which the PSC intends to undertake within the 2017 calendar year. However, establishing the surcharge amount and mechanism is the PSC's top priority.

connection providers that are subject to the surcharge, to estimate the number of connections that are subject to the surcharge, and to recommend the amount of the surcharge if applied (a) to annual intrastate revenue; and (b) to access lines/connections. In addition, the PSC requests any data the Division can provide regarding the amount of funding that might be necessary to meet the statutory objectives set forth in Utah Code § 54-8b-15(3). The PSC recognizes that the Division will likely find it necessary to make assumptions and approximations in formulating its recommendation and requests that those be identified and explained.

The PSC also welcomes comments from other affected parties regarding any aspect of the rulemaking that is required under Senate Bill 130. The PSC is considering a July 2017 effective date for a rule amendment establishing the amount of the surcharge and the mechanism for application, but might find it necessary to use the full six-month rulemaking period allowed under the bill, depending on the comments that are received.² Therefore, the PSC specifically requests comments as to the status of UUSF contributions after July 1, 2017, but prior to the date on which a rule amendment is made effective, both with respect to current UUSF payers and also with respect to those that are not currently paying into the UUSF but are required to do so by Senate Bill 130.

Comments must be submitted by **Wednesday, April 26, 2017**, with reply comments due by **Thursday, May 11, 2017**.

² If the PSC amends the surcharge rule by July 2017, it will undertake the remaining rulemaking required under Senate Bill 130 in a separate proceeding and on a longer schedule.

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DATED at Salt Lake City, Utah, March 27, 2017.

/s/ Jennie T. Jonsson
Administrative Law Judge

Approved and confirmed March 27, 2017 by the Public Service Commission of Utah.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#292655

CERTIFICATE OF SERVICE

I CERTIFY that on March 27, 2017, a true and correct copy of the foregoing was served upon the following as indicated below:

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