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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Utah Administrative)	Docket No. 17-R360-01
Code R746-360 Universal Public)	
Telecommunications Service Support Fund)	REPLY COMMENTS OF UTAH
)	RURAL TELECOM ASSOCIATION
)	
)	
)	

Utah Rural Telecom Association (“URTA”) on behalf of its members All West Communications, Inc., Bear Lake Communications, Inc., Beehive Telephone Company, Carbon/Emery Telcom, Inc., Central Utah Telephone, Inc., Direct Communications Cedar Valley, LLC, Emery Telephone, Gunnison Telephone Company, Manti Telephone Company, Skyline Telecom, South Central Utah Telephone Association, Inc., UBTA-UBET Communications Inc. (dba Strata Networks), and Union Telephone Company, hereby files these Reply Comments to address the comments filed by CTIA, the AT&T Companies (“AT&T”), Comcast, CenturyLink, the Division of Public Utilities (“Division”), and the Office of Consumer Services (“Office”).

URTA notes at the outset that two of the comment filers suggest waiting for things to happen on a national level before making modifications in Utah. These are delay tactics. As

will be shown below in more detail, many of the arguments raised in the comments were raised with the Legislature, but the Legislature declined the invitation to wait. On the contrary, the Legislature recognized the need for modification of Utah’s Universal Service Fund (“UUSF”) statute; made modifications to ensure that the UUSF is collected, operated, and distributed in a non-discriminatory and competitively neutral manner; and directed the Commission to implement rules consistent with the statute in a timely manner. Regarding the UUSF surcharge mechanism, the Legislature authorized the Commission to establish a non-discriminatory, competitively neutral method of surcharge that is a function of annual intrastate revenue, number of access lines or connections in the state, or a combination thereof. Moreover, the Legislature directed the Commission to develop the method of UUSF surcharge by rule in accordance with the Utah Administrative Rule Act before January 1, 2018.

While the Commission is statutorily required to develop a surcharge method by administrative rule before January 1, 2018, as the Commission noted in the Request for Comments, the Commission is committed to implementing the UUSF surcharge methodology rule by July 1, 2017. As the Office stated in its initial Comments, the Commission’s promulgation of rules on the surcharge methodology with an effective date of July 1, 2017 is commendable.¹ Both URTA and CenturyLink support the Commission’s prioritization of this matter.² Furthermore, the Commission has already received several rounds of comments in both this Docket, previously in Docket 16-R360-02, and participated in Legislative Interim meeting last year where its preference was clearly to change to an access line/connection based methodology. As discussed in previous comments, and below, a per access

¹ *Comments of the Office of Consumer Services*, dated April 26, 2017 (“Office Comments”), p. 3

² *Comments of CenturyLink*, dated April 26, 2017 (“CenturyLink Comments”), p. 1-2.

line/connection surcharge is more stable and sustainable, and provides comparable treatment of providers regardless of technology.³ Additionally, as several commenters have pointed out, a per access line/connection based method of surcharge is more transparent for reporting and facilitates an administratively efficient auditing procedure for the Commission.⁴

The Division, the Office, CenturyLink, and URTA all urge the Commission to establish a per access line, per connection surcharge. Once the Commission has established the method of contribution, the Commission should schedule a technical conference or series of technical conferences as needed to flesh-out the mechanics of determining efficient assessment and collection of the surcharge. Once the surcharge method has been determined and implemented, the Commission and stakeholders can address the other issues identified in the statutory changes as needed in subsequent rulemaking.

URTA specifically addresses the other comments filed in this matter below:

I. RESPONSE TO DIVISION OF PUBLIC UTILITIES, OFFICE OF CONSUMER SERVICES, AND CENTURYLINK.

Because the Division, the Office, and Centurylink are fairly aligned in their positions, URTA will address their comments together.

A. Contributors, Access Lines, and Connections.

The Division was first tasked with identifying all access line providers and connection providers that are subject to the UUSF surcharge under Senate Bill 130 and its modifications to Utah Code § 54-8b-15. The Division began with information it had at its disposal which is an

³ *Id.*; *Comments of URTA*, dated April 26, 2017 (“URTA Comments”), p. 6. Even Comcast who is opposed to a change in the surcharge methodology agrees that the surcharge mechanism should be “sustainable in an industry characterized by rapid technological change, eliminating the need to update the rules frequently.” *Comcast Comments*, dated April 26, 2017 (“Comcast Comments”), p. 2.

⁴ *Office Comments* at p. 3;

identification of carriers currently remitting payments to the UUSF and the Telecom Relay Service (“TRS”). Using these data, the Division identified 212 carriers who remit payments to the UUSF and 87 providers who remit TRS contributions.⁵ The Division undertook two different methods for identifying the additional access line and connection providers in the state as required by statute, and identified a third, alternative method for making such identification.

According to the Division, the first method employed was to use FCC Form 477 data to identify access line and connection providers in the state of Utah. FCC Form 477 data is provided twice per year by facilities-based providers of broadband connections to end users; providers of wired or fixed wireless local exchange telephone service; providers of interconnected voice over internet protocol service; and facilities-based providers of mobile telephony (mobile voice) service. URTA agrees that Form 477 may provide a complete list for identification of providers of access lines and connections in the state of Utah. Moreover, Form 477 can likely be used to identify the accurate number of access lines and connections.

According to the Division, Form 477 indicates that for 2016 there were approximately 3,651,000 access lines and connections in the state of Utah.⁶

The second method the Division used to identify potential UUSF contributors and numbers of access lines and connections in the state of Utah was to attempt to identify those providers who currently remit 911 surcharges to the Utah State Tax Commission. As the Commission is aware, the 911 fee is currently assessed on each local exchange service switched access line within the boundaries of the county, city, town, or metro township. With the changes to the 911 statutes resulting from the passage of Senate Bill 198, the various 911 surcharges shall

⁵ *Division of Public Utilities Comments*, dated April 26, 2017 (“Division Comments”), p. 2.

⁶ *Division Comments*, p. 3.

continue to be applied to access lines, with access line for 911 purposes defined as “a circuit-switched connection, or the functional equivalent of a circuit-switched connection, from an end user to the public switched network. ‘Access line’ includes: (i) a local exchange service switched access line within the state; (ii) a revenue producing radio communications access line with a billing address within the state; and (iii) a line provided by a service, including voice over Internet protocol, to a user with an address within the state, that allows the user to receive a call that originates on the public switched network and terminate a call to the public switched network.” Because the definitions of access lines from SB 130 and SB 198 are similar, the list of 911 surcharge contributors should provide a close approximation of those providers required to contribute to the UUSF.

The Division indicated that it has been in contact with the Utah Tax Commission regarding providers of access lines and connections since the Tax Commission is responsible for disbursing 911 funds to the appropriate E911 centers. The Tax Commission reported that it received 911 remittance from 175 companies for 3,501,895 connections per month. Ideally, the Division or the Commission would be able to review the list of 175 companies providing 911 remittance to the Tax Commission to compare the list with the 212 companies contributing to the UUSF through the Commission. Unfortunately, the Tax Commission claims it is statutorily precluded by statute from sharing this information between agencies, but URTA supports collaboration with the Tax Commission for identification of the appropriate contributors if possible.

Finally, the Division identifies another method for identifying contributors and numbers of access lines/connections which the Commission can consider (also the method suggested by

URTA) which is to use FCC Form 502 to identify the “wholesale”⁷ providers in the state who are assigned numbers by the North American Numbering Plan (“NANPA”). Upon further review of the Form 502, URTA has learned that both “primary carriers” and “intermediate carriers” submit the FCC Form 502. A primary carrier is defined as a carrier that receives numbers directly from the Numbering and Pooling Administrator. Intermediate carrier is defined as a carrier that receives numbers from another carrier. Thus, it is likely that the Commission could obtain appropriate data from both types of carriers via the Form 502. Like FCC Form 477, FCC Form 502 is submitted by carriers every six months.

URTA believes that the methods for identifying providers of access lines and connections in the state of Utah discussed by the Division in its Comments should result in an accurate list of potential contributors. Moreover, as demonstrated below, at least two of these methods, the Form 477 and Form 502, also provide data regarding the accurate number of access lines and connections provided by each carrier in the state.

B. Method of Contribution.

The Division, the Office, CenturyLink, and URTA agree that the preferred method of assessing the UUSF contribution surcharge is on a per access line/connection. As the Division notes, the number of access lines and connections has been increasing since 2008.⁸ Despite the increase in access lines and connections in the state since 2008, as the Division stated both in its initial comments in this Docket and in its presentation at the Technical Conference in Docket 16-R360-02, total billed intrastate revenue, as reported to the Division by all providers, has been

⁷ URTA identified these providers as the “source” providers in URTA’s comments, as indicated below, the FCC term for these providers is “primary providers,” while the correct term for the “retail” or “downstream” providers is “intermediate provider.” *See Form 502 Instructions*, attached hereto as **Exhibit 1** (complete FCC form 502 available for download at https://www.nationalnanpa.com/nruf_resources/index.html).

⁸ *Division Comments*, p.4.

declining since 2008.⁹ URTA observed why this decline occurred and CTIA and AT&T demur at URTA's conclusion. Notwithstanding their objections, it is clear that a substantial portion for the decline can be attributed to a shift in wireless revenue from voice to data. As stated by CTIA in Docket 16-R360-02, and noted by CenturyLink in CenturyLink Comments:

“Consumers have expressed a growing preference for data services over voice services. That preference has likely led to a decrease in voice revenues assessed for the UUSF. Additionally, due to competition, rates for wireless voice service have been steadily declining for years, and the decline in rates likely has resulted in decreased UUSF revenues as well. Along these lines, many consumers view their options for communications as extending beyond facilities-based mobile providers to include a vast array of non-assessable services such as video-chat, messaging, and social media apps, many of which dwarf traditional providers in reach, customer base, consumer usage, popularity, and revenue. More than 50 million smartphone users in the U.S. now use a video calling application such as FaceTime, Skype, or Google Hangouts. Consumers have more options for over-the-top text-based communications and messaging apps like WhatsApp, Facebook Messenger, and Viber, and their use of those options has soared. This phenomenon has led to dramatic shifts in the marketplace. . . These trends have moved telecommunications further away from the traditional voice-centric model. Additionally, wireless consumers have increasingly expressed a preference for alternative equipment financing models, including no-contract plans and equipment leases, which wireless providers have offered in response to the consumer demand that drives a highly competitive wireless marketplace.

Clearly, industry trends have an influence on intrastate revenues. However, despite variations in retail rates and trends in the telecommunications industry, customers remain able to connect to the public switched network, and the Legislature has determined, as a matter of public policy in Utah, that if a provider provides an access line or connection that allows a customer to connect to the public switched network to send or receive communications (a/k/a a telephone call), that provider is required to contribute to the UUSF.¹⁰ As the Division states, assessing the

⁹ See *Division Comments*, p. 5; and *Presentation of Division of Public Utilities*, Docket No. 16-R360-02, attached hereto as **Exhibit 2**.

¹⁰ See *Senate Bill 130*, Lines 47-48, 257-259, and 372-374 (each access line provider and connection provider shall contribute to the UUSF, and access lines and connections are defined by their ability to connect to the public switched network).

surcharge on a per access line/connection basis creates a surcharge based on an expanding base, and provides a more stable funding source than an assessment on intrastate revenues.¹¹ URTA supports a UUSF surcharge on a per access line/connection basis.

In its review, using Form 477, the Division identified 143 companies that appear to be providing access lines or connections in the state of Utah, but who are not remitting UUSF payments under the current intrastate retail revenue method. While the Division states it has sent letters to each of those 143 companies, as of the filing of the Division's comments, only 23 companies had responded. This illustrates a logistical problem currently facing the Commission and the Division--dependence on carrier cooperation. If the Commission retains the surcharge method based on in-state retail revenues, this will result in a substantial administrative burden for the Commission and the Division, as they will be required to "bird dog" providers to determine whether they are subject to the UUSF surcharge, and then rely on intrastate retail revenue information to be provided by the carrier before the Commission and the Division can determine the amount of UUSF owed by that carrier.

Moreover, once that information is provided by the carrier, the Division and the Commission will have no easily, verifiable way of confirming the validity of the information provided by the carriers. A contribution method based on intrastate retail revenues offers the Division virtually no audit capabilities for carriers who are not regulated by the Public Service Commission.

On the other hand, if the Commission adopts a per access line/connection method of surcharge, using the data provided by Form 477 or Form 502, the Division and the Commission can identify the appropriate contributors, and can also ascertain the number of access

¹¹ *Division Comments*, p. 6.

lines/connections. Thus, the Commission and the Division will be able to review the Form 477 and/or Form 502 data and determine the amount of UUSF each carrier independently.

In short, there appear to be a variety of methods the Division and the Commission could readily use to identify providers and the number of access lines/connections that rely on data that the carriers are already submitting to other agencies. Thus, it should be relatively simple to identify the appropriate providers and their number of applicable access lines and connections without imposing a substantial burden on carriers. The Commission should first adopt a per access line/per connection method of contribution, and then hold a technical conference to discuss the most expeditious and least burdensome way to identify the appropriate providers and determine the number of access lines/connections.

Further, URTA supports the recommendations of the Division, the Office, and CenturyLink that the Commission base the initial surcharge on the known quantity of access lines that currently pay into the TRS fund.¹² As has always been the case, the Commission can adjust the surcharge as needed going forward.

C. Electronic Payment, Tax Commission Collection, Lifeline Rules, and One-Time UUSF Distribution Rules.

URTA supports the Division's recommendation for an electronic payment system for receipts into the UUSF. In today's economy companies are routine submit payment

¹² Based on the Division's estimate of UUSF distributions, and the number of access lines currently paying the TRS surcharge, the Division has calculated a \$.38 per access line/connection per month to ensure adequate funds for the near term, *Division Comments*, p. 6.

electronically, and it is not unreasonable to expect companies to use an electronic payment system for UUSF. An electronic payment system will clearly decrease the workload at the Division and the Commission, and is unlikely to substantially increase any burden on the UUSF contributors.

Regarding the Division's suggestion that the Tax Commission could collect the UUSF, URITA supports exploration of this option if the Commission believes it will be technically and economically feasible.

URITA also supports the recommendations of the Office and CenturyLink that Lifeline Rules, including rules related to wireless eligible telecommunications providers' eligibility for state lifeline, and one-time UUSF distributions be addressed in separate subsequent rulemaking dockets.

II. RESPONSE TO THE COMMENTS OF CTIA AND THE AT&T COMPANIES.

The comments provided by CTIA and the AT&T Companies raised several of the same issues, many of which appear to be policy questions for the Legislature rather than issues for Commission Administrative Rulemaking. In fact, many of the issues raised by AT&T and CTIA were raised with the Legislature, and rejected in the context of the passage of SB 130. The main issues can be distilled as follows:

- The Commission should not consider contribution reform now, but rather:

- The Commission’s current surcharge contribution method should remain aligned with the Federal UUSF surcharge contribution method and remain based on intrastate revenues to avoid burdening the federal USF system.¹³
- The Commission should not consider contribution methodology reform until contribution reform is addressed nationally;¹⁴ and
- The Commission should promulgate rules that address UUSF support distribution including consideration of the size and the scope of the fund.

Regarding the arguments advanced by CTIA and AT&T that this Commission should maintain the current method of UUSF surcharge based on intrastate revenues because that is how the federal USF contribution is calculated, and that the Commission should wait for national reform, the Legislature has spoken on these issues. The Legislature specifically stated:

“(9) The commission shall calculate the amount of each explicit charge described in Subsection (8) using a method developed by the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

(a) does not discriminate against:

- (i) any access line or connection provider; or
- (ii) the technology used by any access line or connection provider;
- (b) is competitively neutral; and

(c) is a function of an access line or connection provider's:

- (i) annual intrastate revenue;
- (ii) number of access lines or connections in the state; or
- (iii) a combination of an access line or connection provider's annual intrastate revenue and number of access lines or connections in the state.

(10) The commission shall develop the method described in Subsection (9) before January 1, 2018.¹⁵

¹³ *CTIA Comments*, dated April 26, 2017 (“CTIA Comments”), p. 1, 3-5; The AT&T Companies’ Comments, dated April 26, 2017 (“ATT Comments”), p. 2, 5-6.

¹⁴ *ATT Comments*, p. 2-6; *CTIA Comments*

¹⁵ *See SB 130*, Lines 375-388.

The Legislature identified the determination of the surcharge method and amount as priority issues and directed the Commission to promulgate rules on those issues. The Legislature was aware that the FCC utilizes a percentage of interstate revenues method of USF contribution, but specifically authorized the Commission to consider a surcharge method based on annual intrastate revenue, or number of access lines or connections in the State. The Commission is not bound by the revenue-based surcharge method.

Further, the reasons offered by AT&T and CTIA for remaining with a revenue based surcharge are:

1. That's how the FCC does it, and the state risks burdening the Federal USF if they adopt a per access line/connection method;
2. It will be burdensome for carriers to move to access line/connection based surcharge.

These arguments are not persuasive. First, there is no requirement that states contribution methods mirror federal methods. 47 USC § 254(f) merely prohibits a state contribution method from relying upon or burdening the federal USF. 47 USC § 254(f) does not require states to utilize a revenue based system.

Second, no party has cited any rule, decision, or order that indicates that a per line assessment burdens the federal USF system. Rather, as AT&T noted in footnote 10 of ATT Comments, p. 5, South Carolina's Supreme Court held that South Carolina's assessment of its state USF on interstate revenues did not burden the federal USF support mechanism, and was not in violation of 47 USC § 254(f).¹⁶ This Commission is free to establish a per access line/per connection contribution method.

¹⁶ See *Office of Reg. Staff v. South Carolina's Public Service Commission*, Opinion No. 26354 (SC Supreme Court filed June 25, 2007).

Finally, the argument that utilizing a per access line/per connection contribution method is administratively burdensome and would require an overhaul of carriers' operations is disingenuous. Carriers in Utah are already subject to per access line surcharges in Utah: the 911 Surcharge, and the TRS surcharge. Furthermore, since the separate TRS surcharge is eliminated by SB 130 effective July 1, 2017, carriers could merely change the name of the line item on the bill from TRS surcharge to "Utah Universal Service Fund Surcharge;" increase the amount to the Commission determined surcharge amount; and eliminate the retail based UUSF percentage. While this would require some administrative burden, it would be an insignificant burden on carriers, that would ultimately afford the Commission and Division substantially easier auditing capabilities. Moreover, there is no requirement that a carrier contribution be passed through to end-user customers. Thus, any claim that a line-item is burdensome can simply be avoided by not having a UUSF line-item on end-user bills.

Regarding the argument that the Commission should consider distribution reform before contribution reform, again, the Legislature has spoken on this issue in the language of SB 130. As discussed above, the Legislature explicitly prioritized the rules on contribution method and amount and required those rules by a date certain. CTIA and AT&T incorrectly assume that distribution reform has not occurred. On the contrary, the Legislature addressed disbursement of the UUSF directly and explicitly in SB 130. Specifically, SB 130, lines 330-334, Utah Code Ann. § 54-8b-15(4)(a) sets forth the criteria for disbursement of UUSF funds for rate of return regulated carriers of last resort; and while the commission has the statutory authority to promulgate rules to establish policies and procedures to govern administration of the fund

generally,¹⁷ no specific rulemaking is required by the Legislature related to distributions of UUSF to rate-of-return regulated carriers of last resort.

For non-rate-of-return regulated carriers of last resort, SB 130, lines 345-351, Utah Code Ann. § 54-8b-15(4)(b) sets forth the criteria for disbursement of UUSF funds to such carriers and provides that a non-rate-of-return regulated carrier is eligible for payments from the UUSF “if the non-rate-of-return regulated carrier meets criteria that are: (i) consistent with Subsections (2) and (3); and (ii) developed by the commission by rule made in accordance with Title 63G, Chapter, Utah Administrative Rulemaking Act.¹⁸” Therefore, rules regarding disbursements of UUSF to non-rate-of-return regulated carriers are needed, but as the Commission has rightly determined, such rules are not a priority at this time, and if future concerns arise, revisions to distribution rules can be established in a subsequent rulemaking as suggested by several of the comment filers.

Finally, it should be noted that the discussions regarding a sunset or cap of the UUSF is a policy decision to be made by the Legislature. Although these issues were raised with the Legislature during the 2017 General Session, the Legislature declined to include these provisions in SB 130. The Commission is directed to promulgate rules on specific issues identified in the legislation, none of which includes a cap or sunset on the UUSF. Further, the general grant of authority for rulemaking granted to the Commission provides:

(c) The commission shall develop, by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and consistent with this section, policies and procedures to govern the administration of the fund.¹⁹

¹⁷ SB 130, Lines 280-282.

¹⁸ SB 130, Lines 347-351.

¹⁹ SB 130, Lines 280-282.

The statutory section does not contemplate or mandate a sunset of the UUSF or a cap on the UUSF. Therefore, if the Commission were to promulgate rules on those issues in the absence of specific Legislative direction, such rules would not be “consistent with this section.”

III. RESPONSE TO COMMENTS OF COMCAST.

As the Commission is aware, Comcast did not formally participate in Docket 16-R360-02, and Comcast’s comments filed in this docket raises several issues that were previously addressed in Docket 16-R360-02, or at the Legislature. Specifically, Comcast states that there does not appear to be any need for a new contribution method and that the Commission should undertake a full investigation of the contribution system before undertaking modifications. However, this issue was fully investigated in Docket 16-R360-02 when the Commission identified a significant decrease in the UUSF revenues, and requested comment on the reason for the declining fund, the contribution method, and amount. As the Commission is aware, several parties filed comments on this issue in 2016, the Commission held a technical conference on these issues, there were hearings at the interim session of the Legislature, and ultimately, this issue was addressed by the Legislature when it passed SB 130 and specifically required the Commission to promulgate rules on the contribution method and amount by January 1, 2018. Further investigation of the contribution system is not needed.

Comcast also indicates that a per-line or per-connection surcharge methodology suffers from “inherent problem” including the difficulty or impossibility of determining the number of access lines or connections. Comcast states it can be difficult to ensure that all competitors are counting lines or connections in the same way. However, as demonstrated in detail above, utilizing the data from established FCC Forms that carriers are currently submitting, the Commission and the Division will be able to accurately identify the access lines/connections

subject to the UUSF surcharge. Moreover, as the comments filed in the two dockets make clear, reporting, auditing, and comparable treatment of providers in competitively neutral manner will all be improved by migration to a per line/per connection based contribution methodology.

IV. RESPONSE TO COMMENTS PERTAINING TO BROADBAND SPEEDS, CAF II RULES, AND UNSERVED AREAS.

CTIA, AT&T, and Comcast each suggested that the Commission should promulgate rules related to minimum broadband speeds; rules that ensure the high-cost component of the UUSF complements, and does not duplicate, funding provided by the Connect America Fund or any other federal infrastructure program; and rules that ensure deployment of broadband in unserved areas. Rules regarding broadband speeds and CAF II funding are already in place on a federal level and there is no need for them to be duplicated at the state. Additionally, rules requiring UUSF support only in unserved areas ignores the fact that rate-of-return funding from the UUSF is designed to support *deployment* and *management* of networks capable of providing access lines, connections, and wholesale broadband internet access service which would include construction costs, ongoing operational costs, and other reasonable costs incurred in the provision of telecommunications service and wholesale broadband internet access service.²⁰ A rule that permits UUSF support *only* to deploy broadband in unserved areas does not meet the statutory goals of UUSF.

Further, regarding the argument that the Commission should ensure that the state does not provide duplicative support, the State fund is applied on a total company basis the Commission and the Division have always conducted a thorough review of all applications for UUSF to

²⁰ See SB 130, Lines 274-279, 319-320, and 334-336.

ensure that distributions from the State UUSF are based on reasonable and prudent expenses, plus a reasonable rate of return, less the revenues received from all sources. Under SB 130, the Commission retains its mandate to review these issues before approving a distribution from the UUSF.

V. CONCLUSION

As previously stated, URTA believes the Commission should prioritize the rules regarding contribution method and amount. For the reasons stated herein, URTA supports a per access line/per connection surcharge and supports the Commission making that determination as soon as possible. As the Commission works through issues relating to identification of access lines and connections in a technical conference, the Commission can, and should, move forward with a per line/connection methodology based on the access lines currently paying TRS.

Additional matters which require rulemaking should be addressed after the contribution method and amount has been determined by rule.

Dated this 11th day of May, 2017.

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CERTIFICATE OF SERVICE

I hereby certify that on the 11th day of May, 2017, I served a true and correct copy of Utah Rural Telecom Association's Reply Comments in the Matter of the Utah Administrative Code R746-360 Universal Public Telecommunications Service Support Fund, Docket No. 17-R360-01 via e-mail transmission to following persons at the e-mail addresses listed below:

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EXHIBIT 1
TO URTA'S REPLY COMMENTS

**North American Numbering Plan
Numbering Resource Utilization/Forecast Report**

Approved by OMB

INSTRUCTIONS FOR UTILIZATION AND FORECAST FORMS

[Go To The Main Menu](#)

>>>Please Read Thoroughly Before Completing Forms<<<

When to File:

Reporting carriers shall file utilization and forecast reports semi-annually on or before February 1 for the preceding 6 month reporting period ending on December 31, and on or before August 1 for the preceding 6 month reporting period ending on June 30. Reporting is mandatory.

Company Information:

Reporting carriers must provide information about their company by filling in the gray boxes on the Company Information worksheet. The following fields are required: Parent Company Name, Service Provider Name, Company Address, City, State, Zip, Contact Name, Contact Tel#, Email, Parent Company OCN, SP OCN, SP FRN, and SP Service Type. If any of these fields are not provided, the Form 502 will be rejected. The SP OCN is the 4 character code assigned by NECA for the reporting carrier. Carriers that have multiple OCNs must submit a separate Form 502 for each OCN that they hold numbering resources under. The SP FRN is the 10 digit FCC Registration Number assigned to the carrier by the Federal Communications Commission (FCC) and is the same number used by entities on FCC Form 499-A.

PART 1 - UTILIZATION INSTRUCTIONS

Choose the appropriate utilization form from the "Main Menu" page by clicking on the appropriate button:

- U1** Non-Rural Primary Carriers
All carriers report at 1000 block level per Rate Center

**North American Numbering Plan
Numbering Resource Utilization/Forecast Report**

Approved by OMB

- U2** Rural Primary Carriers
All carriers report at NPA-NXX code level per Rate Center.

- U3** Non-Rural Intermediate Carriers
All carriers report at 1000 block level per Rate Center

- U4** Rural Intermediate Carriers
All carriers report at NPA-NXX code level per Rate Center.

Rural carriers are required to complete either the U2 or U4 utilization reports at the NXX level and the appropriate forecast forms. Please note an exception exists if the rural carrier is reporting on NPA-NXXs that are pooled. The rural carrier must report on the status of pooled NPA-NXX codes on the U1 or U3 utilization reports because the U2 and U4 forms do not accommodate reporting at the block (NPA-NXX-X) level.

Carrier Types:

Primary Carrier is defined as a carrier that receives numbers directly from the Numbering or Pooling Administrator. Forms U1 and U2 are used by these carriers to report number utilization.

Intermediate Carrier is defined as a carrier that receives numbers from another carrier. Forms U3 and U4 are used by these carriers to report number utilization.

Rural Carrier is defined in the Communications Act, 47 U.S.C. §153(37). Rural carriers must, in addition to completing the appropriate utilization and forecast forms, complete a Rural Status Certification Form (available from the "Main Menu").

Utilization Data:

**North American Numbering Plan
Numbering Resource Utilization/Forecast Report**

Approved by OMB

NPA-NXX

Rural carriers completing forms U2 or U4 report utilization at the NXX level. For each NXX in which your company has numbering resources, enter the NPA-NXX and the quantity of **Assigned, Intermediate, Reserved, Aging and Administrative** numbers. Enter one line for each NXX below the Headers. Do not leave any blank lines between your entries.

NPA-NXX-X

Non rural carriers completing Forms U1 or U3 report utilization at the 1000 block level. For each NPA-NXX-X in which your company has numbering resources, enter the NPA-NXX-X and the quantity of **Assigned, Intermediate, Reserved, Aging and Administrative** numbers. Enter one line for each 1000 block below the Headers. Do not leave any blank lines between your entries.

LERG Rate Center Name and State

Both Rural and Non-Rural Carriers must also enter the name of each Rate Center in which your company has numbering resources as it appears in the LERG Table 8 under RC ABBREV. Rural Carriers must also enter the 2 character abbreviation of the state in which the Rate Center/NPA is located for which you are reporting.

Usage Categories

Each utilization form requires that numbers be reported in five categories as defined in FCC Order 00-104. A sixth category, "Available," is automatically calculated and no entry is required. The "Available" calculation is created when you click on the "Check the Data Before Submitting" button.

Assigned: Enter the quantity of Telephone Numbers (TNs) that are classified as "Assigned" for each identified NPA-NXX or NPA-NXX-X. Assigned numbers are defined as "numbers working in the Public Switched Telephone Network under an agreement such as a contract or tariff at the request of specific end

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switched telephone network under an agreement such as a contract or tariff at the request of specific end users or customers for their use, or numbers not yet working but having a customer service order pending. Numbers that are not yet working and have a service order pending for more than five days shall not be classified as assigned numbers."

Intermediate: Enter the quantity of TNs that are classified as "Intermediate" for each identified NPA-NXX or NPA-NXX-X. Intermediate numbers are defined as "numbers that are made available for use by another telecommunications carrier or non-carrier entity for the purpose of providing telecommunications service to an end user or customer." An exception to this requirement is numbers ported for the purpose of transferring an established customer's service to another service provider, in which case the numbers are classified as "Assigned" by the porting carrier and not counted by the receiving carrier.

For intermediate numbers provided by carriers to non-carrier entities, the providing carrier must report utilization for these numbers. Numbers assigned to end users by a non-carrier entity should be reported by the providing carrier as "Assigned." Any remaining numbers held by a non-carrier entity that are not assigned to end users shall be reported by the providing carrier as "Intermediate." The sum of numbers reported by the carrier for the non-carrier entity in these two categories should always equal the total of numbers held by the non-carrier entity.

Reserved: Enter the quantity of TNs that are classified as "Reserved" for each identified NPA-NXX or NPA-NXX-X. Reserved numbers are defined as "numbers that are held by service providers at the request of specific end users or customers for their future use". Numbers held for specific end users or customers for more than 180 days shall not be classified as reserved numbers.

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Aging: Enter the quantity of TNs that are classified as "Aging" for each identified NPA-NXX or NPA-NXX-X. Aging numbers are defined as "disconnected numbers that are not available for assignment to another end user or customer for a specified period of time." Numbers previously assigned to residential customers may be aged for no more than 90 days. Numbers previously assigned to business customers may be aged for no more than 365 days.

Administrative: Enter the quantity of TNs that are classified as "Administrative" for each identified NPA-NXX or NPA-NXX-X. Administrative numbers are defined as "numbers used by telecommunications carriers to perform internal administrative or operational functions necessary to maintain reasonable quality of service standards."

Donated to Pool: Enter an "X" if the NPA-NXX-X block has been donated to a pool.

Quantities of Numbers Received: Enter the total quantity of numbers received.

Notes/Assignee: Intermediate carriers - enter the name of the carrier from which you received numbers. Primary carriers - enter the name of the entity to which you gave numbers.

Completion

Confirm that the data requested above has been provided for all of the numbering resources which are allocated to your company then click on the "Check the Data Before Submitting" button. Formulas that automatically calculate the Available and Utilization values will be added to each row where data has been entered. Also, the data entered will be checked for format and to see that it is within valid ranges. Error/Check messages will be added on the right end of each row that should be checked and corrected before submitting the form to NANPA.

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PART 2 - FORECAST INSTRUCTIONS

Choose the appropriate forecast form from the "Main Menu" page by clicking on the appropriate button:

F1a Pooling Carriers - Initial

F1b Pooling Carriers - Growth

F2a Non-Pooling Carriers in Pooling Areas - Initial

F2b Non-Pooling Carriers in Pooling Areas - Growth

F3a Carriers in Non-Pooling Areas - Initial

F3b Carriers in Non-Pooling Areas - Growth

Carriers that pool in some but not all areas in which they have numbering resources, or that have numbering resources in both pooling and non-pooling areas, need to complete more than one pair of forms to account for all of their numbering resources.

Carrier Types:

Pooling Carrier is defined as a carrier that donates to and receives numbers from a number pool. Forms F1a and F1b are used by these carriers to forecast number requirements.

Non Pooling Carrier in Pooling Areas is defined as a carrier that provides service in areas where there is number pooling, but does not donate to or receive numbers from the number pool. Forms F2a and F2b are used by these carriers to forecast number requirements.

Carrier in Non-pooling area is defined as a carrier that provides service in areas where there is no number pooling. Forms F3a and F3b are used by these carriers to forecast number requirements.

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pooling. Forms F-3a and F-3b are used by these carriers to forecast number requirements.

Forecast Data:

Initial versus Growth

Initial numbering resources are the first numbering resources received by a carrier in a particular area. Growth numbering resources are additional numbering resources received by a carrier already established in a particular area.

NPA

Enter the NPA for which you are providing forecast data.

LERG Rate Center Name

Enter the name of each Rate Center name as it appears in the LERG Table 8 under RC ABBREV.

State

Enter the 2 character abbreviation of the State in which the NPA or Rate Center is located for which you are providing forecast data.

Pooling Carriers

Enter the number of Initial Growth 1000 blocks that your company will require for each applicable Rate Center for the next five years.

Non-Pooling Carriers in Pooling Areas

Enter the number of Initial and Growth NXX codes that your company will require for each applicable Rate Center for the next five years.

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Carriers in Non-Pooling Areas

Enter the number of Initial and Growth NXX codes that your company will require for each applicable NPA for the next five years.

Completion

Confirm that the data requested above has been provided for all applicable states, NPAs and Rate Centers then click on the "Check the Data Before Submitting" button. A formula that automatically calculates the Total NXXs or 1K Blocks will be added to each row where data has been entered. Also, the data entered will be checked for format and to see that it is within valid ranges. Error/Check messages will be added on the right end of each row that should be checked and corrected before submitting the form to NANPA.

Submit Forms

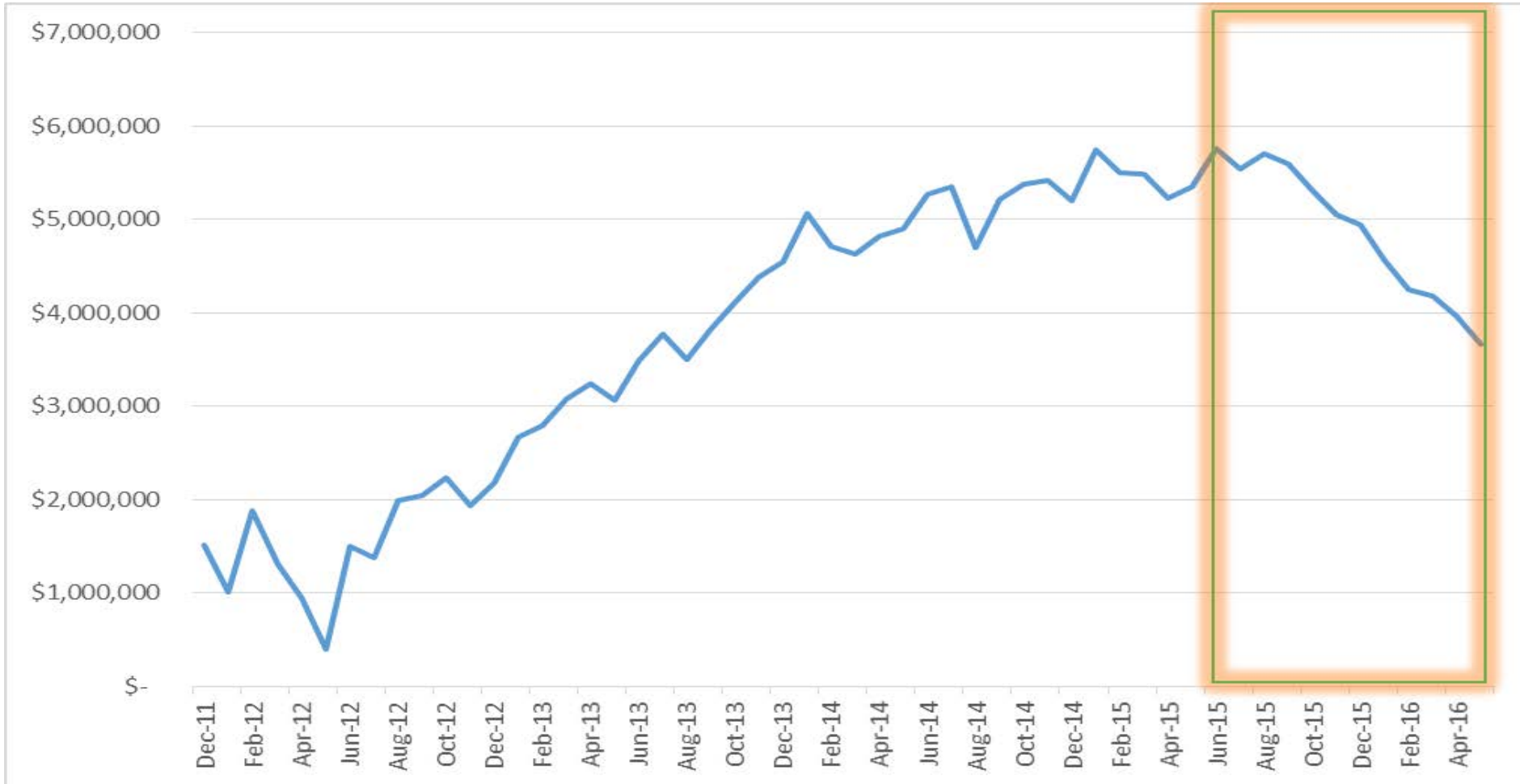
Save this workbook to a file in Excel™ format (e.g., cocus.xlsm or cocus.xlsx), attach the file to an email and send it to cocus@neustar.com. If you are submitting the information via fax or EFT (Electronic File Transfer), please visit the NANPA website at www.nanpa.com for additional information. For additional questions or instructions contact NANPA at 1-866-623-2282.

EXHIBIT 2
TO URTA'S REPLY COMMENTS

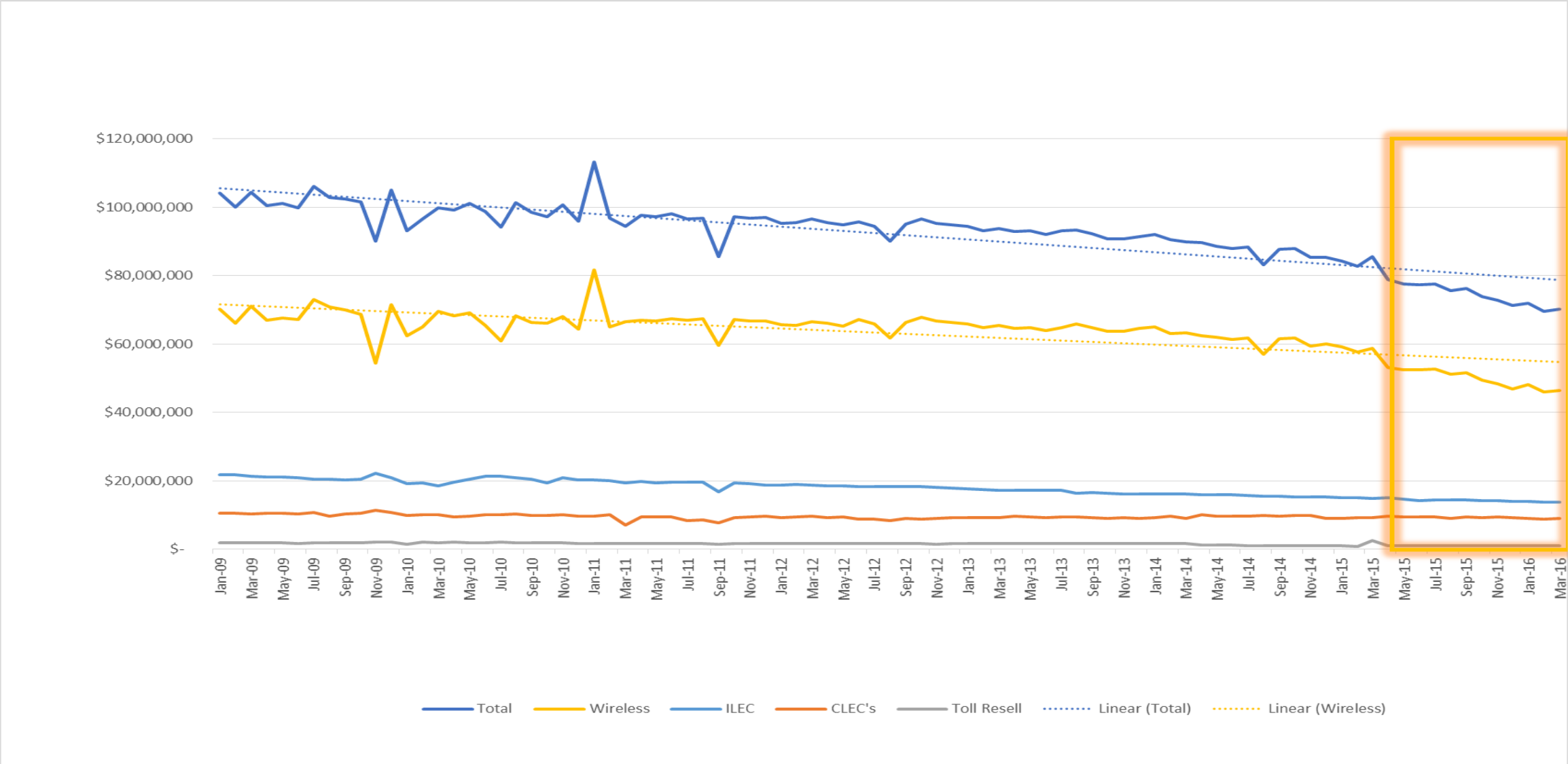
Division of Public Utilities
Technical Conference Presentation
Utah Universal Service Fund Surcharge
16-R360-02

June 21, 2016

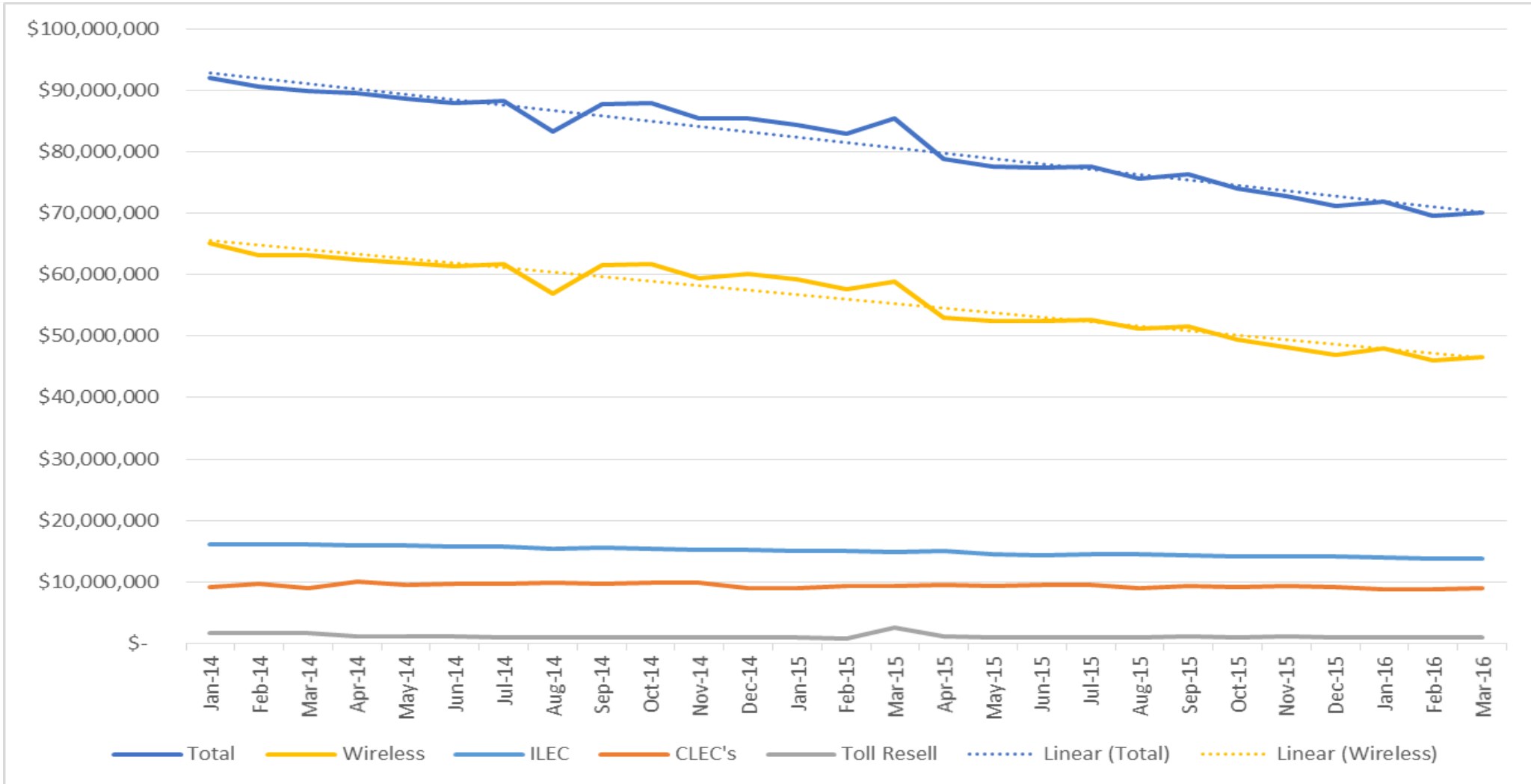
Utah USF Balance



Utah USF Monthly Revenue Base



Utah USF Monthly Revenue Base



Utah USF Average Monthly Reported Revenue

Year	ILEC	CLEC's	Toll Resell	Wireless	Total
2012	\$ 18,370,401	\$ 9,070,735	\$ 1,634,346	\$ 65,909,723	\$ 94,985,204
2013	\$ 16,908,609	\$ 9,280,476	\$ 1,629,110	\$ 64,759,863	\$ 92,578,059
2014	\$ 15,714,747	\$ 9,588,654	\$ 1,203,043	\$ 61,540,073	\$ 88,046,517
2015	\$ 14,532,097	\$ 9,309,251	\$ 1,161,277	\$ 52,814,265	\$ 77,816,890
2016 (YTD)	\$ 13,858,993	\$ 8,861,936	\$ 924,070	\$ 46,858,464	\$ 70,503,463

Utah USF Annual Contributions Received

Year	ILEC	CLEC's	Toll Resell	Wireless	Total
2012	\$ 2,209,689	\$ 1,093,011	\$ 192,630	\$ 7,872,108	\$ 11,367,438
2013	\$ 2,064,705	\$ 1,102,673	\$ 193,219	\$ 7,791,533	\$ 11,152,130
2014	\$ 1,899,032	\$ 1,106,181	\$ 145,256	\$ 7,177,393	\$ 10,327,862
2015	\$ 1,777,069	\$ 1,173,673	\$ 131,025	\$ 6,819,472	\$ 9,901,240
2016 (f)	\$ 1,608,530	\$ 1,072,168	\$ 105,190	\$ 5,274,958	\$ 8,060,847

Utah USF per line/connection surcharge

Date	TRS Revenue Collected	Rate/Line	Calculated lines	0.32
Jul-14	\$ 56,994	0.02	2849701	\$ 911,904
Aug-14	\$ 57,596	0.02	2879801	\$ 921,536
Sep-14	\$ 57,024	0.02	2851218	\$ 912,390
Oct-14	\$ 57,821	0.02	2891050	\$ 925,136
Nov-14	\$ 56,654	0.02	2832714	\$ 906,469
Dec-14	\$ 59,080	0.02	2953997	\$ 945,279
Jan-15	\$ 57,485	0.02	2874267	\$ 919,765
Feb-15	\$ 53,487	0.02	2674341	\$ 855,789
Mar-15	\$ 57,733	0.02	2886646	\$ 923,727
Apr-15	\$ 58,628	0.02	2931406	\$ 938,050
May-15	\$ 58,444	0.02	2922208	\$ 935,106
Jun-15	\$ 58,687	0.02	2934373	\$ 938,999
Jul-15	\$ 59,554	0.02	2977700	\$ 952,864
Aug-15	\$ 58,292	0.02	2914600	\$ 932,672
Sep-15	\$ 58,619	0.02	2930950	\$ 937,904
Oct-15	\$ 58,894	0.02	2944700	\$ 942,304
Nov-15	\$ 58,067	0.02	2903350	\$ 929,072
Dec-15	\$ 59,002	0.02	2950100	\$ 944,032
Jan-16	\$ 57,815	0.02	2890750	\$ 925,040
Feb-16	\$ 57,879	0.02	2893950	\$ 926,064
Mar-16	\$ 58,624	0.02	2931200	\$ 937,984
Average			2896144	\$ 926,766