



CARLA M. BUTLER

October 2, 2017

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-R360-01

Dear Mr. Widerburg:

Attached for filing in the above entitled docket please find CenturyLink's Comments in Response to the August 14, 2017 Notice of Rulemaking, along with a Certificate of Service.

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

Sincerely,

Carla Butler
Lead Paralegal

Attachment
cc: Service List

310 SW Park Ave., 11th Flr.
Portland, OR 97205
Tel. 503.242.5420
Fax. 503.242.8589
carla.butler@centurylink.com

Torry R. Somers
CenturyLink
6700 Via Austi Pkwy.
Las Vegas, NV 89119
Ph: (702) 244-8100
Fax: (702) 244-7775
torry.r.somers@centurylink.com

Attorney for CenturyLink

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Utah Administrative
Code R746-360 Universal Public
Telecommunications Service Support Fund

DOCKET NO. 17-R360-01

COMMENTS IN RESPONSE TO THE AUGUST 14, 2107 NOTICE OF RULEMAKING

Qwest Corporation d/b/a CenturyLink QC and CenturyLink Communications, LLC (“CenturyLink”) appreciate the opportunity to file comments relating to the proposed rule implementing a per-connection approach to funding the Utah Universal Service fund (“UUSF”). On August 14, 2017, the Utah Public Service Commission (“Commission”) issued a Notice of Change to Proposed Rule and Response to Reply Comments (the “August 14 Notice”).¹

Throughout this rulemaking proceeding the Commission has not waived that a per line/connection approach is the appropriate mechanism to fund the UUSF. This approach is permitted by statute, and is even used in other states. The current revenue based approach is not sustainable. Despite this clear direction from the Commission, AT&T and CTIA continue to challenge this approach, and attempt to complicate this issue by claiming prepaid wireless and all-

¹ The draft rules attached to the August 14 Notice were published in the state bulletin on September 1, 2017 and comments are due October 2, 2017.

inclusive billing plans do not work with the per line/connection based approach. This simply is not true.

The Commission's August 14 Notice indicates that all-inclusive billing plans are subject to the per line/connection approach, and the provider can simply include the line/connection charge in the all-inclusive rate. The same approach should be taken for prepaid wireless. The fundamental difference between a prepaid wireless provider and any other wireless provider is simply the method in which the provider bills its customers for the service.² The wireless technology is the same. Prepaid wireless connects customers to the public switched telephone network. These connections must be subject to the UUSF charge in a comparable manner as other connections to the public switched telephone network. If not, this will result in a UUSF mechanism that is not competitively neutral, as statutorily required.

The Commission's August 14 Notice apparently does not impose the same connection based charge on prepaid wireless as other providers. Nonetheless, this should not be interpreted as the Commission not believing prepaid wireless must pay into the UUSF. Given the Commission's September 5, 2017 request for comments (the "September 5 Request"), it is apparent the Commission believes prepaid wireless must pay into the UUSF, but it may need a hybrid approach for contributing to the UUSF. CenturyLink continues to assert that a different approach is not needed for prepaid wireless compared to other all-inclusive billing plans. However, if a different approach is used by the Commission, it must result in prepaid wireless paying a comparable amount into the UUSF, regardless of whether it is done in this rule or another rule that is effective by January 1, 2018.

CenturyLink acknowledges the Commission's concern that funding the UUSF through a per line/connection based surcharge should not violate the "*FCC requirement to separate*

² Prepaid wireless customers pay upfront before the usage of the service. Postpaid wireless customers are billed monthly at the end of the billing period, after usage of the service.

interstate revenues in funding universal service.” Prior comments of other parties suggest that a per line/connection based charge assessed on providers in Utah, which is different from the percentage of revenue USF surcharge approach used by the FCC for the federal USF could be found to burden the federal program³ if it was assessed on interstate revenues. The Utah per line/connection based surcharge is not based upon revenues, either interstate or intrastate. It is a cost of doing business in Utah. If a line/connection can connect to the Utah Public Switched Telephone Network, similar to how 911 is assessed, the provider is subject to the monthly per line/connection UUSF charge for that line/connection.

The Commission and Division of Public Utilities (“DPU”) in setting the amount of the monthly charge does not look at or consider revenues, either interstate or intrastate revenues. The Commission and DPU estimate the total annual funding needs of the UUSF. This amount is then divided by the total estimated number of lines/connections in Utah, subject to the UUSF. This process is evidence that the Utah per line/connection USF charge is not based upon or assessed on either interstate or intrastate revenues.

In its August 14 Notice the Commission stated that *“The PSC intends the rule to be clear that the assessment is not revenue based.”* The Commission believes it can accomplish this by mandating that providers have a surcharge to recover this cost instead of allowing providers to determine how to recover the UUSF charge from its end user customers, if they make a business decision to do so.

The Commission does not need to mandate an end-user surcharge because a Utah per line/connection based UUSF charge on providers, as permitted by statute, does not “burden the federal USF” as alleged by some providers. In order for the UUSF, either the current percentage

³ These parties have not provided any examples, evidence or legal support explaining how a per line/connection based charge to providers could be found to burden the federal USF. Some other states already utilize a per line/connection state USF charge for at least a portion of the funding for the state USF and the FCC has not tried to stop these states.

based surcharge or the new per line/connection based charge to providers, to be found to burden the federal program, it would need to be shown that providers have reduced their contribution to the federal USF as a result of the UUSF. It would also need to be proven that the Commission is mandating the use of interstate revenues in calculating the UUSF charge on providers. The proposed rule has a mechanism to prevent interstate revenues from being considered for purposes of the UUSF assessment.⁴ More significantly, the assessment is not even based on revenues, it is intended to be a common charge on all providers for permitting a connection to the public switched telephone network.⁵

When the per line/connection based charge becomes effective January 1, 2018, CenturyLink is currently planning to have a separate surcharge on its bill to directly pass through the charge it is assessed by the Commission to its end user customers. In the future, CenturyLink could introduce all-inclusive plans that do not separate out the UUSF surcharge as well as some of the other taxes.⁶ This potential change in billing structure, does not change the fact that there is still a connection to the public switched telephone network, and that connection should be subject to the same charge as any other connection, regardless of billing mechanism to the end user. It should remain up to the provider to determine how they collect the assessment. When CenturyLink implements the \$.36 per line/connection based surcharge on its end user customers, it will not be changing what it collects and remits to the federal USF based upon a change to a

⁴ Proposed Rule, August 14 Notice, R746-360-4(5)(b)(ii) and R746-360-4(5)(A): *An end-user that petitions for a waiver of the surcharge has the burden to provide: (A) call records demonstrating that, at all times and continuously during the six calendar months preceding the date of petition, the access line being assessed was not used to access Utah intrastate telecommunications services;*

⁵ It really does not matter whether or not a customer uses the line/connection to make or receive calls within Utah during a period of time. By being connected to the public switched telephone network they have the capability to do so, just as they can access 911. A large majority of customers with line/connections never call 911, yet they are still subject to the per line/connection based surcharge.

⁶ Providers, with all-inclusive plans, may not, pursuant to state law, be able to include all of the various taxes, fees and surcharges. For example, pursuant to statute the 911 surcharge must be billed to the end-user customer. 69-2-402(2)(a): Subject to Subsection (6), there is imposed on each access line in the state a 911 emergency service charge of 71 cents per month. 69-2-402(3)(a): Subject to Subsection (6), the person that provides service to an access line shall bill and collect the 911 emergency service charge.

monthly per line/connection UUSF charge on providers.⁷ Other providers should not reduce what they collect and remit to the federal USF based upon the Utah change. If any provider does reduce what they collect/remit to the federal USF, based upon the Utah change, they will be doing so on their own accord and not because it is mandated by Utah law or Commission rule.

The perceived threat by some providers that imposing the per line/connection based charge on prepaid wireless will somehow undermine the federal USF is simply unfounded. The real danger of not imposing comparable charges on all connections to the public switched telephone network is the unlawful competitive advantage that some providers (i.e. prepaid wireless providers) will have over other providers.

The safest course of action for the Commission is to follow the language of Utah law, that the Commission assess the UUSF charge on providers in a competitively and technology neutral manner. In the proposed rule, by allowing all-inclusive plans, it provides a way for any provider to not have to itemize a UUSF surcharge on a bill or show it on a sales receipt. CenturyLink believes that prepaid wireless providers are included in the category of all-inclusive plan providers. The Commission should include prepaid wireless plans in the category of all-inclusive plans in that any taxes, fees and surcharges are paid/collected upfront. The only real difference between prepaid wireless plans and postpaid wireless all-inclusive plans is that the customer pays up front (prepaid) instead of after the month of service (postpaid).

Exhibit A, Exhibit B and Exhibit C provide information about various prepaid wireless providers and plans that are available at Walmart stores or through its website. This is only an illustrative example and not a complete inventory of what is available through Walmart and the many other sales channels utilized by prepaid wireless providers.

⁷ If there are any changes to the what is collected/remitted to the federal USF, it will be based upon FCC required changes, such as surcharge percentage changes, that are reviewed and for the most part changed each quarter. <https://www.fcc.gov/general/contribution-factor-quarterly-filings-universal-service-fund-usf-management-support>

CenturyLink believes it would be best for the Commission to eliminate the surcharge mandate in its proposed rules, and leave it to the provider to determine how to collect the line/connection based charge, as contemplated in the statute. If the Commission makes this change, the rule can be republished in the November 1, 2017 state bulletin so that the rule is effective before January 1, 2018.

If the Commission remains reluctant to make this change, then it should clarify by order that prepaid wireless providers are included in the all-inclusive category given that the end user customer pays upfront for the service.⁸ This way the Commission can retain the existing proposed rule language and not have to republish its rule. Prepaid wireless providers will be assessed the monthly \$.36 charge on a per line/connection basis consistent with the assessment to other providers. This will eliminate any concern that the UUSF charge is not competitively and technology neutral.

As shown in Exhibit A, currently two different taxes are shown on the sales receipt of one provider for a one year prepaid wireless plan. Also, based upon the two examples in Exhibit A, these two providers do not currently itemize separately the percentage based UUSF charge.⁹ Exhibit C provides information about purchasing a Tracfone prepaid wireless card at Walmart. In this example, the UUSF surcharge is not separately identified on the sales receipt and CenturyLink is informed that Tracfone currently pays the UUSF.¹⁰ CenturyLink believes that prepaid wireless providers can determine on their own how they will collect the monthly UUSF charge from their end-user customers. There are options available for prepaid wireless providers to recover the UUSF charge that is assessed by the Commission on all providers. For example, they could add a

⁸ As previously stated, under current law, it may not be permissible to include the 911 surcharge in any all-inclusive plan and not itemize it separately.

⁹ CenturyLink has not been able to confirm whether these providers currently pay the UUSF.

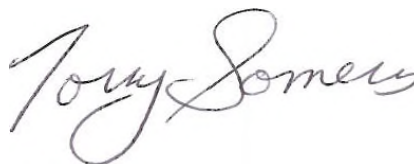
¹⁰ Based upon a regulatory filing made on June 2, 2011 in Docket No. 09-2511-01. PSC website link: <https://psc.utah.gov/2016/07/06/docket-no-09-2511-01/>

third tax on the sales receipt, which is a flat fee based upon the monthly UUSF charge.¹¹ They could include the UUSF surcharge within the charge for their service, like postpaid wireless all-inclusive plans. Apparently the two providers shown in Exhibit A,¹² and Tracfone as shown in Exhibit C, are already doing this. Alternatively, prepaid wireless providers could deduct each month the number of unused minutes on an end-user account that is equal to the value of the \$.36 if the end-user customer does not have unlimited calling. There could also be other ways to get recover the UUSF charge.

Regardless of how prepaid wireless decides to recover the UUSF charge from their end-user customer, prepaid wireless providers, like all other providers of lines/connections in Utah are responsible to pay the UUSF charge.

RESPECTFULLY SUBMITTED this 2nd day of October 2017.

CENTURYLINK



Torry R. Somers
6700 Via Austi Pkwy.
Las Vegas, NV 89119
Ph: (702) 244-8100
Fax: (702) 244-7775
torry.r.somers@centurylink.com

Attorney for CenturyLink

¹¹ This could be done through contractual agreement between the prepaid wireless provider and the sales channels and does not require statute change. For example, if a customer buys 30 days of service, they pay \$.36. If they buy 1 year of service they pay \$4.32 (12 X \$.36).

¹² CenturyLink does not know whether the two prepaid wireless providers in Exhibit A are currently paying into the UUSF even though they are required by law to pay into the UUSF.

Examples of prepaid wireless options - through Walmart (09/15/17)**EXAMPLE 1: Straight Talk Wireless – 1 year unlimited voice, text and data.**

The purchase price on the website shows the following in comparison to the in-store sales receipt.

On line purchase: (attached print out of online purchase)

Plan purchase price	\$495.00
Merchandising fee (2.45%)	\$ 12.13
Est. Tax (6.85%)	\$ 33.91
Total price	\$541.04

In store purchase: (attached sales receipt of in store purchase)

Plan purchase price	\$495.00
TAX 1 (6.85%)	\$ 33.91
TAX 7 (2.45%)	\$ 12.13
Total price	\$541.04

The sales clerk at the Walmart wireless store did not know for sure what the merchandising fee or TAX 7 covered. CenturyLink believes this is for the 911 charges, since there is a point-of-sale (POS) process for prepaid wireless to collect the 911 surcharges and the 2.45% matches the 911 statute currently required percentage of 2.45%.¹ (Starting 01/01/18 this will increase to 3.30%.) TAX 1 evidently is the sales tax, and there is no separately itemized TAX for the Utah and federal USF which must be included in the purchase price or comes from revenues if the provider is paying the Utah and federal USF charges.²

EXAMPLE 2: SpeedTalk Mobile – 1 year unlimited texts and minutes, 500 megabits 4G LTE Data

Can only be purchased on line and not in the store: (attached print out of online purchase)

Plan purchase price	\$160.00
Shipping	Free
Est. Tax	\$ 0.00
Total price	\$160.00

CenturyLink does not know if this provider is paying 911 and the Utah USF. If this provider does pay the Utah USF, it is included in the purchase price (all-inclusive plan) or comes from revenues.

¹ Utah Code Section 69-2-405 (2):

https://le.utah.gov/xcode/Title69/Chapter2/69-2-S405.html?v=C69-2-S405_2017050920170701

² According to the DPU, at least some of the prepaid wireless providers pay into the Utah USF.

Walmart Website online order - Straight Talk 1 year unlimited Talk, Text and Data:

Plans | Virgin Mobile | Straight Talk \$495 Unlim- |

← → × Home | https://www.walmart.com/ip/Straight-Talk-495-Unlimited-365-Day-Plan-Email-Delivery/45111497 | National security con

Apps | Managed bookmarks | Signed Out | Scottrade Login - Ac... | Suggested Sites | Home | Corporate Directory | Imported From IE | National security con

Walmart | All | Search | Gift Cards | Registry & Lists | Weekly Ads | Store Finder | Track Orders | Reorder Items | Credit Card | Help | Grocery Pickup | Hello, James | My Account |



All Departments | Clothing Clearance | My local store | Pick it up TODAY | Tips & Ideas | FREE Walmart Grocery pickup

Get the Samsung Galaxy Luna for just \$99 | Limited time only. While supplies last. | Buy now

Gifts & Registry > Gift Cards > Specialty Gift Cards

Straight Talk \$495 Unlimited 365 Day Plan (Email Delivery)

★★★★★ 9 reviews Q&A By: Straight Talk | Walmart #: 554120836 | Facebook | Twitter | Pinterest

\$495.00

Sold & shipped by Walmart

Email delivery | Shipping not available

Pickup not available

Quantity: 1 | Add to Cart

Add to List | Add to Registry

Give 'em what they really want | Shop now

Highlights

Waiting for adafy11.net...

Plans | Virgin Mobile | Review your order |

← → × Secure | https://www.walmart.com/checkout/#/review | National security con

Apps | Managed bookmarks | Signed Out | Scottrade Login - Ac... | Suggested Sites | Home | Corporate Directory | Imported From IE | National security con

Walmart Checkout

☒ eDelivery | Edit | Subtotal \$495.00 | Shipping Free | Merchandising fee \$12.13 | Est. tax \$33.91 | Based on 84010 | Est. total \$541.04 | See item details | Apply promo code

☒ Home address | Address | James Farr | Edit | We'll send information, including your eDelivery items and instructions, to your email address.

☒ Paying with | Visa | ending in | Edit | Name on card James Farr | Expiring 11/2017 | Phone (801) 238-0240 | Billing address 250 Bell Plaza, 10th floor | Salt Lake City, UT 84111

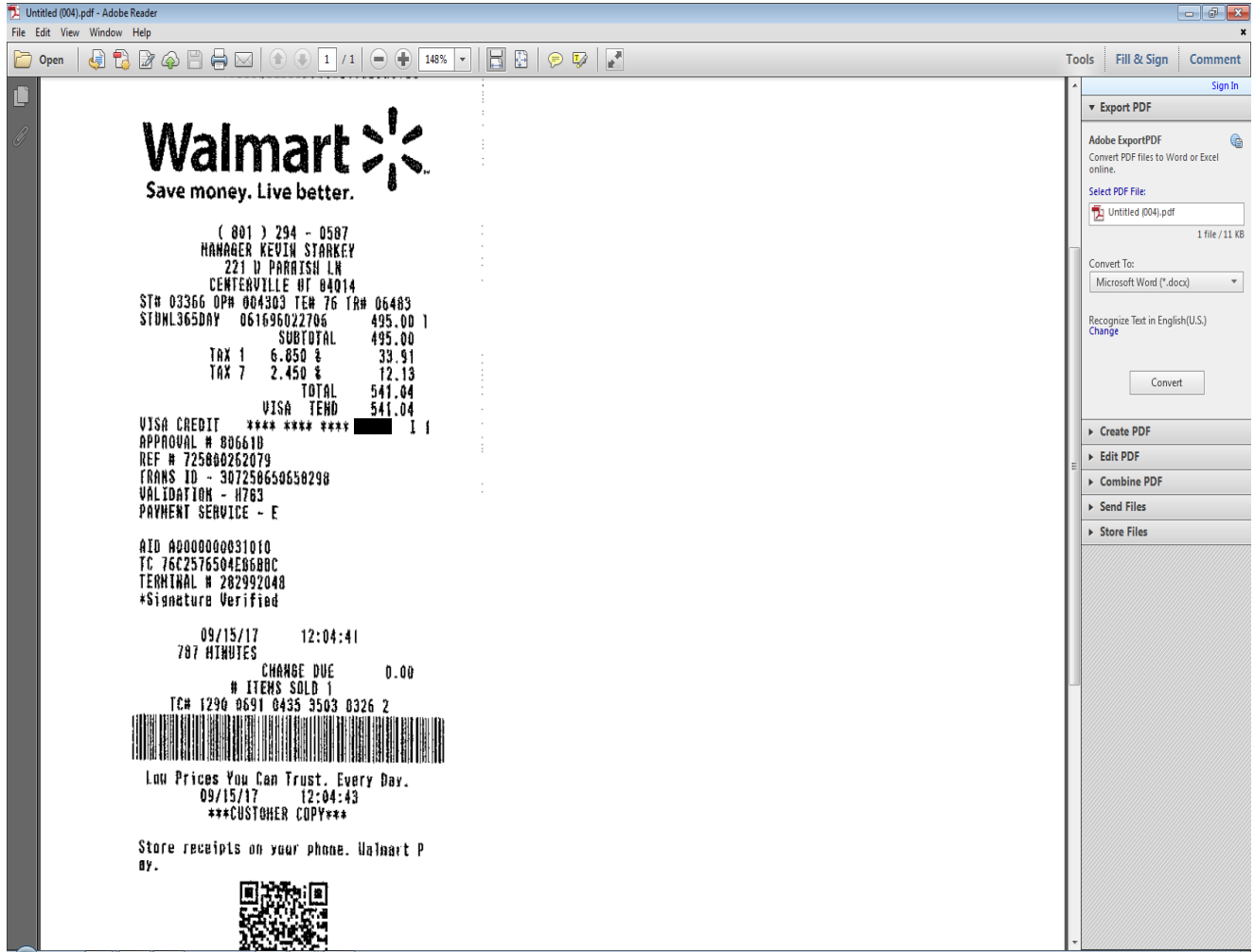
Is everything correct?
Please check before placing your order.

Place Order

By clicking Place Order, you agree to Walmart's Privacy Policy and Terms of Use.

© 2017 Walmart Stores, Inc. | Leave feedback

Walmart in store sales receipt: Straight Talk 1 Year Unlimited Talk, Text and Data:



Walmart Website online order – SpeedTalk Mobile 1 year unlimited Talk, Text and Data:

Plans | Virgin Mobile | 1 Year Prepaid GSM SIM

Secure | https://www.walmart.com/ip/1-Year-Prepaid-GSM-SIM-Card-Monthly-Unlimited-Talk-Text-and-500-MB-4G-LTE-Data-No-Contract-12-Months-Plan/469127242

Walmart

Get the Samsung Galaxy Sky for just \$139

1 Year Prepaid GSM SIM Card - Monthly Unlimited Talk & Text and 500 MB 4G LTE Data No Contract 12 Months Plan

\$160.00

Sold and shipped by SpeedTalk Mobile Return policy

Free shipping
Or get it by Sep 29 with faster shipping options Shipping options

Free pickup not available from this seller

Quantity: 1 Add to Cart

Add to List Add to Registry

Highlights

Waiting for tracking.campaign-tracking-service.placelocal.com...

Symantec Endpoint Protection
Traffic has been blocked from this application: Google Chrome (chrome.exe)
Network traffic has been blocked due to CenturyLink restrictions.

Plans | Virgin Mobile | 1 Year Prepaid GSM SIM

Secure | https://www.walmart.com/ip/1-Year-Prepaid-GSM-SIM-Card-Monthly-Unlimited-Talk-Text-and-500-MB-4G-LTE-Data-No-Contract-12-Months-Plan/469127242

Walmart

Get the Samsung Galaxy Sky for just \$139

1 Year Prepaid GSM SIM Card - Monthly Unlimited Talk & Text and 500 MB 4G LTE Data No Contract 12 Months Plan

\$160.00

Qty: 1 \$160.00

Subtotal (1 item) \$160.00

Shipping Free

Est. Taxes & fees \$0.00

Est. total \$160.00

View Cart

Check Out (1 item)

Learn how to Save \$25.

Continue Shopping

Highlights

Connecting...

Examples of various plans and providers (Prepaid and Post Paid):

<https://www.walmart.com/search/?query=AT%26T%20prepaid%20wireless%20plans>

The top screenshot shows the Walmart website search results for "AT&T prepaid wireless plans". The search bar at the top displays the query. The left sidebar contains filters for price ranges (\$10-\$20, \$20-\$50, \$50-\$100, \$100-\$150, \$150-\$200, \$200-\$250) and a "See more prices" link. The main content area lists four products:

- AT&T Pre Paid Micro SIM Card (4G)**: In-store purchase only, \$0.00. A note mentions getting the ideal sim for an unlocked phone.
- At & T At&T Prepaid 500 Min**: \$25.00. Includes "2-Day Shipping" and "Free store pickup".
- AT&T Prepaid \$50.00 Prepaid Refill Card (Mail delivery)**: \$65.50. Includes a note about buying with confidence and excellent customer service.
- AT&T \$50 Prepaid Wireless Refill**: \$49.88 (Out of stock). Includes a note about paying as you go.

The bottom screenshot shows the same search results but with filters applied. The "Service Carrier" filter is set to "AT&T". The "Screen Size" filter is set to "4.5\". The "Model" filter is set to "AT&T PREPAID". The main content area lists four products:

- AT&T PREPAID \$45 (Email Delivery)**: \$45.00. Includes a note about adding to account and paying for service plans.
- AT&T PREPAID \$10 (Email Delivery)**: \$10.00. Includes a note about adding to account and paying for service plans.
- AT&T PREPAID \$25 (Email Delivery)**: \$25.00. Includes a note about adding to account and paying for service plans.
- AT&T PREPAID \$100 (Email Delivery)**: \$98.43. Includes a note about adding to account and paying for service plans.

<https://www.walmart.com/search/?query=Tracfone%20prepaid%20plans>

Plans | Virgin Mobile

Tracfone prepaid plans

Advertisement

SIMPLE Mobile

SAVE SOME CASH ON GREAT SMARTPHONES

Shop now

Screen image simulated

See terms and conditions at SimpleMobile.com

TracFone 400-Minute 1-Year Service Plan Prepaid Phone Card
\$99.88 Out of stock
★★★★☆ (4)
Automatically receive minutes on your TracFone every month. It's easy, convenient and at a great price.

TracFone 120-Minute 90-Day Service Plan Prepaid Phone Card
\$29.88 Out of stock
Automatically receive minutes on your TracFone every month. It's easy, convenient and at a great price.

TracFone 200-Minute 90-Day Service Plan Prepaid Phone Card
\$39.88 Out of stock
Automatically receive minutes on your TracFone every month. It's easy, convenient and at a great price.

Sponsored products

AT&T PREPAID Samsung Galaxy Express 3
\$46.99 Out of stock
Best Seller in Shop all No-Contract Phones
★★★★☆ (128)
4.5" Super AMOLED screen
Android 6.0 (Marshmallow) OS
5MP auto-focus rear-facing camera with flash

Plans | Virgin Mobile

AT&T prepaid wireless

Tracfone prepaid plans

Android

Prepaid Minutes - Cards
Shop all No-Contract Phon...
Prepaid & No-Contract Ph...
See all Cell Phones
Office
Phone Cards
Small Business Center
See all Departments
Shipping & Pickup
☒ Show all
☐ 2-Day Shipping
☐ Ship to Home
☐ Free Pickup + Discount
☐ FREE Pickup
☐ FREE Pickup Today
Brand
☐ AT&T
☐ Verizon Wireless
☐ Samsung
☐ Apple
☐ Straight Talk

TracFone 60-Minute 90-Day Service Plan Prepaid Phone Card
\$19.88 Pickup Only
Automatically receive minutes on your TracFone every month. It's easy, convenient and at a great price.
Free store pickup today

TracFone 450-Minute 90-Day Service Plan Prepaid Phone Card
\$79.88 Pickup Only
Automatically receive minutes on your TracFone every month. It's easy, convenient and at a great price.
Free store pickup today

TracFone Samsung Galaxy Centura S738C Prepaid Cell Phone
\$32.95
★★★★☆ (131)
Key Features and Benefits: Watch, play and listen wherever you go. The Galaxy Centura comes pre-loaded with Google Mobile Services, which means wherever you go, your entertainment now goes with you.
Sold & Shipped by Design-Tactics
Free shipping

TracFone Unimax 671C Prepaid Android Smartphone
\$19.99 Was \$29.00
Save \$9.01
Rollback
★★★★☆ (40)
4" touchscreen
Android 4.1 (Jelly Bean) operating system
5MP camera
Free shipping on orders over \$35
Free store pickup

<https://www.virginmobileusa.com/plans#terms>

The screenshot shows the Virgin Mobile website with a red header. The main navigation bar includes links for iPhone, Plans, Why Choose Us, Support, and Cart. A large red banner features the text "INNERCIRCLE" and "For a limited time, buy an iPhone and get your first 12 months of unlimited service for \$1". Below this, it states "Only on the \$50 Inner Circle plan (Excludes taxes) more details". The main content area is titled "Virgin Mobile Inner Circle" and is divided into two columns. The left column says "The only plan you'll ever need" and displays "\$50/mo" with "Unlimited talk, text and data" below it. The right column is titled "Live Without Limits" and lists "Unlimited mobile-optimized video, gaming and music" and "4G LTE data for practically everything else". At the bottom of the right column, it notes "Mobile-optimized video streams at up to 480p+ resolution, music at up to 500 kbps, streaming cloud gaming at up to 2 mbps. Data deprioritization applies during congestion." A "go international" button is visible below the main content area.

Plans | Virgin Mobile | AT&T prepaid wireless | Tracfone prepaid plans | Plans | Virgin Mobile

Secure <https://www.virginmobileusa.com/plans#terms>

Apps | Managed bookmarks | Signed Out | Scottrade Login - Ac | Suggested Sites | Home | Corporate Directory | Imported From IE | National security con

Coverage Map | Find a Store | Español

Virgin mobile iPhone Plans Why Choose Us Support Cart

INNERCIRCLE

For a limited time, buy an iPhone and get your first 12 months of unlimited service for **\$1**

Only on the \$50 Inner Circle plan (Excludes taxes) [more details](#)

Virgin Mobile Inner Circle

The only plan you'll ever need

\$50/mo

Unlimited talk, text and data

Only with AutoPay

Live Without Limits

Unlimited mobile-optimized video, gaming and music

4G LTE data for practically everything else

Mobile-optimized video streams at up to 480p+ resolution, music at up to 500 kbps, streaming cloud gaming at up to 2 mbps. Data deprioritization applies during congestion.

go international

The screenshot shows the Virgin Mobile website with a red header. The main navigation bar includes links for iPhone, Plans, Why Choose Us, Support, and Cart. A large red banner features the text "Mobile Hotspot" and "Keep all your wireless devices connected on the go for just \$10 a month. With mobile hotspot service from Virgin Mobile, you can turn your Inner Circle iPhone into a wireless hotspot and connect up to 8 devices with a dedicated allotment of 10GB of high speed data to share each month." Below this, it displays "+ \$10/mo" and a "get hotspot data" button. The main content area is titled "Mobile Hotspot" and contains the same text as the banner. Below the main content area, there is a "go international" button.

Plans | Virgin Mobile | AT&T prepaid wireless | Tracfone prepaid plans | Plans | Virgin Mobile

Secure <https://www.virginmobileusa.com/plans#terms>

Apps | Managed bookmarks | Signed Out | Scottrade Login - Ac | Suggested Sites | Home | Corporate Directory | Imported From IE | National security con

Coverage Map | Find a Store | Español

Virgin mobile iPhone Plans Why Choose Us Support Cart

Mobile Hotspot

Keep all your wireless devices connected on the go for just \$10 a month. With mobile hotspot service from Virgin Mobile, you can turn your Inner Circle iPhone into a wireless hotspot and connect up to 8 devices with a dedicated allotment of 10GB of high speed data to share each month.

+ \$10/mo

get hotspot data

go international

Mobile Hotspot: Once the mobile hotspot data allotment has been exhausted, mobile hotspot service will be unavailable until the start of the next mobile hotspot plan cycle. Plan cycle may be reset at any time with purchase of mobile hotspot. Mobile hotspot service if used off-network will draw down on base plan 100MB domestic data roaming allotment.

Unlimited voice and data services are while on-network only.

12 mos. for \$1 unlimited service offer: Limited-time offer: ends 9/28. Available only to customers who purchase an iPhone and transfer their phone number to the Inner Circle plan. Excludes taxes.

Virgin Mobile has no annual service contracts; service subject to certain terms. Plans are domestic only and include unlimited data, talk, text, 800 domestic voice roaming minutes and 100MB domestic data roaming. Int'l services extra and subject to applicable rates. **AutoPay:** Inner Circle members must remain enrolled in AutoPay with a valid payment vehicle on file. Service plan payment due on monthly payment date or account will be suspended. Unless monthly service plan payment made within 120 days after last monthly payment date, account will expire and any account balance will be forfeited. State and local taxes apply. **Quality of Svc. (QoS):** Customers who use more than 23GB of data during billing cycle will be deprioritized during times and places where the network is constrained. See Virgin Mobile Inner Circle Important Service/Product Specific Terms for details. **Usage**

Limitations: To improve data experience for the majority of users, throughput may be limited, varied or reduced on the network. Virgin Mobile may terminate service if off-network roaming use in a month exceeds: (1) 800 mins or a majority of mins, or (2) 100MB or a majority of KB. **Other Terms:** Offers and coverage not available everywhere or for all phones/networks and subject to change without notice. Additional terms, prohibited network use rules and other restrictions apply. Visit virginmobileusa.com for full details and latest pricing. Sprint 4G LTE network reaches over 290 million people. ©2017 Virgin Mobile USA, L.R. All rights reserved. VIRGIN and the Virgin signature logo are registered trademarks of Virgin Enterprises Limited and are used under license. Sprint and the logo are trademarks of Sprint. LTE is a trademark of ETSI.

<https://www.walmart.com/search/?page=2&query=speedtalk+mobile&typeahead=speedtalk+mobil#searchProductResult>

This screenshot shows the first page of search results for "speedtalk mobile" on Walmart's website. The left sidebar contains filters for Customer Rating, Retailer, and Price. The main content area displays four product listings, each with a product image, title, price, and a brief description of the service.

Product	Price	Description
SpeedTalk Mobile \$50 Tri-Cut SIM Card No Contract 180 Day Service	\$50.00	SpeedTalk Mobile \$50 Prepaid SIM Card. No Contract. No activation fees. Free SIM card. No credit check. 2500 minutes talk or 2500 texts or 2500 MB Data. Sold & Shipped by SpeedTalk Mobile. Free shipping.
SpeedTalk Mobile Multi-Purpose Triple Cut SIM Card Starter Kit - No Contract (Universal SIM: Standard, Micro, Nano)	\$4.98	Easy activation. Tri-cut SIM card. No Contract. No activation fees. No credit check. Keep your existing phone number or get a new one. Sold & Shipped by SpeedTalk Mobile. Free shipping.
\$50 Prepaid GSM Sim Card for GPS Tracker Devices Locators 180-Day Wireless Service, Ship From USA, Brand SpeedTalk Mobile	\$68.59 (List price \$102.89, Save \$34.30)	50 Preloaded 180-Day wireless service at 2c VOICE 2c TEXT 2c/MB nationwide 2G 3G & 4G LTE Data. That's 2500 minutes talk or 2500 texts or 2500 MB Data. Our prepaid sim cards are designed for users that. Sold & Shipped by UBO Online Shop. Free shipping.
GPS Tracker Prepaid SIM Card GPS Tracker Pet Senior Kid Child Car Smart Watches 6 Months Wireless Service	\$33.99	Plan includes a total of 250 units per month for 6 months. Each unit can be used for any combination of Talk/Text/Data. 250 minutes talk or 250 texts or 250 MB data.

This screenshot shows the second page of search results for "speedtalk mobile" on Walmart's website. The left sidebar contains filters for Cell Phones, SIM Cards, Unlocked Phones, Accessories, Office, Phone Cards, Small Business Center, Electronics, All Tablets, See all Electronics, See all Departments, Shipping & Pickup, Brand, and Special Offers. The main content area displays four product listings, each with a product image, title, price, and a brief description of the service.

Product	Price	Description
SpeedTalk Mobile T-Mobile Compatible Preloaded \$5 Standard Micro and Nano Prepaid SIM Card	\$8.99	Preloaded \$5 Standard Micro and Nano Prepaid SIM Card. No Contract. No activation fees. Free SIM card. No credit check. 250 minutes talk or 250 texts or 250 MB Data. Sold & Shipped by SpeedTalk Mobile. Free shipping.
SpeedTalk Mobile \$25 Prepaid SIM Card Unlimited Text 60 Day Wireless Service	\$28.99	1250 minutes talk or 1250 MB Data and unlimited text for 60 days. No Contract. No activation fees. Free SIM card. No credit check. Sold & Shipped by SpeedTalk Mobile. Free shipping.
SpeedTalk Mobile \$100 Triple-Cut Prepaid SIM Card 1 Year Service	\$100.00	SpeedTalk Mobile \$100 Triple-Cut Prepaid SIM Card 1 Year Service. No Contract. No activation fees. Free SIM card. No credit check. 5000 minutes talk or 5000 texts or 5000 MB Data. Sold & Shipped by SpeedTalk Mobile. Free shipping.
SpeedTalk Mobile 3-in-1 SIM Card \$7.50 Preloaded No Contract	\$10.50	\$7.50 Preloaded SIM Card No Contract. No Contract. No activation fees. Free SIM card. No credit check. 375 minutes talk or 375 texts or 375 MB Data. Sold & Shipped by SpeedTalk Mobile. Free shipping.

EXHIBIT B
Docket No. 17-R360-01
CenturyLink Comments
October 2, 2017

This screenshot shows the Walmart.com search results for 'speedtalk mobile'. The page features a blue header with the Walmart logo and a search bar. On the left, there is a sidebar with price range filters from \$0-\$10 to \$250-\$500. The main content area displays four product listings for SpeedTalk mobile plans. Each listing includes a product image, the plan name, the price, and a brief description of features. A vertical advertisement for 'Consumer Cellular' is positioned on the left side of the product listings.

Product Image	Plan Name	Price	Key Features
	1 Year Wireless Plan \$80 Prepaid GSM SIM Card No Contract Rollover TalkText Data	\$84.00 (Reduced Price)	Rollover: 2000 Mins or 2000 Text or 2000 MB 2G 3G 4G LTE Data. Tri-Cut SIM card (Standard, Micro & Nano). No Activation fee, No Credit Check, No Contract.
	1 Year Prepaid GSM SIM Card - Monthly Unlimited Talk & Text and 500 MB 4G LTE Data No Contract 12 Months Plan	\$160.00	Enjoy Monthly: Unlimited Talk & Texts and 500 MB 4G LTE Data. \$160 - 1 Year Prepaid Service - Less than \$14/Month. Works with T-Mobile phones or AT&T Unlocked phones or any.
	1 Year Prepaid GSM SIM Card - Monthly Unlimited Talk & Text and 1GB 4G LTE Data No Contract 12 Months Plan	\$249.00	Enjoy Monthly: Unlimited Talk & Texts and 1 GB 4G LTE Data. \$249 - 1 Year Prepaid Service - Less than \$21/Month. Works with T-Mobile phones or AT&T Unlocked phones or any.
	\$5 Prepaid SIM Card for GSM GPS Tracker Pet Senior Kid Child Car Smart Watches	\$8.99	1st month service included. 2cents_per_minute, 2cents_per_TEXT.

<https://www.walmart.com/search/?query=Straight%20Talk%201%20year%20unlimited>

This screenshot shows the Walmart.com search results for 'Straight Talk 1 year unlimited'. The page features a blue header with the Walmart logo and a search bar. On the left, there is a sidebar with filters for 'Cell Phones', 'Shipping & Pickup', 'Brand', and 'Service Carrier'. The main content area displays four product listings for Straight Talk mobile plans. Each listing includes a product image, the plan name, the price, and a brief description of features.

Product Image	Plan Name	Price	Key Features
	Straight Talk \$130 Unlimited 90 Day Plan (Email Delivery)	\$130.00	Nationwide coverage on America's largest most reliable network. Unlimited talk, text and data (first 8GB data at high speeds then 64Kbps).
	Straight Talk \$45 Unlimited 30 Day Plan (Email Delivery)	\$45.00	Nationwide coverage on America's largest most reliable network. Unlimited talk, text and data (first 8GB data at high speeds then 64Kbps).
	Straight Talk \$255 Unlimited 180 Day Plan (Email Delivery)	\$255.00	Nationwide coverage on America's largest most reliable network. Unlimited talk, text and data (first 8GB data at high speeds then 64Kbps).
	Straight Talk 1,500 Mins/Unlimited Text Monthly \$30 (Email Delivery)	\$30.00	No contract. Unlimited text, 1,500 minutes and 100MB data.

<https://www.walmart.com/search/?query=prepaid%20wireless%20plans>

This screenshot shows the Walmart website's search results for "prepaid wireless plans". The page features a blue header with the Walmart logo and navigation links. A search bar at the top displays the query. Below the header, a banner promotes Verizon prepaid plans with a "4GB for \$40/mo." offer. The main content area lists three prepaid phone cards:

- Total Wireless \$25 30-Day Unlimited Talk and Text Plan Prepaid Phone Card**: Priced at \$25.00 (Pickup Only). Features include unlimited nationwide talk and text, 1 line/device only, and a \$10 data add-on anytime. Free store pickup is available today.
- NET10 Wireless \$40 30-Day Plan Prepaid Phone Card**: Priced at \$40.00. Features include nationwide coverage on America's best networks, no contract, no activation fee, and no cancellation fee. 2-Day Shipping is available.
- Total Wireless \$60 30-Day 2-Line Plan Prepaid Phone Card**: Priced at \$60.00 (Pickup Only). Features include 8GB of data, unlimited nationwide talk and text, and up to 2 lines/devices anytime. Free store pickup is available today.

On the left, a sidebar allows filtering by Department (Cell Phones, Office, Gifts & Registry), Shipping & Pickup (Show all, 2-Day Shipping, Ship to Home), and Brand.

This screenshot continues the Walmart search results for "prepaid wireless plans". It shows additional prepaid phone cards and a sponsored product:

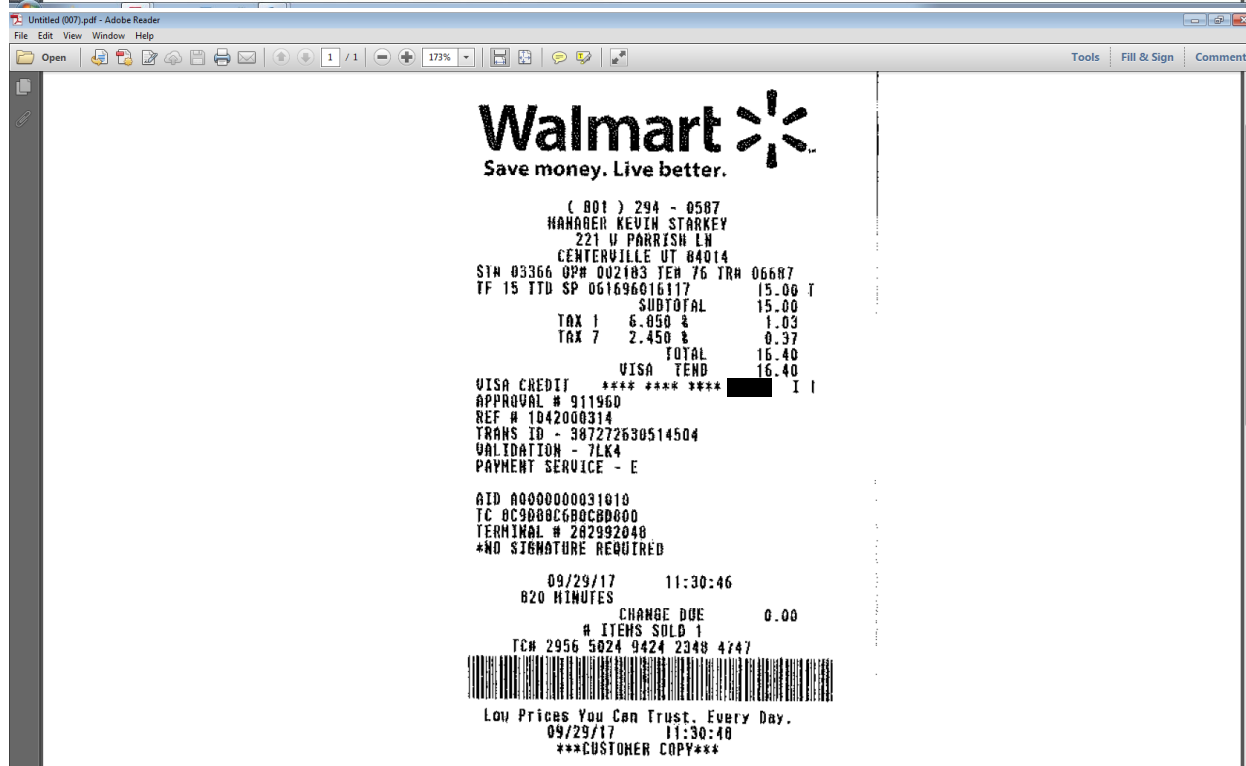
- SpeedTalk Mobile 1 Year Wireless Plan Prepaid GSM SIM Card Rollover Talk Text Data No Contract**: Priced at \$154.00 (Reduced Price). Features include rollover 3750 mins or 3750 texts or 3750 MB data, 2G 3G 4G LTE data, and tri-cut SIM card. Sold and shipped by SpeedTalk Mobile. Free shipping.
- NET10 Wireless \$50 30-Day Plan Prepaid Phone Card**: Priced at \$50.00 (Pickup Only). Features include nationwide coverage on America's best networks, no contract, no activation fee, and no cancellation fee. Free store pickup is available today.
- SpeedTalk Mobile 1 Year Wireless Plan \$60 Prepaid GSM SIM Card No Contract Rollover TalkText Data**: Priced at \$64.00 (Reduced Price). Features include rollover 1500 mins or 1500 texts or 1500 MB data, 2G 3G 4G LTE data, and tri-cut SIM card. Sold and shipped by SpeedTalk Mobile. Free shipping.
- Sponsored product: AT&T PREPAID Alcatel IDEAL™**: Priced at \$19.88 (Was \$29.88, Save \$10.00). Features include a 4.5" touchscreen, Android 5.1.1 (Lollipop) OS, and 5MP rear-facing camera.

The left sidebar continues with Brand (AT&T, Verizon Wireless, Samsung, Apple, Straight Talk, Boost Mobile, LG, TracFone, T-Mobile) and Service Carrier (AT&T, Verizon Wireless, Straight Talk, Unlocked, TracFone, Boost Mobile, T-Mobile) filters.

October 2, 2017

The Walmart sales receipt below shows the taxes on a purchase of a Tracfone prepaid wireless card:

TAX 1 (sales tax) of 6.85%, TAX 7 (911 charge) of 2.45%. In Docket No. 09-2511-01, Tracfone agreed to pay into the Utah Universal Service Fund (UUSF) in a June 2, 2011 filing regarding its contribution method to the UUSF. (PSC website: <https://psc.utah.gov/2016/07/06/docket-no-09-2511-01/>) Even though Tracfone pays into the UUSF, there is not a separate TAX shown on the sales receipt so its contribution to the UUSF is included in the purchase price, comes from revenue or is a cost of doing business.



CERTIFICATE OF SERVICE
VIA EMAIL TRANSMISSION
Docket No. 17-R360-01

I hereby certify that on the 2nd day of October, 2017, I caused a true and correct copy of the foregoing CENTURYLINK'S COMMENTS IN RESPONSE TO THE AUGUST 14, 2017 NOTICE OF RULEMAKING to be served upon the following persons via electronic mail at the e-mail addresses shown below.

Public Service Commission:

psc@utah.gov

Utah Division of Public Utilities:

Justin Jetter – jjetter@utah.gov

Bill Duncan – wduncan@utah.gov

Chris Parker – chrisparker@utah.gov

Erika Tedder – etedder@utah.gov

Office of Consumer Service:

Michele Beck – mbeck@utah.gov

Cheryl Murray – cmurray@utah.gov

AT&T Companies

Gary A. Dodge – gdodge@hjdllaw.com

Utah Rural Telecom Association

Kira M. Slawson – kslawson@blackburn-stoll.com

CTIA - The Wireless Association

Benjamin J. Aron – baron@ctia.org

Matthew DeTura – mdetura@ctia.org

Comcast

Sharon M. Bertelsen – BertelsenS@ballardspahr.com

Jerold G. Oldroyd – OldroydJ@ballardspahr.com

Jive Communications, Inc.

Lance Brimhall – lbrimhall@jive.com

CENTURYLINK



By: Carla M. Butler, Paralegal
310 SW Park Ave., 11th Flr.
Portland, OR 97205
Telephone: 503-242-5420
Facsimile: 503-242-8589
e-mail: Carla.butler@centurylink.com