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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of: Administration of Utah Universal Service Fund Distributions to Carriers of Last Resort with Overlapping Telecommunications Service Exchanges	REPLY COMMENTS OF THE UTAH RURAL TELECOM ASSOCIATION Docket 21-R008-03
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The Utah Rural Telecom Association (“URTA”) on behalf of its members All West Communications, Inc., Bear Lake Communications, Inc., Beehive Telephone Company, Carbon/Emery Telecom, Inc., Central Utah Telephone, Inc., Direct Communications Cedar Valley, LLC, Emery Telephone, Gunnison Telephone Company, Hanksville Telcom, Inc. Manti Telephone Company, Skyline Telecom, South Central Utah Telephone Association, Inc., UBTA-UBET Communications Inc. (dba Strata Networks), and Union Telephone Company, appreciates the opportunity to file these Reply Comments in response to the Comments filed by the Division of Public Utilities (“Division”) and the Office of Consumer Services (“Office”), consistent with the Notice of Comment Period issued June 16, 2021 (“Notice”) by the Utah Public Service Commission (the “Commission”) in Docket No. 21-R008-03.

I. REPLY COMMENTS

In response to the Notice, the URTA, E Fiber San Juan, LLC, E Fiber Moab, LLC (collectively “E Fiber”), the Division, and the Office filed comments on whether it is necessary

to modify existing administrative rules to address competitive entry by a second carrier of last resort (“COLR”) in an overlapping service area. URTA, the Division, and the Office indicated it would be in the public interest for the Commission to promulgate new rules to address the administration of the Utah Universal Service Fund (“UUSF”) distributions to COLRS with overlapping telecommunications service exchanges, though URTA, E Fiber, and the Division did indicate that new administrative rules were not strictly required as the current statutes and rules are sufficient to administer the UUSF.

It would seem that all parties who filed comments initially agree that the statute and rules should provide a mechanism for avoiding duplication of infrastructure and permitting voluntary relief from COLR obligations. There may, however, be some slight disagreement for the best way to accomplish those goals.

The purpose of these Reply Comments is to address the issue of “pre-approval” raised by the Division and the Office. While URTA agrees that the UUSF should not fund duplicate networks/investment, URTA wants to ensure that the Competitive Entry application process ferrets out the particulars of the competitor’s construction plan before competitive entry is granted. As indicated by the Office, URTA agrees that where a carrier is seeking competitive entry into an incumbent’s territory and seeks designation as a COLR to obtain UUSF funds to build out a competing network, the carrier/applicant should be required to file with its application a detailed plan outlining its proposal for construction of its network including projected costs, timelines, and the need for the upgrade or expansion. URTA feels this information is critical to enable the PSC to determine whether the applicant possesses the technical and financial resources to complete the build out, and whether the build out is in the

public interest. Additionally, including the build out plan in the application process allows the incumbent to address and/or challenge the particular plan, the necessity for the build out, and public interest factors **before** a competitive CPCN is granted. This process will be the most transparent and efficient.

URTA does not agree, however, that once competitive entry is permitted, the competitor should be required to seek pre-approval before beginning construction. Rather, if the competitor has provided a plan, and the Commission has determined the competitive entry is in the public interest, and has therefore granted competitive entry, the rules should be clear that the competitor's plan has been approved and the competitor is authorized to build its infrastructure as outlined in the plan. The competitor has no way of providing COLR service without building the infrastructure contained in the application. Therefore, approving competitive entry is, and must be, an approval of the competitor's build-out plan. It simply wouldn't make sense to permit competitive entry and then require the competitor to seek pre-approval prior to beginning construction.

URTA is supportive of a pre-approval process if the incumbent wants to build infrastructure which may be duplicative of the competitor's infrastructure. In such case, the incumbent should be prepared to demonstrate why its construction of such infrastructure is reasonable and in the public interest before those costs would be eligible for UUSF support.

II. CONCLUSION

As indicated in URTA's initial Comments filed on August 2, 2021, URTA believes that the existing statutory framework and administrative rules are sufficient to permit the Commission to properly administer the UUSF in the unlikely event that two COLRs in a local

exchange both seek UUSF disbursements for deploying overlapping equivalent technology, However, URTA believes the Commission can provide further clarity and transparency to the process by amending its rules as set forth in URTA's initial Comments and above. URTA appreciates the ability to participate in this docket.

Dated this 1st day of September, 2021.

Respectfully submitted,

UTAH RURAL TELECOM ASSOCIATION



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CERTIFICATE OF SERVICE

I hereby certify that on the 1st day of September, 2021, I served a true and correct copy of URTA's Reply Comments in the Matter of Administration of Utah Universal Service Fund Distributions to Carriers of Last Resort with Overlapping Telecommunications Service Exchanges, Docket 21-R008-03, via e-mail transmission to following persons at the e-mail addresses listed below:

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