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Attorney for the AT&T Companies

## **BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Consideration of Potential Changes in the Regulation of the Utah Universal Public Telecommunications Service Support Fund, in Response to Recent Changes in the Federal Universal Service Fund Program Docket No. 12-999-10

COMMENTS OF THE AT&T COMPANIES

AT&T Corp. and TCG Utah<sup>1</sup> (together "the AT&T Companies") respectfully submit these Comments in response to the Request for Comments and Notice of Technical Conference in this docket issued November 2, 2012 (the "Notice"). The Notice requests comments "concerning the issues the [FCC ICC Order of November 2011 (the "FCC Order")] raises with respect to state and federal universal service support policies and the State's potential responses." These comments would then be used by Division to report to the legislature on recommendations in changes in "public utility regulations or laws pertaining to the [state Universal Service Fund]." Most of those proposed responses, as described in the Notice, appear to focus on expanding the state Universal Service Fund's (the "Fund") uses and assessment. The AT&T Companies urge

<sup>&</sup>lt;sup>1</sup> TCG Utah is planned to merge with Teleport Communications America, LLC on January 1, 2013, which merger has already been approved by the Commission in docket 12-2558-01.

caution, and recommend that no legislative changes or regulatory changes expanding the Fund's uses or assessment be sponsored at this time.

First, the FCC Order introduces a significant federal resource commitment to broadband networks. Given this commitment, states should stay the current course until there is data on how far the federal mechanisms drive broadband availability, and before determining whether additional state monies are appropriate. The FCC has only recently begun disbursing funding under its new federal support scheme for broadband. The AT&T Companies believe state commissions should hold off on establishing new funds or uses for state USFs, or transitioning state funds to broadband at this time. Furthermore, there are several pending dockets for clarification of the FCC Order and even a Further Notice of Proposed Rulemaking regarding implementation of the new federal broadband support program. These pending matters could impact the proposals being considered in this docket.

At this time, the AT&T Companies do not advocate state USF support for broadband. The AT&T Companies do not currently recommend any expansions to the Utah USF assessment base, either by service or provider, at this time. Instead, the AT&T Companies believe a better response to the FCC Order is to recognize the impact of changing markets and technologies on the increasingly-obsolete Carrier of Last Resort ("COLR") regulatory paradigm, and other mandatory state service obligations that hinder telecommunications companies from transitioning to investments in new technologies and new networks. The AT&T Companies urge the Utah Legislature and Commission to begin to consider eliminating legacy COLR obligations, and instead encouraging private investment in new broadband networks and other new technologies. The FCC Order is about transitioning to new technologies, and eliminating

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involuntary service obligations on older technologies and networks is an important and necessary step in that direction.

The AT&T Companies thank the Commission for the opportunity to comment in this docket.

Respectfully submitted,

/s/

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## MAILING CERTIFICATE

I hereby certify that on the 29<sup>th</sup> day of November, 2012, I caused to be served a copy of the COMMENTS OF THE AT&T COMPANIES on the following person by overnight delivery and electronic mail:

Trixie Behr, Commission Secretary Utah Public Service Commission Heber M. Wells Building, 4<sup>th</sup> Floor 160 East 300 South Salt Lake City, UT 84111 Email: <u>tbehr@utah.gov</u>

I also hereby certify that on the 29<sup>th</sup> day of November, 2012, I caused to be served a copy of the COMMENTS OF THE AT&T COMPANIES on the following persons by electronic mail:

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/s/

Janice L. Ono Area Manager – Regulatory