



State of Utah

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Public Service Commission

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August 6, 2014

RE: Comments on Proposed Rulemaking for WC Docket No. 10-90; WC Docket No. 14-58; WC Docket No. 07-135; WT Docket No. 10-208; CC Docket No. 01-92

The Utah Public Service Commission (Utah Commission) submits these comments concerning the FCC's proposed CAF Rules. We address the following issues: 1) The tie between speed of service, the likely cost of the project, and the time allowed for CAF support; 2) The issue of over-stated coverage and the resulting exclusion of possible CAF support in high cost areas without real service options; 3) The inadequacy of the Census Block method of evaluation; and 4) the issue of fairness with regards to the likely taxes paid and benefits received for Utah's citizens under the proposed Rule.

1. The Utah Commission supports the idea of increasing the required broadband speeds over time; however, since the higher speeds will require a higher level of investment to provide the services, the allowed time to complete a project also should be extended.
2. In reviewing actual results, as contrasted with carrier self-reported results, there are cases where wireless coverage likely is overstated. Any overstatement of coverage reduces the number of areas that might qualify for CAF funding but leaves unserved customers without service. The FCC should establish an on-going challenge process that allows carriers to identify areas of need.
3. The Census Block model is flawed as the basic unit of analysis. In Utah populated census blocks range from the interior of a small city block (4 acres/.006 square miles) to 605,440 acres/946 square miles.¹ The problem is that any company claiming to be serving at least one customer in the larger type census blocks eliminates those census blocks from consideration for CAF grants. Customers on opposite sides of a large census block in Utah can be in vastly different circumstances. Some type of a challenge process should be available to the carriers to show that a real unmet need exists that current infrastructure is unable to meet.
4. Utah has one of the best rates of broadband availability/coverage in the nation. This is due partly to several state level programs that encourage broadband deployment throughout the state. Utah's broadband consumers pay into the national Universal Service Fund. Thus, Utah should receive a reasonable level of CAF grants.

¹ As of the 2010 Census these were the largest and smallest Census Blocks with people present in residential structures - as reported by the Utah Automated Geographic Reference Center (AGRC). Note: The AGRC reported there were a few anomalous Census Blocks that were slightly smaller than a small city block, but the small city block (as contrasted with more common place 1/8 mile per side Utah city block) generally was considered to be the smallest commonly encountered Census Block in Utah.

The above comments are designed to 1) identify issues and concerns, and 2) make it possible for Utah to receive a reasonable share of CAF funds to work on resolving the most difficult areas of unmet needs that still exist.

Sincerely,

s/Ron Allen, Chairman Utah Public Service Commission