

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Investigation into Management of the Utah
Universal Service Fund Contribution Method

DOCKET NO. 18-999-15

NOTICE AND ACTION REQUEST
TO THE DIVISION OF PUBLIC
UTILITIES

ISSUED: January 3, 2019

In response to the Notice we issued on October 9, 2018, and clarified on November 13, 2018, the following entities provided comments: the Division of Public Utilities (“DPU”), the Office of Consumer Services, CenturyLink, the Utah Rural Telecom Association (“URTA”), and CTIA. URTA also provided reply comments. We appreciate the efforts of all participants to express their view of the relevant issues and provide a record to assist our management under Utah Code Ann. § 54-8b-15 of the Universal Public Telecommunications Service Support Fund, commonly referred to as the Utah Universal Service Fund (“UUSF”).

Since the enactment by the Utah Legislature of Senate Bill 130, Universal Service Fund Amendments (2017 GS) (“S.B. 130”), we have taken a step-by-step approach to implementing the legislation, starting with S.B. 130’s directive to evaluate the UUSF contribution method by January 1, 2018. After we accomplished that requirement, we have pursued other mandates from S.B. 130 through both rulemaking and adjudicatory proceedings.

The Utah Legislature has expressed a preference that the PSC maintain a UUSF balance of at least three months of UUSF payments, and that the PSC not modify the UUSF contribution surcharge more than once every three fiscal years.¹ Those performance measures and targets

¹ See <https://le.utah.gov/~2018/bills/sbillenr/SB0004.pdf>, Senate Bill 4, Business, Economic Development, and Labor Base Budget, 2018 General Session, Item 80, lines 1204-1220.

support sound and conservative public policy and fiscal management. Performance measures and targets are necessary for good government, transparency, and accountability. However, we conclude that the performance measures and targets are not mandates, except for the mandatory obligation to report the results to the Utah Legislature. In this instance, because of other requirements of S.B. 130, we appear unable to meet those performance measures and targets. Consequently, they will have served their purpose by facilitating an opportunity to have a dialogue with the Utah Legislature about the results of S.B. 130.

Mandatory aspects of S.B. 130 have required us to evaluate and modify both UUSF disbursements to rate of return regulated carriers in Utah and lifeline disbursements to wireless eligible telecommunications carriers. While those requirements of S.B. 130 do not contain the same kind of deadline that was connected to the evaluation of the UUSF contribution method, they also do not contain a delayed implementation date. We conclude that we must implement those provisions without deference to the associated performance measures and targets.

As a result of multiple dockets modifying both UUSF disbursements to rate of return regulated carriers in Utah and lifeline disbursements to wireless eligible telecommunications carriers, we anticipate a pending need to increase the UUSF contribution surcharge. While the DPU previously estimated a potential increase to the UUSF contribution surcharge, several dockets since that estimate have modified both types of UUSF disbursements. We request the DPU provide an updated estimate considering the results of those dockets and presume an effective date of July 1, 2019 for the change to the UUSF contribution surcharge.

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We request the DPU file the updated estimate in this docket by **Wednesday, February 6, 2019**. This date will allow a comment period prior to the May 1, 2019 deadline for the PSC's submission of a rule change to the Utah Division of Administrative Rules to accommodate a July 1, 2019 effective date. In its updated estimate, we request the DPU remain mindful of the concerns expressed by URTA in this docket regarding the analysis behind the estimate, and urge the DPU to submit as much of that analysis as the DPU considers appropriate.

DATED at Salt Lake City, Utah, January 3, 2019.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#306126

CERTIFICATE OF SERVICE

I CERTIFY that on January 3, 2019, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Bob Kraut (bob@atcnet.net)
Albion Telephone Company, Inc.

Jenny Prescott (jenny.prescott@allwest.com)
All West Utah, Inc.

Janet McFarland (j.mcfarland@centracom.com)
Bear Lake Communications

Ray Hendershot (ray.hendershot@beehive.net)
Cameron Francis (cameron.francis@beehive.net)
Beehive Telecom, Inc.

Brock Johansen (bjohansen@emerytelecom.com)
Carbon-Emery Telecom Inc.

Blake Madsen (bmads@cut.net)
Central Utah Telephone

Torry Somers (torry.r.somers@centurylink.com)
James Farr (james.farr@centurylink.com)
Qwest Corporation d/b/a CenturyLink QC

Ted Hankins (ted.hankins@centurytel.com)
CenturyTel of Eagle, Inc.

Carl Erhart (carl.erhart@ftr.com)
Citizens Telecommunications Company of Utah

Sharon Bertelsen (bertelsens@ballardspahr.com)
Jerry Oldroyd (oldroydj@ballardspahr.com)
Comcast

Matthew DeTura (mdetura@ctia.org)
Benjamin J. Aron (baron@ctia.org)
CTIA

Diane (diane@directcom.com)
Direct Communications Cedar Valley, LLC

J. Frandsen (jfrandsen@emerytelcom.com)
Emery Telephone

Douglas G. Pace (dpace@ftitel.net)
Farmers Telephone Company, Inc.

Jim Sanders (jims@gtelco.net)
Natalie Gleave (natalieg@gtelco.net)
Gunnison Telephone Company

D. Woolsey (dwoolsey@emerytelcom.com)
Hanksville Telecom, Inc.

Lance Brimhall (lbrimhall@jive.com)
Jive Communications, Inc.

Dallas Cox (dallasc@mail.manti.com)
Manti Telephone Company

Barbara Saunders (west.consumer.relations@czn.com)
Navajo Communications Company, Inc.

Blake Madsen (bmad@cut.net)
Skyline Telecom

Alan Torgersen (alant@socen.com)
South Central Utah Telephone Association, Inc.

Bruce Todd (btodd@stratanetworks.com)
UBTA-UBET Communications, Inc.

John Woody (jwoody@union-tel.com)
James Woody (jwoody@union-tel.com)
Union Telephone Company

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Erika Tedder (etedder@utah.gov)
Division of Public Utilities

Patricia Schmid (pschmid@agutah.gov)
Justin Jetter (jjetter@agutah.gov)
Robert Moore (rmoore@agutah.gov)
Steven Snarr (stevensnarr@agutah.gov)
Assistant Utah Attorneys General

By Hand-Delivery:

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant