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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Tamra Dayley, Utility Analyst

Date: October 11, 2023

Re: **Docket No. 23-999-06**, Liberty Mobile USVI Inc.'s and Liberty Mobile Puerto Rico, Inc.'s Filing Modification Request.

Recommendation (No Action)

The Division of Public Utilities (Division or DPU) recommends no action at this time. The Division will continue to monitor Liberty Mobile USVI Inc. and Liberty Mobile Puerto Rico Inc., (Liberty) compliance with the Utah Universal Service Fund (UUSF) payment reporting.

Issue

On August 17, 2023, Liberty filed with the Public Service Commission of Utah (Commission) a request for (1) a one-time combined reporting of the 2020, 2021 and 2023 UUSF payments and (2) a pause on any escalated collections efforts as Liberty works to obtain full compliance post-acquisition.

Background

Liberty acquired the AT&T subsidiaries' wireless subscribers with place of primary use ("PPU") in Puerto Rico or the U.S. Virgin Islands. However, subsequent billing records show that some customers identified as having a Utah PPU for billing activity between October

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31, 2020, to March 31, 2023. Liberty Mobile USBI, Inc customers remitted \$2.99 in UUSF and Liberty Puerto Rico Inc. customers remitted \$889.97 UUSF.

Discussion

Liberty's effort to be compliant with UUSF is to be commended. Liberty's tax compliance and remittance process has been outsourced to KPMG LLP as part of a national compliance effort. Therefore, contact is difficult and slow through only a dedicated email address. The DPU has sent a response request for a contact person and UUSF payment instructions through the email address provided. The DPU has not received a response to date.

Without further information from Liberty, the DPU cannot confirm that UUSF payments are due or if the activity qualifies for an exception under UCA 69-2-405 *prepaid* wireless telecommunications service. As stated in Liberty's Filing Modification Request, "*Liberty is in the telecommunications business and mainly provides prepaid and post-paid mobile communications services to residential and business customers in Puerto Rico and the U.S. Virgin Islands.*" The DPU confirmed this statement through a thorough review of their website and other public marketing materials.

Conclusion

With the limited information received, the DPU recommends for item #1 that the exception to UAC R746-8-302(2) not be granted. A 6-month reporting period for tax remittances under \$1,000 is not overly burdensome. As for item #2 the collection efforts, due to the nominal amount of tax remittance for 2 ½ year period, the DPU can monitor the account and report back if compliance is not achieved within a reasonable timeframe.

cc: Sean Fitzgerald, Liberty