



State of 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

Artie Powell, Manager

Brenda Salter, Utility Technical Consultant Supervisor

Paul Hicken, Utility Technical Consultant

Date: June 8, 2021

Re: **Docket No. 21-2419-T01, TARIFF Direct Communications Cedar Valley, LLC's Proposed Tariff Revisions.**

Recommendation (Approve Tariff Sheets)

The Division of Public Utilities (“DPU or Division”) has reviewed the tariff filing and recommends the Public Service Commission (“Commission”) approve Direct Communications Cedar Valley’s (“Direct CCV or Company”) request to revise the 8YY Access Charge Rates.

The Division therefore recommends this filing become effective on or before July 1, 2021.

Issue

Direct CCV submitted Advice Letter No. 21-2419-T01 dated May 28, 2021 with revised tariff sheets, with the purpose to revise the 8YY Access Charge Rates in order to comply with Report and Order FCC 20-143 adopted in October 2020. On May 28, 2021 the Commission issued an Action Request for the Division to investigate the proposed changes and report its findings and recommendation to the Commission by June 11, 2021. This memorandum represents the Division’s response to the Commission’s Action Request.

Background

In October 2020, the FCC adopted an order to modernize rules for toll free (8YY calling) calls. The order shifts most access charges for toll free calls to a bill-and-keep system to address arbitrage and fraud undermining the inter carrier compensation system supporting toll free calling. The order will decrease the overall cost of toll free calls, reduce incentives for fraud and arbitrage, and increase efficiencies in call routing and compensation. As a transitional step, the order combines separate 8YY transport and tandem switching charges into a single access charge capped at \$0.001 per minute, effective July 1, 2021. The order also transitions charges for 8YY database queries over the next 3 years to \$0.0002 effective July 1, 2023.

Discussion

Currently, Direct CCV's intrastate originating end office access service rates are greater than interstate rates. This filing proposes reductions to the intrastate toll free originating end office rates to bring them in parity with interstate rates. Also, the FCC 8YY Order establishes a 3 step glide-path reduction to bring query rates to a nationwide uniform rate. Step one requires all toll free database query rates to be no higher than \$0.004248. Direct CCV's current vertical feature query rate exceeds that limit and the filing proposes reductions to bring it to the required rate level.

Conclusion

The Division has reviewed Direct CCV's filing and has no objections to the proposed revisions. Therefore the Division recommends the Commission approve this filing as submitted on or before July 1, 2021, as requested.

Cc: Kip Wilson, President, Direct Communications Cedar Valley, LLC.
Michael Parrish, CFO, Direct Communications Cedar Valley, LLC.
Justin Jetter, Assistant Attorney General, Utah Attorney General's Office