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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
Artie Powell, Manager
Brenda Salter, Utility Technical Consultant Supervisor
Paul Hicken, Technical Consultant

Date: June 8, 2022

Re: **Docket No. 22-2419-T01**, TARIFF Direct Communications Cedar Valley, LLC's Tariff Revisions pertaining to compliance with the Federal Communications Commission's (FCC) rules governing rate of return carrier access charges and the 8YY Access Reform order.

Recommendation (Approve Tariff Sheets)

The Division of Public Utilities (DPU or Division) has reviewed the tariff filing and recommends the Public Service Commission (PSC or Commission) approve Direct Communications Cedar Valley's (Direct or Company) request to revise tariff rates to comply with the FCC's interstate carrier compensation rules and to conform with the FCC's 8YY Access Reform order. The Division therefore recommends the tariff change become effective on July 1, 2022.

Issue

On May 31, 2022, Direct submitted to the Commission, Advice Letter 22-2419-T01 including revised tariff sheets, with the purpose to revise the tariff rates to conform with a switched access rate increase announced April 6, 2022, by the National Exchange Carrier Association (NECA),¹ and also to comply with the FCC's 8YY Access Charge Reform, Report and Order FCC 20-143, WC Docket No. 18-156, adopted October 7, 2020.² Due to

¹ See *In the Matter of Connect America Fund, et al.*, WC Docket No. 10-90 *et al.*, Order DA 13-564 (rel. Mar 27, 2013).

² FCC Order 20-143, WC Docket No. 18-156 adopted October 7, 2020.

an error in the Basic Access Query rate included with the filing, on June 7, 2022, the Company submitted a revised Advice Letter and corrected Revised Tariff Sheet and a redline copy. The Commission issued an Action Request on June 1, 2022, for the Division to investigate the proposed changes and report its findings and recommendation to the Commission on June 14, 2022. This memorandum represents the Division's response to the Commission's Action Request.

Background

In April 2022, NECA announced a rate increase of 1.2714 percent to interstate switched access rates to be effective on July 1, 2022. Issuing carriers must match the increase for terminating access by the same date.

In addition, the FCC adopted an order in October 2020, to modernize rules for toll free (8YY) calling. The order steps down 8YY originating access charges to a bill-and-keep system over a transition period beginning July 1, 2021 and ending July 1, 2023. Originating 8YY transport and tandem switching fees were combined to a single transport service rate capped at \$0.001 per minute effective July 1, 2021. Charges for 8YY database queries will also be transitioned to \$0.0002 over the three-year transition period. Additionally, the order combines separate 8YY transport and tandem switching charges into a single access charge.³

Discussion

The Division reviewed the advice letter and the redlined version of the tariff sheets submitted with the Company's filing. An error was found in the Basic Query rate, so the Company submitted a corrected copy of the tariff sheet and redline version. The proposed rates for terminating access have been adjusted according to the announced NECA rate increase. Also, the toll free access and query rates have been reduced as required by the stepdown reduction plan and appear to comply with the FCC's 8YY Reform Order. No other rates were affected by the order and no other rate changes were proposed.

³ Ibid p.2(4)

Conclusion

The Division has reviewed Direct's filing and has no objections to the proposed revisions. Therefore, the Division recommends the Commission approve this filing as submitted, with an effective date of July 1, 2022, as requested.

cc: Kip Wilson, Direct Communications Cedar Valley, LLC.
Michael Parrish, Direct Communications Cedar Valley, LLC
Tym Rutkowski, Moss Adams, LLP.