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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Shauna Benvegnu-Springer, Utility Technical Consultant
Annette Orton, Utility Analyst

Date: May 15, 2023

Re: **Docket No. 23-2201-T01**, TARIFF Bear Lake Communications, Inc.'s Tariff Revisions pertaining to compliance with the Federal Communications Commission (FCC) rules governing interstate carrier compensation and 8YY Access Reform.

Recommendation (Approve Tariff Sheets)

The Division of Public Utilities (DPU or Division) has reviewed the tariff filing and recommends that the Public Service Commission (PSC or Commission) approve Bear Lake Communications Inc.'s (Bear Lake or Company) request to revise tariff rates to comply with FCC's interstate carrier compensation rules and to conform with the FCC's 8YY Access Reform order. The Division, therefore, recommends that the tariff change become effective on July 1, 2023.

Issue

On May 1, 2023, Bear Lake submitted to the Commission its Advice Letter 23-2201-T01, including revised tariff sheets, to change the tariff rates to conform with switched access rate increase announced on April 6, 2023, by the National Exchange Carrier Association (NECA),¹ and also to comply with the FCC's 8YY Access Charge Reform, Report and Order

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

FCC 20-143, WC Docket No 18-156, adopted October 7, 2020.² The Commission issued an Action Request on May 1, 2023, for the Division to investigate the proposed changes and report its findings and recommendations to the Commission on May 15, 2023. This memorandum represents the Division's response to the Commission's Action Request.

Background

In April 2023, NECA announced a rate increase of 0.4225 percent to interstate switched access rates to be effective on July 1, 2023. 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 services rate capped at \$0.001 per minute, effective July 1, 2022. 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 redlined version of the tariff sheets submitted with the Company's filing. The proposed rates for terminating access have been adjusted according to the announced NECA rate increase. Also, the step-down reduction plan has changed the toll-free access and query rates and appears to comply with the FCC's 8YY Reform Order. No other rates were affected by the order, and no further rate changes were proposed.

The Division reviewed and analyzed the impact on the revenue due to the rate changes. In Bear Lake's case, the Company uses three changing rates. The Group 1 Toll-Free rate decreased to \$0.00, the Local Transport Voice Grade 2 Wire increased by \$0.20, and the

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

³ Ibid p.2(4)

Direct Transport Voice Grade rate increased by \$0.01. The overall revenue impact is negligible.

Conclusion

The Division has reviewed Bear Lake's filing and has no objections to the proposed revisions. Therefore, the Division recommends that the Commission approve this filing as submitted, effective July 1, 2023, as requested.

cc: Mike Plows, Bear Lake Communications, Inc.
Valerie Wimer, JSI.