



UUSF and PURF

Public Utilities, Energy, and Technology Legislative Interim Committee: 9/18/19 Hearing on
*“Utah’s Universal Public Telecommunications Support Fund and Public Utility Regulatory
Restricted Account”*

**Tara Thue, President—Mountain West States
AT&T External & Legislative Affairs**

**AT&T has
invested
\$175M+ in
our Utah
Network
(2016-2018)**

- ✓ 63% of Utah Households are wireless-only.
- ✓ Nationally, AT&T has spent \$100B on its U.S.-based wireless and wireline networks, but more needs to be invested to support IOT and Next-Gen technologies.
 - ✓ In Utah, this level of investment has flourished thanks to light regulatory touch authorized by legislature and via the PSC and DPU.

**Changes to
the UUSF in
'17/'18 led
to more
pressure on
the UUSF**

- ✓ While the UUSF was expanded to support “wholesale” broadband, there is no requirement support end-user broadband services.
- ✓ The UUSF has nearly doubled.
- ✓ The UUSF was also expanded to support “lifeline” (low-income) wireless service. In 2019, this was \$427K/\$16M or ~2.64%. [NOTE: AT&T does not draw from this or any other USF funding in Utah]
- ✓ There is increasing pressure to divert more tax-payer dollars from this un-capped fund.

**Today, the
UUSF
continues to
grow
unchecked**

- ✓ Utah’s national ranking for HIGHEST wireless taxes and fees has increased from #11 to #5 in one year. This is not sustainable.
- ✓ Transparency on the uses of the UUSF would increase the opportunity for legislative oversight and input into this process, which is currently assessed to all phone users to the tune of \$15M.

What to do?

Cap the UUSF at 2019 levels

- ✓ Pause to evaluate the demands on the UUSF program at current levels.
- ✓ A cap is not only prudent, but it is FULLY consistent with the legislature's stated preference to increase rates no more often than once every 3 years.
- ✓ The UUSF is a regressive tax on all phone customers' service, regardless of income, and should not be used as an ATM.

Raise/Repeal the cap on the PURF & review time on telecom

- ✓ Do not assess these regulatory operational fees on unregulated services such as wireless.
- ✓ Again, the UUSF should not be used as an ATM to cover every shortfall.
- ✓ DPU could audit time spent on telecom and determine PURF collections based on actual costs.

Give the PSC the tools to measure broadband deployment

- ✓ The Legislature should "set the goalposts" on priorities for funding broadband to truly unserved citizens in Utah.
- ✓ To date, the PSC has not demonstrated that any Utahns have gained broadband access with the increased fund, nor that the fund is being used in an "effective or efficient" way, as the legislature dictated in SB 130.



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