



GNR-T-17-05

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IDAHO PUBLIC
UTILITIES COMMISSION

January 31, 2018

Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Re: Case No. GNR-T-17-05
*In the Matter of the 2017 Review of the Idaho Universal Service
Fund*

Dear Madam or Sir:

In the above-referenced docket, the Idaho Public Utilities Commission ("Commission") has sought comment on how to address a number of factors affecting the "continued viability" of the Idaho Universal Service Fund ("IUSF").¹ These factors include the growing popularity of wireless and voice over Internet protocol services with Idaho consumers relative to wireline services, wireline carriers' increasing bundling of residential telephone service with other services, and the Federal Communications Commission's reform of the intercarrier compensation regime.²

CTIA³ supports the general goal of universal service and appreciates the difficulty of the issues raised in this proceeding. As the Commission notes, the Idaho Code specifies that the IUSF is funded through a surcharge on "local

¹ *In the Matter of the 2017 Review of the Idaho Universal Service Fund*, Case No. GNR-T-17-05, Notice of Public Workshops, Order No. 33951 (Dec. 21, 2017) at 2.

² *Id.* at 1-2.

³ CTIA – The Wireless Association® ("CTIA") (www.ctia.org) represents the U.S. wireless communications industry and the companies throughout the mobile ecosystem that enable Americans to lead a 21st-century connected life. The association's members include wireless carriers, device manufacturers, suppliers as well as apps and content companies. CTIA vigorously advocates at all levels of government for policies that foster continued wireless innovation and investment. The association also coordinates the industry's voluntary best practices, hosts educational events that promote the wireless industry, and co-produces the industry's leading wireless tradeshow. CTIA was founded in 1984.



exchange service and MTS and WATS type services.”⁴ As a result of this statutory provision, the Commission has very little latitude to modify the IUSF contribution mechanism. Moreover, even if the Commission had greater flexibility to modify the IUSF funding mechanism, it is unlikely to find consensus on a different contribution scheme given widely differing industry views on how to fund universal service programs equitably. Similar proceedings in other states have borne this out.

As a result, to the extent that the Commission seeks a legislative solution to funding the IUSF, CTIA urges the Commission look to its western neighbor, the State of Washington, for a prudent, durable solution for universal service funding. In Washington, the state universal service fund is supported by taxpayer funds exclusively.⁵ The use of general revenues to fund universal service is more appropriate given the general benefit of such programs,⁶ and also more economically efficient because the effort to extend the availability of communications services does not suppress demand for those same services.⁷

CTIA commends the Commission for its ongoing commitment to universal service, and stands ready to work with the Commission to identify equitable and economically efficient solutions to the problems facing the IUSF.

Sincerely,

Benjamin J. Aron
Director of State Regulatory Affairs

⁴ Idaho Code § 62-610(2).

⁵ Rev. Code Wash. §§ 80.36.650(2); 80.360.690.

⁶ CTIA Response to House of Representatives White Paper on Universal Service Policy (2014) at 1-4, <https://www.ctia.org/docs/default-source/Legislative-Activity/ctia-usf-response-to-house-white-paper-091914.pdf?sfvrsn=0>.

⁷ See, e.g., Robert W. Crandall and Leonard Waverman, WHO PAYS FOR UNIVERSAL SERVICE? WHEN TELEPHONE SUBSIDIES BECOME TRANSPARENT, Brookings Inst. Press (2000) at 169.