

**MINUTES OF THE  
PUBLIC UTILITIES, ENERGY, AND TECHNOLOGY INTERIM COMMITTEE**

Wednesday, June 15, 2016 – 1:15 p.m. – Room 450 State Capitol

**Members Present:**

Sen. David P. Hinkins, Senate Chair  
Rep. Ken Ivory, House Chair  
Sen. Peter C. Knudson  
Sen. Kevin T. Van Tassell  
Rep. Scott H. Chew  
Rep. Kay J. Christofferson  
Rep. Rebecca P. Edwards  
Rep. Stephen G. Handy  
Rep. Lynn N. Hemingway  
Rep. Mike K. McKell  
Rep. Angela Romero  
Rep. Keven J. Stratton

**Members Absent:**

Sen. Gene Davis  
Rep. Brad L. Dee  
Rep. Keith Grover  
Rep. Scott D. Sandall

**Staff Present:**

Mr. Adam J. Sweet, Policy Analyst  
Mr. Samuel C. Johnston, Associate General Counsel  
Ms. Tracey Fredman, Legislative Assistant

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Ivory called the meeting to order at 1:24 p.m. Rep. Sandall was excused from the meeting.

**MOTION:** Sen. Hinkins moved to approve the minutes of the May 18, 2016, meeting. The motion passed unanimously. Rep. Edwards was absent for the vote.

**2. Long-Term Planning**

Mr. Chris Parker, Director, Utah Division of Public Utilities, explained that the Division of Public Utilities advocates for the public interest in utility regulation, primarily before the Utah Public Service Commission, and helps administer the Utah Universal Service Fund (UUSF). Speaking to long-term planning, Mr. Parker indicated that PacifiCorp is exploring the possibility of joining the California Independent System Operator, which would change the way the division conducts its business. He explained that fund revenues are declining and expressed concern that the state may not be able to continue using the funds at the current rate.

Mr. Thad LeVar, Chair, Utah Public Service Commission, distributed and reviewed "Public Service Commission of Utah Long-Term Planning."

Mr. Mike Hussey, Executive Director, Department of Technology Services, distributed and reviewed "2016-2019 Strategic Plan." Mr. Hussey described the work the department is doing to maintain the security of the data assets contained within the state network. He also discussed the development of standards of accessibility for the blind and the deaf and an increase of productivity and effectiveness of the state's increasingly mobile workforce.

Ms. Kelleigh Cole, Director, Utah Broadband Outreach Center, distributed and reviewed "Broadband Annual Report."

Mr. Bryce Bird, Director, Division of Air Quality, discussed the connection between air quality and energy development in the state and gave updates on the Clean Power Plan and the final determination by the U.S. Environmental Protection Agency on the Utah Regional Haze Implementation Plan.

### **3. Utah Universal Service Fund**

Mr. LeVar distributed and presented "Public Service Commission of Utah, Utah Universal Service Fund Issues." Mr. LeVar gave an overview of the UUSF, which, he explained, was created in the 1990s to make basic telephone service available and affordable for all Utah customers. Mr. LeVar stated that the UUSF is funded by a telephone surcharge on all telephone lines. He reviewed UUSF revenue and expenses from 2013 to the present and pointed out the growing funding gap.

Mr. Parker and Mr. LeVar responded to questions as the committee discussed whether a cost per line surcharge could provide more stability to the fund in place of a percentage of intrastate retail revenues surcharge currently in place and whether the structure of the UUSF should be updated.

**MOTION:** Rep. Stratton moved that a working group be formed, under the direction of the chairs, to look more closely at the current structure of the UUSF and to open a committee bill file to address any recommended changes to the fund. The motion passed unanimously. Sen. Hinkins was absent for the vote.

Ms. Kira Slawson, legal counsel, Utah Rural Telecom Association, distributed "Utah Universal Service Fund." She stated that the Utah Rural Telecom Association believes that the surcharge that funds the UUSF should be transitioned from a percentage of intrastate retail revenues to a cost per line surcharge.

Mr. Tory Somers, Vice President, CenturyLink, distributed "Utah Public Telecommunications Service Support Fund (USF), Best Way to Fund the USF" and spoke in support of a cost per line surcharge to fund the UUSF.

### **4. Broadband Incentives**

Ms. Cole discussed issues that should be considered when planning for broadband incentives, including funding and the increasing population throughout the state.

Mr. James Farr, Regulatory Affairs Director, CenturyLink, distributed "Utah High Speed Internet" and discussed economic incentives to equalize and strengthen economic development throughout the state.

Ms. Georganne Weidenbach, Director, State and Local Government Affairs, CenturyLink, commented on the efforts of CenturyLink to offer incentives to enable multiple providers to service the Woodland Hills community.

### **5. Other Committee Business**

No other items were discussed.

### **6. Adjourn**

**MOTION:** Rep. Handy moved to adjourn the meeting. The motion passed unanimously. Sen. Hinkins, Rep. Chew, and Rep. McKell were absent for the vote.

Chair Ivory adjourned the meeting at 3:45 p.m.