



OFFICE OF THE UTAH STATE AUDITOR

News Release

For Immediate Release

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Office of the Utah State Auditor Releases a Review of the Utah Universal Service Fund (UUSF)

Salt Lake City, UTAH –

The Office of the Utah State Auditor (Office) released its review of the Utah Universal Service Fund (UUSF) today and delivered its findings to the state's Public Service Commission (PSC). The UUSF distributes fees paid on telephone lines in the state to subsidize basic telephone services in rural Utah. As part of the review, the Office examined reports from the state's Division of Public Utilities, federal reports on changes in the telecommunications landscape, applicable statute and administrative rules, and historic financial data provided to the Division of Public Utilities by Utah's Rural Local Exchange Carriers (RLECs).

Based on the review, the Office projects that disbursements from the UUSF could more than quadruple by 2020, from an average annual disbursement of \$6 million up to \$26 million if federal funding for rural telephony declines as expected and the PSC's rules for disbursements are not modified. The increased demand for disbursements would likely result in increased fees on telephone lines.

The Office issued two key recommendations to the PSC. First, that the PSC adopt rules that encourage efficient use of the UUSF and, second, that the PSC continue to track the changes in federal support of Utah's RLECs and report the impacts of those changes to the legislative Public Utilities and Technology Committee.

The full review may be found on the Office's website, auditor.utah.gov, specifically at <http://financialreports.utah.gov/saoreports/2015/PA15-01UtahUniversalServiceFundPublicServiceCommission.pdf>.

About the Office of the Utah State Auditor

The Office of the Utah State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities

strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah's government agencies.

The Utah State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state's citizens every 4 years. The role of the Utah State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

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