

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Shari Feist Albrecht, Chair
Jay Scott Emler
Dwight D. Keen

In the Matter of the Audit of)
)
Ionex Communications, Inc.)
)
by the Kansas Universal Service Fund (KUSF))
Administrator Pursuant to K.S.A. 2016 Supp.) Docket No. 18-ICIT-041-KSF
66-2010(b) for KUSF Operating Year 20,)
Fiscal Year March 2016-February 2017)
_____)

IONEX COMMUNICATIONS, LLC RESPONSE TO GVNW AUDIT REPORT

Pursuant to the Kansas Corporation Commission (“Commission”) August 1, 2017 procedural order in this matter,¹ Ionex Communications, LLC (“Ionex”) respectfully submits this Response to the Kansas Universal Service Fund Audit Report (“Report”) filed by GVNW Consulting, Inc. (“GVNW”) in the above-referenced docket on June 29, 2018 (dated June 28, 2018). Ionex responds as follows:

1. Ionex is a competitive local exchange carrier and interexchange carrier providing telecommunications services in Kansas. Effective December 30, 2017, Ionex converted from a corporation to a limited liability company, and is now known as Ionex Communications, LLC d/b/a Birch Communications. Information regarding this change was filed with the Kansas Corporation Commission in Docket No. 18-ICIT-412-CCN.

¹ Docket No. 18-ICIT-041-KSF, *Audit of Ionex Communications, Inc. by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 2016 Supp. 66-2010(b) for KUSF Operating Year 20, Fiscal Year March 2016-February 2017*, Order to Kansas Universal Service Fund Administrator to Commence Audit of Ionex Communications, Inc. and Order Setting Procedural Schedule (Aug. 1, 2017). The procedural order states Ionex may file a response to the Report no later than thirteen (13) calendar days from the date the Report is filed with the Commission.

2. GVNW made two findings with respect to Ionex's Kansas Universal Service Fund ("KUSF") reporting, but only one of these findings effects Ionex's KUSF contribution obligations.

3. Specifically, Audit Finding No. 2 found Ionex incorrectly reported its intrastate retail revenues to the KUSF for the month of December 2016. As noted in the Report, however, Ionex rectified this error in reporting, and has paid the outstanding KUSF amounts due, including the associated penalties. The December 2016 reporting issue was due to a data processing error, and was corrected as soon as Ionex was made aware of the issue.

4. Ionex submits an additional fine is unnecessary and unjustified. Penalties are assessed to deter the same behavior in the future or future non-compliance.² Ionex corrected the error as soon as it was aware. The error concerned one (1) month of KUSF reporting, and Ionex has paid significant penalties in connection with this reporting error, including 17 months of interest.

5. The Report also claims Ionex has not complied with its KUSF reporting obligations in the past, and recommends Commission staff initiate a show cause proceeding if Ionex becomes delinquent with its KUSF obligations in the future.

6. Ionex takes its regulatory reporting obligations seriously, and regrets any prior delay in filing reports or responding to inquiries. As explained in the Report, many of the delays were due to a misunderstanding of the filing deadlines for the monthly remittance filings. Since that time, Ionex has implemented changes in its regulatory reporting, and there have been no late monthly remittance filings. Ionex believes these changes are reflected in the information

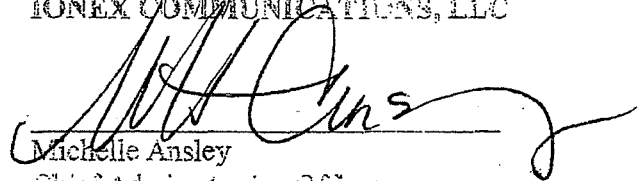
² See, e.g., Docket No. 14-GIMT-105-GIT, *Investigation to Determine the Assessment Rate for the Eighteenth Year of the Kansas Universal Service Fund, Effective March 1, 2014*, Order Assessing Penalties Against Southwestern Bell Telephone Company (July 14, 2015); Docket No. 98-GEVIG-542-GIG, *Investigation of Burnett Construction in Violation of the Underground Utility Damage Prevention Act, K.S.A. 66-1801, et seq.*, Order Adjudicating Complaint and Assessing Fine (Sept. 22, 1999).

provided in Attachment A of the Report for FY 21 and FY 22, which show a significant reduction in delinquent filings. Ionex therefore disagrees with GVNW's recommendation regarding the initiation of a show cause proceeding.

7. Finally, GVNW notes in its cover letter that certain materials submitted by Ionex should not be treated as confidential by the Commission. Due to an oversight, Ionex did not respond to GVNW regarding the confidentiality designations before the Report was filed. Ionex agrees with GVNW that Attachments C, E, and F to the Report should not be treated as confidential. Ionex maintains that Attachments B and G to the Report should be treated as confidential pursuant to its request for confidential treatment included in the Report.

Respectfully submitted,

IONEX COMMUNICATIONS, LLC



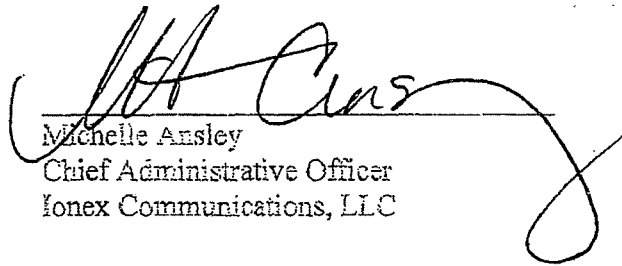
Michelle Ansley
Chief Administrative Officer
115 Gateway Drive
Macon, GA 31210
Tel: 678-296-5962
michelle.ansley@lingo.com

Dated: July 12, 2018

VERIFICATION

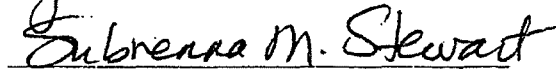
STATE OF GEORGIA)
)
COUNTY OF COBB) ss:

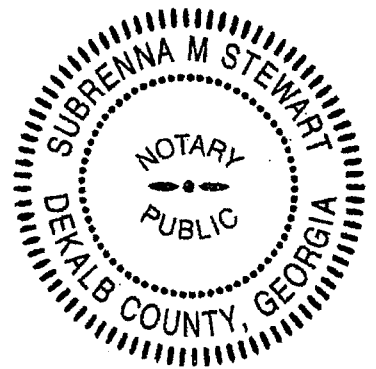
I, Michelle Ansley, state that I am the Chief Administrative Officer for Ionex Communications, LLC ("Ionex"); that I am authorized to make this Verification on behalf of Ionex; that I have read the foregoing document; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.


Michelle Ansley
Chief Administrative Officer
Ionex Communications, LLC

Sworn and subscribed to before me this 11th day of July 2018.

My appointment expires August 10, 2021.


Subrenna M. Stewart
NOTARY PUBLIC



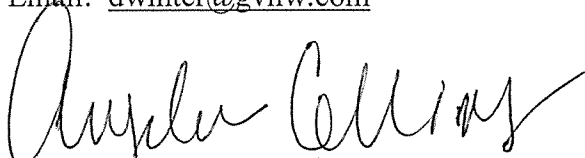
CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of July 2018, the above Comments were e-filed with the Kansas Corporation Commission and a copy was sent via electronic mail to:

Otto Newton, Litigation Counsel
Kansas Corporation Commission
1500 SW Arrowhead Road
Topeka, KS 66604
Email: o.newton@kcc.ks.gov

Nicole Stephens, KUSF Administrator Manager
GVNW Consulting, Inc.
2930 Montvale Drive, Ste. B
Springfield, IL 62704
Email: nstephens@gvnw.com

David Winter
GVNW Consulting, Inc.
2270 La Montana Way, #100
Colorado Springs, CO 80918
Email: dwinter@gvnw.com



Angela F. Collins