

Received
on

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

MAY 17 2012

by
State Corporation Commission
of Kansas

In the Matter of a General Investigation)
Into the Kansas Universal Service Fund) Docket No. 12-GIMT-170-GIT
Pursuant to K.S.A. 66-2008(c).)

**REPLY OF COMMISSION STAFF TO AT&T AND RLEC
PETITIONS FOR LIMITED RECONSIDERATION**

COMES NOW Staff ("Staff") of the State Corporation Commission of the State of Kansas ("Commission") and for its Reply to the Petitions for Limited Reconsideration, states as follows:

1. The Rural Local Exchange Carriers ("RLECs") filed their Petition on May 11, 2012, and Southwestern Bell Telephone Company d/b/a AT&T ("AT&T") filed its Petition on May 14, 2012. The RLECs seek limited reconsideration of the Commission Order, dated May 9, 2012, and AT&T seeks limited reconsideration of the Commission's May 9, 2012, and May 11, 2012, Orders in the above captioned matter.

2. At Paragraph 4 of the RLECs' Petition, the RLECs assert that because the Commission filed a petition for judicial review of the Federal Communications Commission's (FCC) *Report and Order and Further Notice of Proposed Rulemaking*, released November 18, 2011, the RLECs did not believe the Commission would "impose on RLECs significant new administrative requirements for compliance with the challenged order." The FCC's November 18, 2011, Order requires intrastate terminating end office rates to be reduced to parity with interstate rates in two phases, effective July 1, 2012, and July 1, 2013. Relative to those dates, the FCC's Order has not been stayed or overturned; thus, there is no reason to believe the Commission would not need to implement the components of the Order, as required.

3. In Paragraphs 5 – 10 of their Petition, the RLECs contend that the Commission’s May 9, 2012 Order does not provide sufficient time for the RLECs to perform their tariff revisions. The FCC’s Order, issued November 18, 2011, required carriers to reduce their intrastate rates as of July 1, 2012, and adopted a default path to transition all intrastate terminating end office switching and certain transport rates to interstate levels over the next two years. The RLECs have had almost six months to prepare for the July 1, 2012 access reductions. In addition, the Commission issued an Amended Order on May 11, 2012, extending the filing deadline for ILECs from May 15, 2012 to May 22, 2012. Staff believes the extension to May 22, 2012, provides sufficient time for carriers to prepare and file the necessary information while still providing Staff with adequate time to review the tariff filings and supporting documentation of the approximately 180 incumbent and competitive local exchange carriers. Staff would oppose the Commission granting a further extension due to the sheer volume of filings Staff will need to review in a short amount of time.

4. In Paragraphs 4-6 of its Petition, AT&T argues that it is an electing carrier and should not be required to file its intrastate access reduction filing prior to the June 8th deadline for competitive local exchange carriers’ (“CLECs”) filings. Regardless of their election, AT&T is still a price cap carrier for federal reform purposes and therefore the earlier filing date applies. Furthermore, a CLEC’s access rates are benchmarked to the ILEC’s rates. The FCC recognized that its access reforms will generally be applied to the CLECs through its benchmarking rule.¹ In order to ensure that CLECs follow the benchmarking rule, Staff and the CLECs will need to know AT&T’s access rates and elements in advance, which could not occur if AT&T submits its filing the same day as the CLECs. In addition, the Commission’s requirement for AT&T to file prior to the CLECs is consistent with the FCC’s determination that it would provide CLECs

¹ Report and Order and Further Notice of Proposed Rulemaking, rel. Nov. 18, 2011, ¶ 807.

additional days from the effective date of the tariff to which a CLEC is benchmarking to submit its filing(s).²

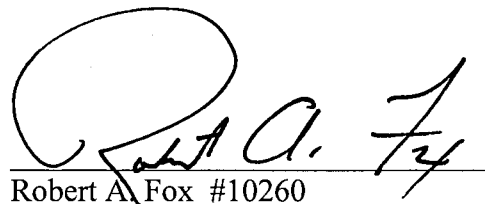
5. In Paragraphs 7-9 of its Petition, AT&T requests the Commission reconsider the part of its Orders requiring the use of Staff's Attachment 1 and allow carriers to use the FCC approved standardized spreadsheets when submitting the supporting documentation for their respective proposed intrastate access tariff rates. Staff acknowledged the FCC's April 19, 2012 Order and work paper templates in its April 22, 2012, Report and Recommendation and recommended carriers submit the applicable FCC worksheets along with Attachment 1. Staff welcomes carriers' utilization of the FCC's work papers for submission and believes they will aid Staff in its review of the filings; however, Staff would oppose any request to submit the FCC forms in lieu of Attachment 1.

6. In addition, the FCC acknowledged in its November 18, 2011 Order that state commissions will play a significant role in this transition and may seek additional information. Specifically, paragraph 813 states that "state commissions should monitor compliance with our rate transition; review how carriers reduce rates to ensure consistency with the uniform framework; and guard against attempts to raise capped intercarrier compensation rates... therefore, states could require carriers to provide additional information and/or refile intrastate access tariffs that do not follow the framework or rules adopted in this Order." It is clear that the FCC recognized that states could request additional information.

7. WHEREFORE, Staff requests the Commission address the Petitions for Limited Reconsideration consistent with this reply.

Respectfully submitted,

² Ibid.

A handwritten signature in black ink, appearing to read "Robert A. Fox". The signature is written in a cursive style with a large, prominent initial "R".

Robert A. Fox #10260
Senior Litigation Counsel
(785) 271-3118
(785) 271-3167 Fax
b.fox@kcc.ks.gov
Attorneys for Staff

CERTIFICATE OF SERVICE

12-GIMT-170-GIT

I, the undersigned, hereby certify that a true and correct copy of the above and foregoing Reply of Commission Staff to AT&T and RLEC petitions for Limited Reconsideration was served by electronic service on this 17th day of May, 2012, to the following parties who have waived receipt of follow-up hard copies.

DOUG KITCH, CPA
ALEXICON TELECOMMUNICATIONS CONSULTING
3210 EAST WOODMEN RD
STE 210
COLORADO SPRINGS, CO 80920
Fax: 719-531-0788
doug@alexicon.net

JAMES G. FLAHERTY, ATTORNEY
ANDERSON & BYRD, L.L.P.
216 SOUTH HICKORY
PO BOX 17
OTTAWA, KS 66067
Fax: 785-242-1279
jflaherty@andersonbyrd.com

ROSE MULVANY HENRY, ATTORNEY
BRADLEY ARANT BOULT CUMMINGS LLP
1600 DIVISION ST STE 700
PO BOX 340025
NASHVILLE, TN 37203-0025
Fax: 615-252-4713
rhenry@babco.com

GLEND A CAFER, ATTORNEY
CAFER LAW OFFICE, L.L.C.
3321 SW 6TH STREET
TOPEKA, KS 66606
Fax: 785-233-3040
glenda@caferlaw.com

TERRI PEMBERTON, ATTORNEY
CAFER LAW OFFICE, L.L.C.
3321 SW 6TH STREET
TOPEKA, KS 66606
Fax: 785-233-3040
terri@caferlaw.com

C. STEVEN RARRICK, ATTORNEY
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
s.rarrick@curb.kansas.gov
Hand Delivered

DELLA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
d.smith@curb.kansas.gov
Hand Delivered

SHONDA SMITH
CITIZENS' UTILITY RATEPAYER BOARD
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604
Fax: 785-271-3116
sd.smith@curb.kansas.gov
Hand Delivered

JACKIE MCCARTHY, DIR OF STATE REGULATORY
AFFAIRS
CTIA-THE WIRELESS ASSOCIATION
1400 16TH STREET NW, STE. 600
WASHINGTON, DC 20036
jmccarthy@ctia.org

KURT DAVID, CFO
EAGLE COMMUNICATIONS, INC.
2703 HALL, STE. 15
P.O. BOX 817
HAYS, KS 67601
Fax: 785-253-65
kdavid@eaglecom.net

CERTIFICATE OF SERVICE

12-GIMT-170-GIT

BECKY SCOTT
ELKHART TELEPHONE COMPANY, INC.
610 SOUTH COSMOS
PO BOX 817
ELKHART, KS 67950
Fax: 620-697-9977
bscott@epictouch.com

THOMAS E GLEASON JR, ATTORNEY
GLEASON & DOTY CHTD
PO BOX 6
LAWRENCE, KS 66044-0006
Fax: 785-856-6800
gleason@sunflower.com

COLLEEN R. HARRELL
JAMES M. CAPLINGER, CHARTERED
823 W 10TH STREET
TOPEKA, KS 66612
Fax: 785-232-0724
colleen@caplinger.net

ROBERT A. FOX, SENIOR LITIGATION COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3354
b.fox@kcc.ks.gov
Hand Delivered

MARK E. CAPLINGER
MARK E. CAPLINGER, P.A.
7936 SW INDIAN WOODS PL
TOPEKA, KS 66615-1421
mark@caplingerlaw.net

LYLE WILLIAMSON, DIRECTOR - STATE GOVERNMENT
RELATIONS
MCI COMMUNICATIONS SERVICES
D/B/A VERIZON BUSINESS SERVICES
8350 E CRESCENT PKWY STE 200
GREENWOOD VILLAGE, CO 80111-2858
lyle.williamson@verizon.com

BRUCE SHORT, DIRECTOR OF TELECOMMUNICATIONS
EMPIRE DISTRICT ELECTRIC COMPANY
720 S SCHIFFERDECKER AVE
JOPLIN, MO 64801-3525
Fax: 417-625-5140
bshort@empiredistrict.com

JAMES M. CAPLINGER, ATTORNEY
JAMES M. CAPLINGER, CHARTERED
823 W 10TH STREET
TOPEKA, KS 66612
Fax: 785-232-0724
jim@caplinger.net

BRIAN G. FEDOTIN, ADVISORY COUNSEL
KANSAS CORPORATION COMMISSION
1500 SW ARROWHEAD ROAD
TOPEKA, KS 66604-4027
Fax: 785-271-3314
b.fedotin@kcc.ks.gov
Hand Delivered

GREG T DIAMOND, CORPORATE
COUNSEL-REGULATORY
LEVEL 3 COMMUNICATIONS, LLC
1505 5TH AVE STE 501
SEATTLE, WA 98101-1678
greg.diamond@level3.com

DAVID HAGA, ASSISTANT GENERAL COUNSEL
MCI COMMUNICATIONS SERVICES
D/B/A VERIZON BUSINESS SERVICES
1320 N COURTHOUSE RD.
ARLINGTON, VA 22201
david.haga@verizon.com

LUKE A. SOBBA, ATTORNEY
MORRIS LAING EVANS BROCK & KENNEDY CHTD
SUITE 1310
800 SW JACKSON
TOPEKA, KS 66612-1216
Fax: 316-262-6226
lsobba@morrисlaing.com

CERTIFICATE OF SERVICE

12-GIMT-170-GIT

RACHEL LIPMAN REIBER, ATTORNEY
RACHEL LIPMAN REIBER LLC
11032 S WHITETAIL LN
OLATHE, KS 66061-8409
Fax: 913-226-6762
rachelreiber@att.net

SUSAN B. CUNNINGHAM, COUNSEL
SNR DENTON US LLP
7028 SW 69TH ST
AUBURN, KS 66402-9421
Fax: 816-531-7545
susan.cunningham@snrdenton.com

BRUCE A. NEY, GENERAL ATTORNEY
SOUTHWESTERN BELL TELEPHONE CO.
D/B/A AT&T KANSAS
220 SE 6TH AVE RM 515
TOPEKA, KS 66603-3596
Fax: 785-276-1948
bruce.ney@att.com

DIANE C. BROWNING, ATTORNEY
SPRINT COMMUNICATIONS COMPANY L.P.
KSOPHN0314-3A459
6450 SPRINT PKWY
OVERLAND PARK, KS 66251
Fax: 913-523-0571
diane.c.browning@sprint.com

PAMELA SHERWOOD, VICE PRES REGULATORY
TW TELECOM OF KANSAS CITY LLC
4625 W 86TH ST STE 500
INDIANAPOLIS, IN 46268-7804
Fax: 303-542-4403
pamela.sherwood@twtelecom.com

MICHAEL J. FOSTER, CHIEF EXECUTIVE OFFICER
TWIN VALLEY TELEPHONE, INC.
22 SPRUCE
PO BOX 395
MILTONVALE, KS 67466
Fax: 785-427-2216
mike.foster@tvinc.net

TORRY SOMERS, ATTORNEY AT LAW/NVLSVBO207
UNITED TELEPHONE CO. OF KANSAS
D/B/A CENTURYLINK
6700 VIA AUSTI PKWY
LAS VEGAS, NV 89119
Fax: 702-244-7775
torry.r.somers@centurylink.com

CHARLES H. CARRATHERS III
VERIZON
HQE03H52
8350 E CRESCENT PKWY STE 200
GREENWOOD VILLAGE, CO 80111-2858
Fax: 877-450-4658
chuck.carrathers@verizon.com

DEBORAH KUHN, ASISTANT GENERAL COUNSEL
VERIZON
205 N MICHIGAN AVE.
7th Floor
CHICAGO, IL 60601
Fax: 312-470-5571
deborah.kuhn@verizon.com

ARCHIE MACIAS, GENERAL MANAGER
WHEAT STATE TELEPHONE COMPANY, INC.
PO BOX 320
UDALL, KS 67146
Fax: 620-782-3302
agmacias@wheatstate.com



Pamela Griffith
Administrative Specialist