

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

In the Matter of the Audit of Cricket)	
Communications, Inc. by the Kansas)	
Universal Service Fund (KUSF))	
Administrator Pursuant to K.S.A. 2012)	Docket No. 13-CRCZ-712-KSF
Supp. 66-2010(b) for KUSF Operating)	
Year 16, Fiscal Year March 2012-)	
February 2013.)	

**RESPONSE OF THE COMMISSION STAFF TO CRICKET
COMMUNICATIONS, INC.'s PETITION FOR RECONSIDERATION**

COMES NOW the Commission Staff of the State Corporation Commission of the State of Kansas ("Staff" and "Commission", respectively) and files its Response to Cricket Communications, Inc.'s (Cricket) Petition for Reconsideration of the Commission's Order issued July 3, 2014.

1. On May 31, 2013, the Commission issued an Order in this matter, directing the KUSF administrator and auditor, GVNW Consulting, Inc. to perform a Kansas Universal Service Fund (KUSF) carrier audit of Cricket to ensure that the data submitted to the KUSF via the KUSF CRWs, the assessments paid, and the calculation and application of the flow-through surcharge billed to and collected from Cricket's customers, if applicable, were appropriate.

2. On April 17, 2014, GVNW submitted its Audit Report to the Commission making a single finding, Audit Finding No. 1, regarding Cricket's revenue reporting to the Commission. In addition, GVNW also identified one issue related to Cricket's identification of the KUSF and Federal Universal Service Fund (FUSF) on customer bills. Following a Response filed by Cricket on May 19, 2014, and a Reply filed by GVNW on May 29, 2014, the Commission, on July 3, 2014, issued an Order accepting and adopting GVNW's Audit Report, with the exception of the alleged violation under GVNW's Audit Finding No. 1. Remaining is the issue of Cricket's

alleged non-compliance with the Federal Communications Commission's (FCC) Truth-In-Billing Standards.

3. On July 21, 2014, Cricket filed a Petition for Reconsideration, requesting that the Commission reconsider its July 3, 2014 Order, or in the alternative, allow Cricket to provide affected consumers with information described in paragraph 9 of its Petition for Reconsideration and make a compliance filing with the Commission to resolve the remaining issue referenced in paragraph 2 above.

4. Indisputable is Cricket's practice of separately identifying federal and state universal service fund charges on customer bills as:

- Universal Service Fund Surcharge (WN)
- Universal Service Fund Surcharge (WS)

Cricket has indicated that the WN designator applies to Federal USF and the WS designator applies to State USF, maintaining that these designations/descriptions are sufficiently clear and specific in both presentation and content to comply with the Truth-In-Billing requirements. GVNW has disagreed, maintaining that the notations "WN" and "WS" are not defined on the customer's bill, making it likely that a customer would not understand that the notations "WN" and "WS" refer to FUSF and KUSF surcharges, respectively. The operative language of the Truth-In-Billing requirements reads:

(b) Descriptions of billed charges. Charges contained on telephone bills must be accompanied by a *brief, clear, non-misleading, plain language description* (emphasis added) of the service or services rendered. The description must be sufficiently clear in presentation and specific enough in content so that customers can accurately assess that the services for which they are billed correspond to those that they have requested and received, and that the costs assessed for those services conform to their understanding of the price charged.¹

¹ 47 CFR §64.2401(b).

In its July 3, 2014 Order, the Commission accepted the FCC Truth-In-Billing language and ordered Cricket to come into compliance in its billings with the FCC Truth-In-Billing requirements.²

5. Staff has reviewed Cricket's Petition for Reconsideration and disagrees with the company's position that the "WN" and "WS" designations/descriptions are sufficiently clear and specific in both presentation and content to comply with the Truth-In-Billing requirements. However, in paragraph 9 of its Petition for Reconsideration, Cricket suggests exploring an alternative means of informing customers of the meaning of the WN and WS designations. Cricket reminds the Commission that in March 2014, it was acquired by AT&T Inc. and, as a result, Cricket's billing system that was the subject of GVNW's Audit Report is being phased out over an 18-month period and its customers migrated to a new billing system. Cricket adds that its records indicate that only 402 Kansas consumers currently receive billings identifying the federal and state USF surcharges by the WN and WS designators. In order to minimize customer confusion, Cricket suggests the Commission allow the company to provide a "plain language description" of the USF surcharge notations to the affected customers via bill insert and text messages. Cricket adds that it would then make a compliance filing in this docket providing the Commission with details of the information given to the affected customers and when it was provided.

6. Staff is not unreceptive to an alternative solution for this remaining issue regarding billing information provided to the customer, given the circumstances explained in paragraph 9 of Cricket's Petition for Reconsideration. However, the information provided by Cricket is lacking in detail, preventing Staff from giving the

² July 3, 2014 Order, ordering ¶A.

proposal serious consideration. Staff is receptive to allowing Cricket an opportunity to further develop its alternative solution proposed in paragraph 9 of its Report and Recommendation, for the purpose of providing in greater detail the format, implementation, and administration envisioned for the proposed alternative. Therefore, Staff suggests Cricket be given a period of fifteen (15) days within which to formulate and present for Staff's review and consideration a thoroughly detailed version of the company's proposed alternative solution to this remaining issue of customer billing information. Following its review and analysis of Cricket's proposal, Staff would file a Report and Recommendation in this docket providing its further recommendation to the Commission.

WHEREFORE, Staff respectfully recommends the Commission issue an Order in response to Cricket Communications, Inc.'s Petition for Reconsideration, allowing Cricket a period of fifteen (15) days within which to further develop and present to Staff a thoroughly detailed version of the company's proposed alternative solution discussed in paragraph 9 of its Report and Recommendation.

Respectfully submitted,



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VERIFICATION

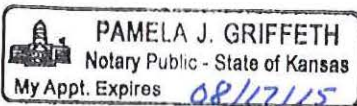
STATE OF KANSAS)
) ss.
COUNTY OF SHAWNEE)

Otto A. Newton, being duly sworn upon his oath deposes and states that he is Litigation Counsel for the State Corporation Commission of the State of Kansas; that he has read and is familiar with the foregoing Response of the Commission Staff to Cricket Communications, Inc.'s Petition for Reconsideration and that the statements therein are true to the best of his knowledge and belief.



Otto A. Newton

SUBSCRIBED AND SWORN to before me this 24th day of July, 2014.





Notary Public

My Appointment Expires: August 17, 2015

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing *Response of the Commission Staff to Cricket Communications, Inc.'s Petition for Consideration* was deposited in the United States Mail, postage prepaid, this 24th day of July, 2014, addressed to:

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